

**FOLLOW-UP INSPECTION TO THE 2009 REVIEW OF
MANAGEMENT AND ADMINISTRATION IN THE
WORLD TOURISM ORGANIZATION**

Prepared by

Gérard Biraud

**Joint Inspection Unit
Geneva 2014**



United Nations

JIU/REP/2014/5

Original: ENGLISH

**FOLLOW-UP INSPECTION TO THE 2009 REVIEW OF
MANAGEMENT AND ADMINISTRATION IN THE
WORLD TOURISM ORGANIZATION**

Prepared by

Gérard Biraud

Joint Inspection Unit



United Nations, Geneva, 2014

EXECUTIVE SUMMARY

Follow-up inspection to the 2009 review of management and administration in the World Tourism Organization

JIU/REP/2014/5

The Joint Inspection Unit (JIU) of the United Nations system has the mandate to provide independent views on all matters having a bearing on the efficiency of the services and the proper use of funds of the United Nations system organizations.¹ Thus, five years after the World Tourism Organization (UNWTO) became a member of the system, JIU considered it appropriate to give the organization the opportunity to benefit from United Nations values, together with the best practices of and lessons learned by the governing bodies and secretariats of other organizations of the system in their administrative activities. The Unit conducted a Management and Administration Review of UNWTO in 2009 (the 2009 MAR) (JIU/REP/2009/1). The 2009 MAR identified a number of areas for improvement and harmonization of the management and administration practices at UNWTO. Its focus was on structure and governance, strategic planning and budgeting, human resources, oversight and cooperation with other United Nations system organizations and private sector entities. Formally, in addition to one recommendation addressed to the Secretary-General of the United Nations, 24 recommendations were put forward for consideration by UNWTO: 11 addressed to its legislative bodies (General Assembly and Executive Council) and 13 to its Secretary-General for action.² Given the extensive scope of the recommendations and the subsequent apparent lack of follow-up, JIU decided to assess how many of its recommendations had been accepted and implemented in the five-year period that had elapsed, and to what extent they had impacted the organization in the changing context of its governance, funding, administrative and managerial activities.

Despite a lack of information on acceptance and implementation of the report's recommendations, the follow-up inspection revealed that, not only was the organization in a position to provide high-quality information and documentation to the JIU team, but also that many of the recommendations had been implemented. The Inspector was impressed by the seriousness with which member States of UNWTO and the Secretary-General elected in 2009 (and re-elected in 2013) had taken the JIU recommendations, the former by constituting from among themselves an ad hoc working group to discuss and grasp the implications of the JIU recommendations, the latter by using those recommendations as one of the components of the "White Paper",³ drafted with the participation of the UNWTO members and endorsed by the 2011 General Assembly of UNWTO⁴ "as the main guiding strategic document of the organization for the medium term". Within the management and administration areas, the Inspector welcomes, in addition to certain explicit references to the 2009 MAR, the convergence of the analysis and commitments contained in the White Paper with the content of most of the 2009 MAR recommendations. With few exceptions, the White Paper may be

¹ See the statute of JIU, art. 5. The statute are annexed to General Assembly resolution 31/192, available from the JIU website, www.unjiu.org.

² Recommendations 1–24, together with a final recommendation addressed to the Secretary-General of the United Nations. NB resolution 15, paras. (a), (b) and (c), constitutes three recommendations with regard to follow-up, bringing the total to 27. All the recommendations are listed in annex I, with dual references to the paragraphs of the 2009 MAR and to those of the present follow-up inspection report.

³ A/19/11.

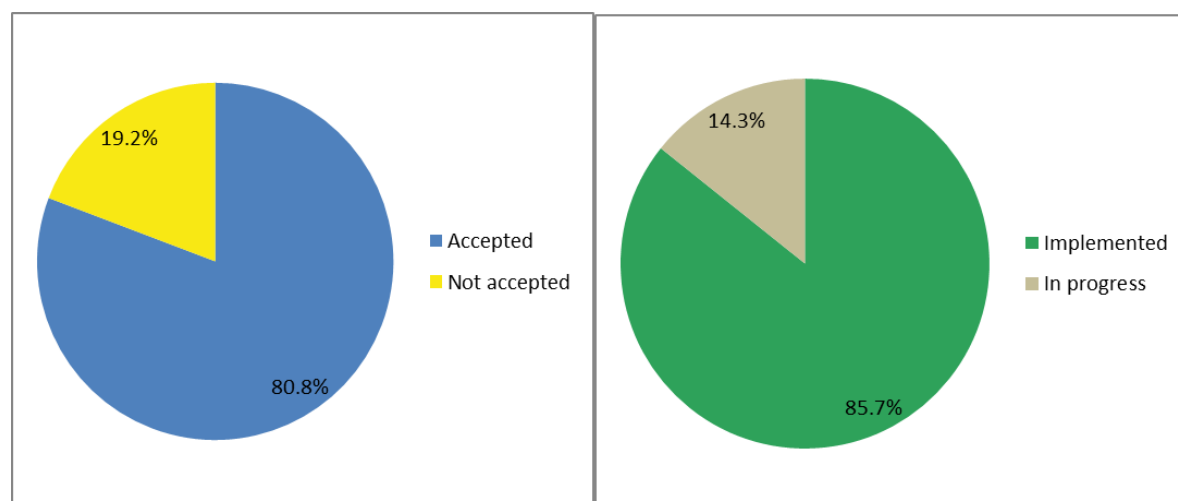
⁴ A/RES/602(XIX).

seen as an implementation plan.

The 2009 MAR came at a timely moment, as the year 2009 was a turning point in the organization's governance and culture. On the basis of the White Paper, which became the guiding document for UNWTO, the organization has proceeded with its in-depth participatory reform, with the active involvement of all stakeholders. It has naturally addressed its administrative functions not only in terms of structures and mechanisms, or modernization, but also with a new spirit, bringing to life the United Nations values which also underpin the work of JIU. This certainly facilitated the acceptance and implementation of most of the 2009 MAR recommendations by the various stakeholders, as shown in the present report.

