Executive summary

The Programme and Budget Committee met on 16 October 2023, under the chairmanship of Switzerland. As a subsidiary body of the Executive Council, the Committee reviewed, before their consideration by the Council, at its 119th session, all documents related to the budget and programme of work of the Organization.

During its twenty-fifth meeting, held in the framework of the 25th session of the UNWTO General Assembly, the Committee addressed the following reports of the Secretary-General on:

- Implementation of the General Programme of Work 2022-2023
- Financial situation of the Organization
- Human resources

The Committee reviewed all the submitted documents and recommended to the Executive Council that they be approved.

The decisions of the Executive Council regarding each report examined by the PBC are not reflected in this document, but in the referred documents (see references of documents in the Introduction).
I. Introduction

1. The Programme and Budget Committee held its twenty-fifth meeting on 16 October 2023 under the chairmanship of Switzerland and the vice-chairmanship of Peru. The list of attendees is attached to this report.

2. The members of the Committee proceeded to examine the following documents, which are submitted to the Executive Council at its 119th session (17 October 2023, Samarkand, Uzbekistan), as follows:

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<th>Documents</th>
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<td>1. Implementation of the General Programme of Work (2022-2023)</td>
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<td>CE/119/3(a) rev.1 and A/25/4(b) rev.1</td>
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<td>2. Financial situation of the Organization</td>
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3. In his communication, the Chair extended his sincere gratitude to the host, the Government of Uzbekistan, for the organization of the General Assembly.

4. He recalled that, during the 24th PBC meeting, the Committee reviewed the draft Programme of Work 2024-2025 and recommended the Executive Council to approve it.

5. He also recalled that the Committee recommended to the Executive Council to approve the process of the Agenda for Europe 2030. It also invited the Regional Commission for Europe (a) to take note of the financial and operational observations made by the Secretariat and (b) to further develop the Agenda for Europe by including concrete proposals of outputs.

6. He added that it has been a great honour for Switzerland to chair the PBC for past two years and that the Committee has done a good job in these very challenging years and has contributed to a strong UNWTO.

II. Implementation of the General Programme of Work (2022-2023)

7. The Executive Directors, Natalia Bayona and Zoritsa Urosevic, presented the activities contained in both reports CE/119/3(a) rev.1 and A/25/4(b) rev.1, one report highlighting the newest activities carried out by UNWTO Secretariat since the last Executive Council session in Punta Cana, Dominican Republic, in May 2023, and the second one giving an overview of the key achievements for the current biennium 2022-2023, notably the launch of a new Academy in Uzbekistan, in collaboration with UNWTO.

8. The members of the Committee took note of both reports and highlighted the value for UNWTO Members to engage in different initiatives of the programme of work. It was further stressed that there is a need to advocate for a community of practices to (a) exchange lessons learnt and (b) empower public and private tourism stakeholders.

9. The Committee recommended the Executive Council to approve the report CE/119/3(a) rev.1.

III. Financial situation of the Organization

10. The Chief of Budget and Finance presented the report on the financial situation (A/25/5), covering the following points:

- The closing of the twenty-third financial period: The Audited Financial Statements for the years ended 31 December 2020 and 2021, the budgetary cash balance of the Regular Budget and of the Working Capital for the same periods as approved by the 114th and 117th sessions of the Executive Council (EC) are now presented to the 25th General Assembly (GA) for closure;
The UNWTO Financial Report and Financial Statements for the year ended 31 December 2022 including the following:

(i) The Financial Statements of the Organization, in compliance with UNWTO Financial Regulations and Rules and International Public Sector Accounting Standards (IPSAS), were subjected to external audit and received an unqualified (positive) audit opinion in the report of the External Auditor;

(ii) The discussion and analysis of UNWTO's financial position and financial and budgetary performance for the financial year ended 31 December 2022 including: (a) the financial performance and financial position highlights, (b) the after-service employee benefits liabilities material decrease due to the increase of the interest rates and in consequence, the positive net assets of the Organization, and (c) the net assets/equity analysis;