However, the information provided in August 2013 by the UNWTO secretariat to JIU through its new online follow-up system, claiming a 100 per cent acceptance rate for the 2009 MAR recommendations and a 75 per cent implementation rate for the accepted recommendations, was over-optimistic and not accurate. A careful inspection provided a more realistic picture of the overall performance: 21 recommendations out of the 24 addressed to UNWTO² were accepted (80.8 per cent) with 18 implemented (85.7 per cent) as shown in the figure below. A list of recommendations reflecting their status can be found in annex I to the report.

Status of acceptance and implementation of the recommendations contained in JIU/REP/2009/1



Source: JIU Web-based Tracking System

Overall performance in the oversight area, as detailed in the present report, is already quite significant and very satisfactory to both JIU and the organization. At the same time, the findings of the present report should encourage UNWTO to concentrate on:

- What remains to be achieved in line with its commitments
- The few areas in which the 2009 MAR recommendations were not accepted
- Certain emerging issues identified during the follow-up inspection, which had resulted in soft (i.e. less formal) recommendations or suggestions aimed at assisting the organization to achieve further improvements

The Inspector found that the organization had taken account of 18 of the recommendations and fully implemented them. Another three recommendations had been accepted, but not fully implemented. Those were (a) a recommendation aimed at the satellite entities whose cooperation modalities had been unsatisfactory; (b) a recommendation concerning multilingualism and the provision of resources by the General Assembly to ensure the use of the Chinese language as an official language of the organization in accordance with General Assembly resolution 521 (XVII); and, most importantly in relation to JIU, (c) a recommendation regarding the establishment of internal audit, inspection, evaluation, investigation and monitoring functions either through in-sourcing or

through the funding of three posts for those functions for the 2010–2011 biennium.

The Inspector regrets that five recommendations, despite formal reporting on their acceptance, have not been accepted by the organization. Those recommendations concerned external governance (the provision of summary records/minutes of governing body meetings; the appointment of the Director of the Affiliates Programme); results-based management (RBM) (the development of a results-based framework based on the JIU model); human resources (contract extensions beyond retirement); and external audit (selecting one external auditor instead of three).

The way forward

Recommendations accepted and implemented requiring further action

Among the recommendations yet to be fully implemented there are two priority issues for the Secretariat's administrative agenda:

- (a) Full and validated implementation of the transition to the International Public Sector Accounting Standards (IPSAS), which was decided in 2006 by the General Assembly but fully commenced only in 2009, on which the Inspector has prepared a detailed and positive management letter, which will, however, require further work;
- (b) Clarification of the relations of the organization with its several "satellite" entities, which have mushroomed during recent decades, with different institutional frameworks, embedded within various legal, political and financial contexts.

With regard to the first item, JIU has prepared a management letter to the Secretary-General analysing in detail the undertaking of the organization in this respect and making reference to the related benchmarks published by JIU in 2010.⁵ With regard to the second item, given the multiple and rapidly changing contexts and the uncertain outcomes of ongoing negotiations, it was considered that it would be difficult for JIU to supply reliable updated information in time for the June 2014 session of the UNWTO Executive Council. This could also complement the implementation of recommendation 2 on the modalities of cooperation with the respective foundations and offices.

Recommendations accepted but remaining to be implemented

Recommendation 19 of the 2009 MAR concerned the use of Chinese in the organization. The relevant decision of the General Assembly still requires a sufficient number of ratifications of the adopted amendment to the statutes: it seems that the rate of such ratifications is lagging far behind the growth of international tourism concerning China, which makes that amendment even more necessary.

While it has been accepted in principle, **recommendation 22** is far from having been implemented with regard to the various aspects of oversight, a major responsibility of managers and the members of their boards in the private sector, and of the Secretary-General and the members of the Executive Council and the General Assembly in the case of UNWTO. In an organization with so many constraints, including financial constraints, the development of oversight services, in particular internal audit and evaluation, is one of the few ways to ascertain an efficient and effective use of financial and human resources. The Inspector encourages the recent initiatives taken in this regard, in an area in which UNWTO is running far behind other organizations of the United Nations system, but where some of its sister organizations and JIU stand ready to help it.

⁵ JIU/REP/2010/6: Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS).

Recommendations not accepted

JIU reiterates the critical importance of its previous five recommendations that were not accepted. It is aware that the small size of the organization, the financial crisis and the consequently very strict budgetary policy imposed for some time by its main contributors, in spite of a steady growth in tourism activities as a source of revenue, are all factors which militate against total fulfilment of all the reform requirements.

Rather than an unproductive additional expenditure, the production of written summary records/minutes of the governing body meetings in line with **recommendation 6** should be seen as a means to complement recent improvements in the decision-making process of the governing bodies, as put in place by the Secretary-General in the White Paper in response to the much more important recommendation 5, aimed at encouraging the taking of informed and responsible decisions in a democratic external governance framework.

The fact that such an important UNWTO management post as that of Director of the affiliate members programme “belongs” to a single country is a remnant of an outdated culture predating the entry of UNWTO to the United Nations system, where equality among Member States is the rule and such a privilege is not acceptable. Logically, in line with the assessments formula in force, all member States should share the cost of any regular budget post, and their readiness to do so should be ascertained when the matter is renegotiated between the Secretary-General and the host country. However, **recommendation 1 has not to date been accepted** and the presentation of candidates remains the privilege of a single member State, with the cost being met by its generous voluntary contribution. **The Inspector that this double anomaly in terms of entitlement and of financial burden sharing be reviewed at the earliest opportunity, in conformity with the principle of equal rights and equal duties of all the organization’s membership.**

It is not evident why **recommendation 8** pointing to “the results-based framework developed by JIU” was not taken up by the authorities of UNWTO. The recommendation was aimed at developing the organization’s activities in line with modern management practices, according primarily to the results expected by the beneficiaries, rather than in terms of the volume of inputs and activities routinely developed. This is merely common sense and a matter of principle, not a complex new system. However, it involves some changes to existing administrative practice and calls for some training on the basis of specific cases. The United Nations System Chief Executives Board for Coordination commented very positively on the relevant JIU report,⁶ assessing it as “a useful and valuable reference on the subject” and expressing its broad agreement with its findings and conclusions. Most of the other specialized agencies and United Nations entities have ultimately adopted the concept and the related benchmarks, taking into account their specificities. Why has UNWTO not given consideration to making a gradual shift to new ways of doing things, as it has done successfully elsewhere?

Concerning recommendation 15 (b), which commits the Secretary-General to developing a rule defining the exceptional circumstances under which the extension of contracts over the age of retirement could be granted, the executive head informed the Inspector that he had not developed such a rule since, when taking office, he initially did not extend any contracts beyond the mandatory retirement age. However, over time, he had come to feel that some staff were too invaluable to let

⁶ A/59/617/Add.1 on the JIU report “Managing for results in the United Nations system” (JIU/REP/2004/5 =A/59/617), available from www.unjiu.org/en/reports-notes/archive/JIU_REP_2004_5_English.pdf

go and thus some were given contract extensions (for a maximum of one or two years). He had taken those decisions under UNWTO staff regulation 28,⁷ which granted him the authority to make such decisions. The Inspector is making no further comments on the subject.

The Inspector still fails to understand why the smallest of all the United Nations system organizations needs more external auditors than any other organizations, with the exception of the United Nations Secretariat. This is not compatible with the trust of a legislative body in the professionalism of the head and the staff of the elected supreme audit institution. Moreover, if there are a number of external auditors they will have to reach agreement on various matters, making their tasks more difficult both for themselves and for some of their partners in the Secretariat, for example the IPSAS team. The Inspector is aware that the ratification process for amending the statutes requires a considerable amount of time. However, experience shows that after a decision of principle is adopted by the General Assembly, it may be applied on a voluntary basis. In addition, as for any oversight function, an over-long term of office for a Supreme Audit Institution is not considered a sound approach as far as independence is concerned. As recommended in relevant JIU reports, rotation is the solution, especially for a light portfolio.

Emerging issues

The Inspector has used the opportunity of this follow-up inspection to make some “soft” recommendations on the New York Office (para. 48), an accountability framework (para. 51), a risk management approach (para. 60), job descriptions for the senior managers (para. 114), a better gender balance at the senior level (para. 117), use of affiliate members for training (para. 130), flexible working arrangements (para. 142) and the policy regarding employment of UNWTO collaborators (para. 145).

⁷ “Officials shall not be retained in active service beyond the age prescribed by the Staff Rules. The Secretary-General may, in the interest of the Organization, extend this age limit by one or two years in exceptional cases.”

CONTENTS

		<i>Page</i>
	EXECUTIVE SUMMARY.....	iii
	ABBREVIATIONS.....	ix
<i>Chapter</i>	<i>Paragraphs</i>	
I. INTRODUCTION.....	1–8	1
A. Background	1–4	1
B. Objectives.....	5	2
C. Methodology	6–8	2
II. EXTERNAL GOVERNANCE.....	9–34	4
A. A new style.....	9–19	4
B. General Assembly	20–29	6
C. Regional commissions.....	30	8
D. Executive Council	31–33	8
E. Committees.....	34	9
III. INTERNAL GOVERNANCE: EXECUTIVE MANAGEMENT.....	35–51	10
A. Structure	35–48	10
B. Delegation of authority.....	49–50	12
C. Accountability frameworks	51	13
IV. STRATEGY.....	52–60	14
A. Strategic planning.....	52–53	14
B. Results-based management.....	54–58	14
C. Risk management	59–60	15
V. FINANCE.....	61–88	16
A. Resources.....	61–68	16
B. Programme budget	69–76	17
C. Financial monitoring and accounting: the long path to implementation of the IPSAS	77–88	19
VI. “SATELLITE ENTITIES”.....	89–108	23
VII. HUMAN RESOURCES.....	109–145	28
A. Composition of the secretariat.....	109–123	28
B. Career management.....	124–138	32
C. Other human resources issues	139–145	35
VIII. OVERSIGHT.....	146–159	37
A. Number of external auditors.....	147–148	37
B. Relations with the Joint Inspection Unit	149–153	37
C. Internal audit.....	154–156	39
D. Evaluation.....	157–159	39
IX. OTHER ISSUES.....	160–171	41
A. Procurement.....	160–162	41
B. Information and communication	163–171	41
ANNEXES		
I. Status of acceptance and implementation of the recommendations contained in JIU/REP/2009/1		44
II. UNWTO organizational chart		45

ABBREVIATIONS

CEB	United Nations System Chief Executives Board for Coordination
ERM	Enterprise risk management
ERP	Enterprise resource planning
ICT	Information and communication strategy
IPSAS	International Public Sector Accounting Standards
IT	Information technology
IUOTO	International Union of Official Travel Organizations
JIU	Joint Inspection Unit
MAR	Management and administrative review
RBM	Results-based management
RSOAP	Regional Support Office for Asia and the Pacific
ST-EP	Sustainable Tourism Eliminating Poverty
UNOPS	United Nations Office for Project Services
UNTFAS	United Nations Task Force on Accounting Standards
UNWTO	World Tourism Organization
WBTS	Web-Based Tracking System
WG	Joint working groups