(iii) The Secretary-General’s proposals to allocate the 2022 RB budgetary cash surplus to the General Fund to increase the RB programme of work operating activities in the forthcoming biennium 2024-2025, as included in the 2024-2025 draft Regular Budget approved by the 118th session of the Executive Council,

(iv) The Regular Budget appropriation transfers at 31 December 2022 in accordance with Financial Regulation 5.3(a) and 5.3(b)

(v) The co-financing projects with UNWTO and donors’ contributions for the period 2022

(vi) In regard to the after-service employee benefits liabilities funding strategy, the Secretary-General’s proposal of no payroll charge being implemented and keep on applying an annual separate allocation in the Regular Budget to ideally cover to most updated annual service costs calculated by professional actuary.

The UNWTO Financial Report for the period ended 30 June 2023, including the following:

(i) The updated Plan of income and expenditure of the Regular Budget for the financial year 2023 at 30 June 2023 with the commitment to restrict expenditures to available and expected cash resources and the revised appropriations of the Regular Budget;

(ii) The interim provisional unaudited UNWTO Statement of Financial Position at 30 June 2023 and the UNWTO Statement Financial Performance for the period ended 30 June 2023, as well as the projects with UNWTO and donors’ contributions for the period ended 30 June 2023; and

(iii) The Replacement Reserve proposals to allocate the amounts of EUR 27,000 for a digitalization project for the Statistics department, and of EUR 380,000 for the enhancement of the financial management information system, as confirmed by the 118th EC session and the 23rd PBC meeting and authorized by the EC Chair after the 118th EC.

Draft Budget for the period 2024-2025: After its approval by the 118th EC session and the 23rd PBC meeting, the draft Regular Budget for the period 2024-2025 to be presented to the 25th GA for approval.

Election of the External Auditor for 2024-2025: The 25th GA is requested to elect, on the recommendation of the 119th EC, an External Auditor for the Organization for the period 2024-2025, i.e., for the external audit of the UNWTO Financial Statements for the years ended 31 December 2023 and 2024. At 31 July 2023, the candidatures of Member States Türkiye and Egypt have been received for this post.

11. The United Republic of Tanzania expressed some concerns regarding to the increase of the Members' contributions in 2025, i.e., 7.5%, as shown in the Draft Regular Budget of the Organization for 2024-2025 and already approved by the 118th EC. The Chief of Budget and Finance reiterated the detailed rationale behind the Secretary-General’s proposed increase of 7.5% as follows:

- Since 2009 and until 2022 the Regular Budget (RB) has been mainly maintained at a zero nominal growth of assessed contributions due to a combination of factors;
- The impact of inflation on the regular budget and change in membership would require increases in the assessment of Members of above 15.9% in 2024 and 2.2% in 2025 in order for the Organization to operate at the already sub-optimal capacity levels;

- Within the UNWTO Formula for fixing the contributions of Member States, the contributions formula increase threshold is limited to 7.5% per year. Other additional allocations to the Regular Budget, mainly previous years’ RB and publications store cash surpluses, have decreased compared to previous years;

- In this context, the Secretary-General proposed to increase Members’ contributions for 2024 by 7.5% over the 2023 level and for 2025 by 7.5% over the 2024 level to partially offset the negative impact of high inflation on expenditures, the loss of other income and the change in membership, as well as for UNWTO to follow the practice of most of UN organizations in increasing assessed contribution collection due to inflation. In order to maintain the current structure cost increase, and to avoid a material decrease of the non-staff costs, the vacancy rate is to be maintained at 23% of the approved posts).