I. INTRODUCTION

A. Background

1. The Joint Inspection Unit (JIU) of the United Nations system, whose statute was adopted by the United Nations General Assembly in 1976,⁸ is recognized as the only external and independent system-wide inspection, evaluation and investigation body for all United Nations system organizations.⁹ Its aim is to serve them, through its oversight functions, without any discrimination and to enhance the harmonization of the United Nations system. When the World Tourism Organization became a member of the United Nations system in 2003, it accepted the JIU statute, including the related JIU obligations, in particular its “follow-up system” on the acceptance and implementation of the recommendations contained in JIU reports and notes by its participating organizations.¹⁰ To date, the World Tourism Organization (UNWTO) is the only Organization not to have systematically provided information for that system and, accordingly, that silence has been reflected in the JIU annual reports submitted to the United Nations General Assembly.¹¹

2. **Undertaken in 2008 and published in 2009, the Management and Administrative Review (MAR) of UNWTO (JIU/REP/2009/1)**, hereinafter referred to as the 2009 MAR, was aimed at helping the organization to benefit from United Nations values as well as the best practices of, and lessons learned by, the governing bodies and secretariats of other organizations in the system with regard to similar activities in their administrative, rather than substantive, functions. It identified areas for the improvement and harmonization of practices in the management and the administration of UNWTO and presented them at the Executive Council meeting in Bamako, Mali¹² and, subsequently, at the UNWTO General Assembly in Astana, Kazakhstan.¹³

3. The Executive Council took cognizance of the 2009 MAR, welcomed it and decided to create an ad hoc working group to review the report.¹⁴ The working group carried out an exchange of views by electronic means to enable the UNWTO Secretary-General to prepare an implementation plan for the 2009 MAR recommendations, referring to all the implications, including those of a financial nature. The working group was discontinued after the submission of the second draft of the White Paper¹⁵ to the Executive Council.¹⁶

4. For his part, the UNWTO Secretary-General ad interim presented¹⁷ his vision for the management of the secretariat for the period 2010–2013, which was incorporated into its report entitled “Management Strategy and Designation of the Management Team of the Secretariat”¹⁸ submitted to the 2009 UNWTO General Assembly, before it became known as **the “UNWTO White Paper”¹⁹ – A reform process for a more relevant UNWTO” and was endorsed by consensus by the**

⁸ General Assembly resolution 31/192, annex 3.

⁹ General Assembly resolution 67/256, second preambular paragraph.

¹⁰ Since 2013, the system, manually updated since 2004, has been put online, allowing the authorized JIU focal points in the participating organizations to inform the Unit directly on follow-up, and enabling anybody to check the status of acceptance and implementation of any JIU recommendation from any published report or note, at www.unjiu.org.

¹¹ A/63/34 to A/68/34.

¹² Report of the Joint Inspection Unit (CE/85/8(b)).

¹³ “Review of management and administration in the United Nations World Tourism Organization (UNWTO)” (A/18/10).

¹⁴ It was composed of Brazil, Egypt, France, Germany, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Kazakhstan, Mali, Portugal, the Republic of Korea, the Russian Federation and Spain.

¹⁵ CE/DEC/10(LXXXIX).

¹⁶ A copy of the member States’ viewpoints, as of 22 September 2009, was shared with the Inspector during his October 2013 mission to Madrid.

¹⁷ Statement of Intent and Management, 85th session of the Executive Council.

¹⁸ A/18/14, August 2009.

¹⁹ A white paper is an authoritative report or guide that addresses issues and how to solve them.

19th General Assembly in 2011,²⁰ making it the main guiding strategic document for the medium-term plan. Had the 2009 MAR influenced the content of the White Paper? This is discussed in chapter II below. Five years after the preparation of the first MAR, and taking into account the somewhat limited reaction of the organization vis-à-vis UNWTO system-wide publications, JIU decided to undertake, as part of its programme of work for 2013, and conducted from September 2013 to March 2014, a follow-up inspection of the acceptance and implementation of the recommendations addressed to the UNWTO legislative bodies and to its Secretary-General in the 2009 MAR.

B. Objectives

5. The present report assesses the nature and level of acceptance of the recommendations, and the processes used by the organization in their implementation. The report therefore reviews the corresponding roles and responsibilities (governance) of the organization's legislative bodies and the secretariat. It also briefly considers a number of services and entities related to the organization, the level of control of UNWTO over its satellite entities has long been unclear or is still disputed. The present analysis should allow UNWTO to concentrate on what remains to be achieved in the previously adopted implementation plan and on the few areas where the 2009 JIU recommendations were not accepted. The Inspector is aware that the small size of the organization as well as the financial crisis and the consequent very strict budgetary policy imposed for a long time by the main contributors, in spite of a steady growth in tourism activities as a source of revenue, have not helped the organization to fulfil all the reform requirements with enough certainty in the last five years. For that reason, taking into account the wealth of information and documents shared with the JIU team by the UNWTO secretariat, he also took the opportunity provided by the inspection to make further recommendations, without aiming to encompass all areas nor analysing in depth each function through a comprehensive new MAR.

C. Methodology

6. The Inspector used a range of evaluation techniques to ensure triangulation of the findings and well-supported conclusions and recommendations. The present report includes information and data received up to March 2014 through:

- Desk review of relevant policy documents available in the public domain (the Internet) and on the UNWTO intranet as well as secretariat replies to post mission additional questions
- Two five-day missions to Madrid, in October and November 2013, for interviews with representatives of member States, senior secretariat officials and representatives of the UNWTO Staff Association. Video and telephone interviews were conducted with other staff and officials including the UNWTO Ethics Officer, in London, and the International Public Sector Accounting Standards (IPSAS) senior adviser
- Comments from the secretariat on the draft report have been taken into account in finalizing the present report. In accordance with article 11.2 of the JIU statute, the present report was finalized after consultation among the Inspectors in order to test its conclusions and recommendations against the collective wisdom of the Unit

7. The Inspector wishes to express his appreciation to all who assisted him in the preparation of the present report, particularly those who participated in the interviews and so willingly shared their knowledge and expertise.

²⁰ CE/DEC/10 (LXXXIX): Decisions taken by the Executive Council at its eighty-ninth session (CE/89/DEC).

8. It was indicated in the 2009 MAR that JIU investigations were to take place in the near future in certain areas and at satellite entities in various regions; however, they did not take place, owing to the strict budget limits of the Unit. Notwithstanding the recent frankness and cooperation of the UNWTO secretariat towards JIU, the Inspector is concerned that there are several outstanding issues which need to be looked into as a priority. A management letter on the subject was sent to the UNWTO Secretary-General in December 2013 and a further letter will be sent to him shortly.

II. EXTERNAL GOVERNANCE

A. A new style

Statutes and other important texts

9. Except for the following basic information about UNWTO, the present chapter will not repeat the description of the institutional framework made in the 2009 MAR (paras. 11–22), which for the most part remains valid. Rather, it will underline certain aspects which have obviously changed or were raised in the recommendations in that report.

10. The current statutes of the World Tourism Organization (WTO) were adopted in 1970,²¹ when the organization was created out of the former International Union of Official Travel Organizations. In 2003, it became a specialized agency of the United Nations with the adoption of UNWTO General Assembly resolution 453 (XV) and the subsequent ratification thereof by the General Assembly of the United Nations in its resolution 58/232. In order to avoid confusion with the World Trade Organization, it changed the abbreviated form of its name from WTO to UNWTO. UNWTO has been headquartered in Madrid since 1975 and has a membership of 156 member States, six associate members and 425 affiliate members.²² Its fundamental aim is the promotion and development of tourism with a view to contributing to economic development, international understanding, peace, prosperity and universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion. In pursuing that aim, the organization pays particular attention to the interests of the developing countries in the field of tourism.²³

Two sources of inspiration: the private sector and the United Nations

11. At UNWTO, values drawn from the Charter of the United Nations and other landmark texts on human rights and development have been combined with the business values of a majority of the for-profit entities of a booming sector, which is giving a powerful boost to varied and often contrasting models of tourism and strongly impacting, either positively or negatively, the economic, social and human dimensions of life in most developing countries, particularly those with more fragile civil societies, the least developed countries and small islands in particular. Tensions between those models may be resolved by taking a United Nations approach based on long-term sustainability and respect for environmental, social and ethical requirements. One of the flagship achievements of UNWTO has been the negotiation and publication of the *Global Code of Ethics for Tourism*.²⁴

12. The founders of UNWTO saw it as a lead body for the tourism sector. The Organization inherited some distinct features from its non-governmental origins, which are not shared by most of the other specialized agencies in particular the fact that, in addition to its “full members” which are the Member States, and its associate members,²⁵ the organization also has **affiliate members**.

13. Affiliate membership is open to the private sector, educational institutions, tourism associations and local tourism authorities, whose activities are related to the aims of UNWTO. Current affiliate members represent all aspects of the tourism industry and range from industry associations to airlines, travel agencies to consultants and trade unions to universities. Although treated equally by the secretariat, affiliate members are in many respects quite diverse. They are expected to promote public-private partnerships to help support the overall aims of UNWTO, including the promotion of responsible, sustainable and universally accessible tourism and

²¹ Statutes of the World Tourism Organization, latest revision of October 2012.

²² As of 1 June 2013. See “Report of the Chair of the Affiliate Members” (UNWTO General Assembly document A/20/6), para. 8.

²³ Article 3 of the UNWTO statutes, available from www.unwto.org.

²⁴ Adopted by resolution 406 (XIII) in October 1999.

²⁵ Associate membership is open to all territories not responsible for their external relations and whose candidature has the prior approval of the member State that assumes responsibility for their external relations.

contributing to economic and social development and international understanding, with particular attention to the interests of the developing countries. Additionally, there are a large number of small and medium-sized enterprises in the tourism sector, many of which are members of professional associations, including major national, regional and global actors.

14. This membership profile gives an indication of the support of UNWTO for the involvement of civil society in the network of global institutions, as is encouraged by the United Nations. However, the level of real participation of UNWTO affiliate members (about 30 out of 300) is low, owing to the lack of a quorum. Their motivations for membership are diverse and include branding, the desire to be associated with a United Nations organization, networking with government entities and the private sector, or lobbying. At a time when the United Nations and its specialized agencies are taking a creative approach to reaching out to civil society, the White Paper raised the question of “what benefits these entities could derive from becoming an affiliate member, how to get the expected benefits, the extension of participation, the influence that an affiliate member can have on the decision-making process of the Organization”.²⁶ While the Inspector appreciates the role of UNWTO in launching themes, such as seasonality in tourism, or initiatives such as the *City Tourism* project that is being played by some affiliate members, **he is yet to be convinced that UNWTO is adequately exploiting the variety and complementarities offered by its dual-level membership.**

15. Universally recognized as the main source for reliable statistics on tourism, UNWTO is well placed to comment on the growing economic importance of tourism and highlight the associated environmental, social, cultural and ethical risks. When the organization provides technical assistance²⁷ to requesting countries, it ensures that tourism-related projects meet four criteria, namely those of (i) economic viability; (ii) financial profitability; (iii) environmental (to include cultural) sustainability; and (iv) socio-cultural acceptability.²⁸

The White Paper as guiding document

16. **The year 2009 was a turning point in the governance of UNWTO, not only on account of the election of a new Secretary-General, but as a result of radical change in the structure and culture of the organization. There was a clear convergence between the aspirations of the membership, the values underpinning the JIU recommendations and the content of the three versions of the report known as the “White Paper”.**²⁹ That report was finally endorsed by the UNWTO General Assembly by its resolution 602(XIX) “*as the main guiding strategic document of the Organization for the medium term*”; those were not mere words, as the General Assembly also requested the Secretary-General “**to implement the measures recommended in the White Paper and to report on the progress made to the subsequent Executive Council sessions**”, giving him the political capital to progressively translate its content into reality. In addition, in the same resolution, the General Assembly endorsed five important annexes as instruments for the planned reform³⁰ and, finally, with regard to **external entities**, mandated the Secretary-General, in coordination with their boards and the Executive Council, to make the necessary changes to their legal frameworks in order to guarantee their non-controlled status, wherever deemed relevant, and requested him to report upon the progress made to the General Assembly.