12. The Committee recommended the Executive Council to approve the report A/25/5.

IV. Human resources report

13. The Director of Administration and Finance presented the report on human resources (A/25/6), covering the following points:

- Brief statistical facts demonstrating significant advancements towards gender parity across its workforce;

- The need to allocate additional staff positions under the Organization’s regular budget to allow UNWTO to effectively carry out its Programme and Work and increase in activities;

- Several developments in the area of recruitment and the reclassification of posts;

- The need to continue to foster the Official on Loan and Junior Professional Officer initiatives;

- The development of young talent for the purpose of fostering the UNWTO Internship Programme;

- The development of strategies related to health and well-being, psychosocial support and flexible working arrangements for the purpose of fostering the Organization’s workforce;

- The implementation of automated HR electronic tools, allowing an increase in customer-service efficiency and faster data-driven solutions as well as contributing to a “paper-free” environment;

- The Organization’s participation in various United Nations system-wide surveys and initiatives related to, inter alia, the areas of addressing racism and discrimination, psychosocial support, disability inclusion, prevention of sexual exploitation and abuse, and flexible working arrangement policies;

- Several amendments to the Staff Regulations and Rules were proposed to continue to align the Organization with the United Nations common system and, in particular, to ensure the correct implementation of flexible working arrangements policies;

- The results of the ICSC cost-of-living survey carried out in 2021, resulting in a positive increase in net remunerations for Madrid;

- The amendments to the ICSC Statutes approved by the Secretary-General, with no impact on the Organization’s legal framework;

- The Organization’s participation in the cost-sharing proposal of FICSA, an association representing various UN common-system Staff Associations;
• The current audit being carried out by the Internal Audit Division of the Office of Internal Oversight Services of the human resources function at UNWTO;

• The need for Member States to nominate representatives to serve on the Staff Pension Committee for the biennium 2024-2025.

14. The Committee took note of the report and expressed their support for an increased workforce, ensuring gender balance and fair geographical representation.

15. **The Committee recommended the Executive Council to approve the report A/25/6.**

V. **Place and date of the 26th session of the Programme and Budget Committee**

16. The Committee, in its renewed composition, will hold its 26th meeting immediately after the 120th session of the Executive Council, to be held in Samarkand, Uzbekistan, in the framework of the 25th General Assembly, in order to elect its chair.

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Annex I: List of attendees

1. Chair

Switzerland

Mr. Richard Kämpf  
Head of Tourism Affairs, Promotion Activities Directorate  
Focal Point for UNWTO  
State Secretariat for Economic Affairs (SECO)

Mr. Christoph Schlumpf  
Head of the National Tourism Innovation Program (Innotour)  
State Secretariat for Economic Affairs (SECO)

2. Vice-chair

Peru

Ms. Madeleine Burns  
Viceministra de Turismo  
Ministerio de Comercio Exterior y Turismo

Mr. Giancarlo Mori  
Segundo secretario  
Embajada del Perú en España

Ms. Michele Barton Carmen  
Asesora del despacho ministerial  
Ministerio de Comercio Exterior y Turismo

3. Members

Africa:

Morocco

Ms. Fatima Zahra Ammor  
Ministre  
Ministère du tourisme de l'artisanat et de l'économie sociale et solidaire

Mr. Embrach Mohamed Adil  
Ambassador  
Embassy of the Kingdom of Morocco in Azerbaijan and Uzbekistan

Mr. Imad Barrakad  
Directeur Général  
Société Marocaine d'Ingénierie Touristique-SMIT

Mr. Adel El Fakir  
Directeur Général  
Office National Marocain du Tourisme

Ms. Hasnae Zerrouq  
Directrice de la stratégie et de la coopération  
Ministère du tourisme de l'artisanat et de l'économie sociale et solidaire

Ms. Salma Kannane  
Conseillère de Madame la Ministre  
Ministère du Tourisme de l'Artisanat et de l'Economie Sociale et Solidaire

Ms. Boulejouch Laila  
Deputy Chief of Mission  
Embassy of the Kingdom of Morocco in Azerbaijan and Uzbekistan
Mr. Hamza Baba  
Foreign Affairs Secretary  
Embassy of the Kingdom of Morocco in Azerbaijan and Uzbekistan

Tanzania

Ms. Angellah Jasmine Mbelwa Kairuki  
Minister  
Ministry of Natural Resources and Tourism