²⁶ “Report on the progress of the reform of the Organization (White Paper)”, A/19/11, para. 93.

²⁷ See article 12 of the Agreement between the United Nations and the World Tourism Organization (UNWTO basic texts).

²⁸ Interview with H. Varma, Director, Technical Cooperation and Services, UNWTO.

²⁹ CE/88/7 and A/19/11.

³⁰ Merging of the Programme Committee and the Committee on Budget and Finance, including the new rules of procedure of the new Programme and Budget Committee (A/19/11, annex 1); Draft rules of procedure of the Committee of the Affiliate Members (A/19/11, annex 2); UNWTO Knowledge Network (A/19/11, annex 3); report on the modernization of the UNWTO website (A/19/11, annex 4); and report on Strategic Alliances for Mainstreaming Tourism (A/19/11, annex 5).

17. **The White Paper contained the majority of the measures enabling the implementation of the 2009 MAR recommendations, upon which, inter alia, it was based, as was acknowledged by the Secretary-General when he met the JIU team. Recent years have therefore been a time of in-depth and comprehensive reform of the organization, many facets of which demonstrate the acceptance and implementation of the 2009 MAR recommendations,** although not all, as is clearly shown below. However, the reform is far from being complete and the organization still lacks certain tools.

18. In the 2009 MAR (paras. 41–42), the Inspector described certain practices that he had observed of the Executive Council in relation to the decision-making process and, specifically, *excessive interventions by the secretariat during the decision-making process, in particular during the negotiations of the resolutions and decisions and the adoption of the agenda, which is not the role of a secretariat. Meetings held at different locations help to perpetuate this situation as many delegations consist of participants who frequently have not attended previous UNWTO meetings. The Inspector was particularly concerned to observe that, contrary to the standard practice, Member State representatives were negotiating with the secretariat staff, as opposed to among themselves, on the text of resolutions being adopted.*

19. Some facts seem to indicate that, with a new Secretary-General, a new style of relationships with Member States has come to prevail, as demonstrated by:

- The mere fact that, as early as 2009, member States were able to create a working group to discuss the recommendations of JIU.
- The merger of the Programme Committee and the Committee on Budget and Finance, a logical step whereby the secretariat could more easily hold sway than in the Programme and Budget Committee, in which the delegates could see both the strategic and the financial aspects at stake.
- The self-imposition of an obligation to respect the seven fundamental principles listed in paragraph 11 of the Secretary-General's report (A/18/14): member's ownership, integration, partnerships, ethical standards, transparency and accountability, flexibility and results orientation.
- The sincere appreciation of the new ethos expressed by the representatives interviewed in November 2013 by the Inspector.
- The numerous professional contacts maintained by the Secretary-General in the form of representatives of the member States through his extensive travels and at headquarters, on an individual or regional basis, to remain aware of their concerns.
- The change in the secretariat structure, with the nomination of some secretariat officials (the executive directors), member States were given new interlocutors, in addition to the Secretary-General, with a clearer delegation of authority.

B. General Assembly

20. The UNWTO General Assembly meets every two years to discuss and adopt the budget and programme of work and to deliberate on topics of prime importance to the tourism sector. It is composed of member States and associate members.²⁵ Affiliate members and representatives of other international organizations may participate as observers. Every four years the General Assembly elects a Secretary-General following the recommendation of the Executive Council.³¹

21. The 2009 MAR included **recommendation 5**: *“The UNWTO General Assembly may wish to revisit its current decision-making process at all legislative body levels to ensure that sufficient dialogue and negotiations among the parties take place, in order to reach clear decisions as a prerequisite to properly guide, direct and oversee the operations of the Organization, thus releasing the secretariat from the responsibility to provide the basis for its decision”*. The Inspector noted that

³¹ See Rule 53 on the appointment of the Secretary-General, UNWTO Basic Documents, Vol. I.

in order to foster such a dialogue, the organization has modified its practice with some new procedures: proposed draft resolutions are now included by the secretariat in its pre-session documents to the governing bodies and the Chairs and Vice-Chairs are involved in the drafting of final resolutions and decisions. Those draft resolutions are submitted at plenary sessions for adoption. The above practice was set out by the Secretary-General in the organization's White Paper³² (paras. 57–60), which expressly states that the role of the secretariat should be only to “*facilitate, propose language and help to reach consensus on decisions and resolutions*”.³³ The Inspector therefore concludes that **recommendation 5 has been accepted and implemented**.

22. The 2009 MAR included **recommendation 6**, in the interests of facilitating a transparent and more democratic decision-making process: “*The Secretary-General should ensure that written summary records/minutes of the governing body meetings are duly produced.*”

23. The Inspector was informed that, in lieu of written summary records/minutes, recordings of the meetings were made and archived at the secretariat. That did not facilitate the task of member States and their officials in their countries to make decisions based on easily accessible information. Hence, in the Inspector's opinion, **recommendation 6 has not been accepted**, notwithstanding the support it received from the Member States in the 2009 ad hoc working group. Brazil, for example, suggested that the “secretariat adopt the minutes [of] the Regional Commission for the Americas meeting as standard. It has been a very efficient, clear and summarized aide-memoire.”

24. Therefore, **the recommendation on summary records/minutes is reiterated**. Its implementation is expected to disseminate good practice and enhance transparency and accountability.

25. The 2009 MAR included **recommendation 4**: “*The UNWTO General Assembly may wish to revisit its practice of holding its meetings outside headquarters, in the light of the potential associated benefits and drawbacks, and establish, as part of the statutes of the organization, an article regulating the conditions for exceptions.*”

26. The 2013 UNWTO General Assembly welcomed and adopted the report of the Secretary-General³⁴ on the selection of venues for General Assembly sessions, including a template for future agreements between countries offering to host the General Assembly, establishing the standard requirements of the organization in terms of privileges and immunities, logistical arrangements and security, inter alia.

27. Consultations with representatives of member States by the Inspector confirmed that the practice of the geographical rotation of General Assembly sessions has greatly contributed to promoting the role of tourism and UNWTO worldwide. It has enabled some countries to gain visibility on the tourism map and allows them to showcase their own experiences via cooperation between the State and national and international tourism stakeholders. It also permits member States' delegates to see at first hand how stakeholders such as the World Bank, the United Nations Resident Coordinators and other international organizations' representatives work together in developing a country's tourism sector.³⁵ Further to review of the issue, **recommendation 4 was accepted and implemented. A similar recommendation on the location of the Executive Council sessions is discussed below in paragraphs 31 and 32.**

28. The 2009 MAR included **recommendation 1**: “*The practice of appointing the Executive Director of Affiliate Members by a single member State should be discontinued. The position may be*

³² Report on the progress of the reform of the Organization (White Paper) – A reform process for a more relevant UNWTO (UNWTO General Assembly document A/19/11).

³³ Ibid., para. 59.

³⁴ Report of the Secretary-General Part II: Administrative and statutory matters; (ii) Guidelines for the selection of venues for General Assembly sessions (UNWTO General Assembly document A/20/5(II)(i)) and UNWTO General Assembly Resolution A/RES/631(XX).

³⁵ Meeting with the Ambassador of Kenya in Madrid (November 2013).

financed from extrabudgetary sources, but the selection process has to be done according to an open, competitive and transparent process”.

29. The Inspector is aware that the funding of the above-mentioned position comes in the form of an extrabudgetary (voluntary) contribution from the Government of Spain and that the organization appreciates its generous support extended to the affiliate members programme.³⁶ The Secretary-General indicated to the Inspector that, in accordance with the present practice, based on the text of the convention between Spain and UNWTO, the former was to provide the latter with a pool of candidates to select from. In 2013, the Government of Spain had proposed to the Secretary-General three nationals as candidates for the position. The Secretary-General had reviewed all of them and awarded the post to the most suitable candidate after a competitive process. That procedure was also confirmed by the incumbent director. Therefore, what was accepted was mere compliance with the former provisions: **recommendation 1 as such has not been accepted** and only partially implemented with regard to competitiveness, not with regard to openness, since the presentation of candidates remains the prerogative of a single member State. **The Inspector recommends that the earliest opportunity be found for a renegotiation of the issue with the host country and that the cost of that post be reasonably shared by all member States in the interests of compliance with the principle of equal rights and equal duties for full members.**

C. Regional commissions

30. Established in 1975 as subsidiary organs of the UNWTO General Assembly, the six regional commissions³⁷ normally meet once a year. They enable Member State administrations responsible for tourism in a given region to maintain contact with one another and with the secretariat between sessions of the General Assembly, to which they submit their proposals and convey their concerns. Each Commission elects one chair and its vice-chairs from among its members for terms of two years commencing at one session and continuing to the next. In recent years, efforts have been made towards more cross-fertilization of ideas between affiliate members and the regional commissions, with a view to achieving closer relations between themselves and greater influence on the decisions of the Executive Council.

D. Executive Council

31. The Executive Council is the governing board of UNWTO, responsible for ensuring that the organization carries out its programme of work and adheres to its budget. It meets at least twice a year and is composed of members elected by the General Assembly at a ratio of one for every five full members. In accordance with its Convention with UNWTO, Spain is a permanent member of the Executive Council. Representatives of associate and affiliate members participate in Council meetings as observers. The Executive Council takes all necessary measures, in consultation with the Secretary-General, for the implementation of its own decisions and recommendations of the General Assembly, and reports to it thereon. The term of office of Council members is four years and elections for one half of the Council membership are held every two years. The Council elects a chairman and two vice-chairs from among its members.

32. The 2009 MAR included **recommendation 3**: *“The Executive Council may wish to revisit its practice of holding its meetings outside Headquarters, in the light of the potential associated benefits and drawbacks”.*

33. The General Assembly effectively revisited the former practice and endorsed the procedure for the selection of venues for meetings, to be implemented as of 2014, thereby ensuring that at least

³⁶ In 2009, the contribution was estimated at EUR 92,000 for the position, as stated in the response by Spain to the ad hoc working group that reviewed the 2009 MAR.

³⁷ Affiliate members from the region participate as observers in the regional commissions.

one meeting of the Council every other year takes place at Headquarters.³⁸ The 2013 General Assembly welcomed the report of the Secretary-General on the selection of venues for the General Assembly sessions³⁹, which included a template agreement for the hosting of an Executive Council meeting that establishes the standard requirements of the organization in terms of privileges and immunities, logistical arrangements and security, inter alia. The procedures described in the report of the Secretary-General were adopted. With the practice having been reassessed and modified, **recommendation 3 has been accepted and implemented.** In the Inspector's opinion, the issue is not among the most serious risks in relation to transparency and effectiveness of governance, as shown by the 2013 General Assembly, despite its being held in two different countries.