Ms. Sekela Mwambegele  
First Secretary  
Embassy of the United Republic of Tanzania to Spain, based in Paris

Mr. Amos Tengu  
Head of Chancery  
Embassy of the United Republic of Tanzania, based in Paris

Ms. Glory Maro  
Tourism Officer  
Ministry of Natural Resources and Tourism

Mr. Juma Mapande  
Tourism Officer  
Ministry Of Natural Resources And Tourism

Ms. Dafroza Sanga  
Secretary to Minister  
Ministry of Natural Resources and Tourism

Mr. Eliud Mtailuka  
Tourism Officer & Personal Assistant to the Director General  
Tanzania Tourist Board

Americas:

Argentina

Ms. Yanina Alejandra Martínez  
Secretaria de Promoción Turística  
Ministerio de Turismo y Deportes

Lic. Ana Inés GARCÍA ALLIEVI  
Directora de Relaciones Internacionales  
Ministerio de Turismo y Deportes

East Asia and the Pacific:

Japan

Mr. Mitsuaki HOSHINO  
Vice Commissioner  
Japan Tourism Agency  
Ministry of Land, Infrastructure, Transport and Tourism

Mr. Yoji Kitamura  
Counsellor  
Embassy of Japan In Spain
Europe

Spain

Ms. Fuencisla Tejedor García
Subdirectora General Adjunta de Cooperación y Competitividad Turística
Ministerio de Industria, Comercio y Turismo

Middle East:

Iraq

Mr. Musaab Yaseen
Official at Ministry of Foreign Affairs
Ministry of Foreign Affairs of the Republic of Iraq

Mr. Ali Yaseen Abudalredha
International Relations Manager
Tourism Board

Kingdom of Saudi Arabia

Ms. Razan Yousef
Multilateral Affairs Manager
Ministry of Tourism

Mr. Naffal Alkahtani
Multilateral Affairs Specialist
Ministry of Tourism

Mr. Majed Almutairi
General Manager of Multilateral Affairs
Ministry of Tourism

South Asia:

India

Ms. Manisha Saxena
Director General
Ministry of Tourism

Mr. Roshan Mammarappallil Thomas
Director
Ministry of Tourism

Sri Lanka

Mr. Merennage Priyantha Fernando
Chairman
Sri Lanka Tourism Development Authority

Mr. Herath Mudiyanselage Buwaneka Padmakumara Herath
Secretary
Ministry of Tourism and Lands

4. Observers

Congo

Mme Marie-France Pongault
Ministre
Ministère de l’industrie
Germany

Ms. Maja Murza
Head of Unit
Federal Ministry for Economic Affairs and Climate Action

Kenya

Ms. Gaudenzia Chitayi Ayisi
Minister- Consul General
Embassy of the Republic of Kenya to the Russian Federation

Mr. Benson Henry Ouma Ogutu
Ambassador
Embassy of the Republic of Kenya to the Russian Federation

Ms. Naomi Esther Nekesa Nabonwe
Foreign Service Officer
Ministry of Foreign and Diaspora Affairs- Kenya

Mr. John Lekakeny Ololtuaa
Principal Secretary
Ministry of Tourism and Wildlife

Mr. Munyithya Kimwele
Assistant Director
Ministry Of Tourism, Wildlife And Heritage

Maldives

Mr. Abdulla Mausoom
Minister
Ministry of Tourism

Mr. Ali Shinan
Deputy Director General
Ministry of Tourism

Mr. Abdrahamane Baby
Ambassadeur
Ambassade du Mali à Madrid

Ms. Maysoon Alnegashy
Tourism manager
Ministry of Tourism

5. UNWTO Secretariat

Natalia Bayona, Executive Director
Zoritsa Urosevic, Executive Director
Mikheil Ninua, Director of Administration
Beka Jakeli, Director of External Relations
Mónica Gonzalez, Chief, Budget and Finance
Philippe Lemaistre, Internal Coordination Officer
Patrick Fritz, Technical Coordinator, Technical Cooperation and Silk Road