E. Committees

34. The specialized committees of UNWTO advise on the organization's management and programme content. The UNWTO General Assembly, in adopting the Secretary-General's proposal,⁴⁰ agreed, in the interests of simplification, efficiency and savings, to the merger of the Programme and the Finance Committees into the Programme and Budget Committee.⁴¹ The technical committees, which are specialized in technical and substantive issues, include the Committee on Statistics and the Tourism Satellite Account, the Committee on Tourism and Competitiveness, the Committee on Tourism and Sustainability, the World Committee on Tourism Ethics,⁴² the Committee on Poverty Reduction and the Committee for the Review of Applications for Affiliate Membership. After criticism was voiced with regard to their lack of activity,⁴³ reform was undertaken. In the Inspector's view, this raises an issue which should be discussed, for example by means of a cost-benefit analysis, in each committee, possibly through a survey or a self-evaluation, by an independent consultant, then brought to the Executive Council to allow alternative methods to be designed, budgeted and compared in order to allow the work of the technical committees to be accomplished.

³⁸ Report of the Secretary-General, Part II: Administrative and statutory matters; (ii) Guidelines for the selection of venues of Executive Council and General Assembly sessions (document CE/94/3 (iii) (d) rev.1 and CE/DEC/11 (XCIV)).

³⁹ Ibid.

⁴⁰ Report on the progress of the reform of the Organization ("White Paper") (A/19/11), para. 47.

⁴¹ A/RES/602(XIX), p. 25.

⁴² Reports directly to the General Assembly.

⁴³ CE/DEC/4(LXXXVIII) and CE/DEC/4(LXXXIX).

III. INTERNAL GOVERNANCE: THE EXECUTIVE MANAGEMENT

A. Structure

35. Headed by the Secretary-General, the secretariat is located in Madrid and at various other sites, where various satellite entities operate, as described in chapter VII of the present report. The staffing table lists 106 posts, with about 10 of those posts remaining vacant;⁴⁴ the organization is supported by the work of approximately 30 to 40 project and non-project collaborators and 10 to 20 trainees at any given time.⁴⁵ The previous organizational chart was described in the 2009 MAR as complex and not reflecting clearly defined reporting lines: “*Given the small size of the organization, the Secretary-General is involved in most of the management activities, including many that should be delegated to lower levels, from human resource management activities to direct supervision of substantive programmes. For example, the Secretary-General directly authorizes all mission travel, and the chiefs of Conference Services and Human Resources Management both report directly to him. Interviews with staff members also indicated that there is a need for more delegation of authority.*”⁴⁶

36. The 2009 MAR also observed that, while the centralization of authority may have been acceptable in the past, and given its small size, “*there is a need for a clearer and wider distribution of responsibilities, instead of the current vertical chain of command, with a top-heavy structure which has become a bottleneck for the dynamic functioning of the Organization*”.⁴⁷ That is why the 2009 MAR included **recommendation 13**: “*The Secretary-General should develop an organizational chart reflecting actual responsibilities and clear reporting lines consistent with the authority delegated*”.

37. The 2008 and 2014 organizational charts are reproduced in annex II. The Secretary-General addressed this issue as a key element in his proposal for a fresh management strategy in the secretariat. Accordingly, “*Senior Management of the Secretariat will be constituted into a Management Team and this Team would support and be co-responsible with the Secretary-General in the discharge of the Organization’s mandate. In addition to the Secretary-General, the team will be formed by programme-oriented Executive Directors. Each member of the Team will be responsible for a group and resources of programmes and will receive appropriate delegation of authority. The Team will act as a cabinet under the chairmanship of the Secretary-General.*”⁴⁸ The proposal was approved and adopted by the General Assembly.⁴⁹ **Recommendation 13 was therefore accepted and implemented.** In addition to the Senior Management Team,⁵⁰ an Extended Management Team was formally established, in order to assist the Secretary-General in “examining and formulating strategic and current issues and in further strengthening the coordination and communication channels within the secretariat”.⁵¹ It includes the Senior Management Team, the Regional and Programme Directors and the Chief of Human Resources. Other officials may be asked to attend certain meetings when pertinent issues are discussed.

38. The ad hoc Working Group that reviewed the 2009 MAR (see para. 3 above) unanimously supported the above recommendation. The White Paper also reflected the fact that the aim of those

⁴⁴ Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters, CE/95/3(II)(f), table 1.

⁴⁵ Source: Human Resources Section, UNWTO Secretariat. The Secretary-General report on ITC (CE/96/2(f) dated July 2013 mentions “150 internal customers” (paras. 2).

⁴⁶ JIU/REP/2009/1, para. 68.

⁴⁷ Ibid., para. 69.

⁴⁸ Management Strategy and Designation of the Management Team of the Secretariat, Note by the Secretary-General, UNWTO General Assembly document A/18/14, para. 16.

⁴⁹ A/RES/571 (XVIII), Resolutions adopted by the (UNWTO) General Assembly at its Eighteenth Session, Astana, Kazakhstan, 5–8 October 2009.

⁵⁰ It plays inter alia and de facto the role of “management committee” (like the homonymous body at the United Nations). Proposed at a time, this creation was eventually not deemed necessary in view of the size of the organization.

⁵¹ White Paper, para. 130.

structural changes was to enhance the secretariat's flexibility to ensure the maximum productivity of its limited staff, in line with the move towards a programme-based secretariat.⁵²

39. On a related topic, the 2009 MAR included **recommendation 15(c)**: “*The Secretary-General should...(c) review the current top-heavy structure of the secretariat with a view to streamlining it*”.

40. The Secretary-General pointed out that the previous structure had, over time, led to unclear distribution of work among senior officials, duplication of roles and difficulties in the coordination of the programme of work. The model had also proved to be very central and vertical, sometimes with confusing reporting lines.⁵³ Therefore, his proposal to create a Senior Management Team was accepted by Member States.⁵⁴

41. Three newly-created Executive Director posts had replaced the previous positions of Deputy Secretary-General, Assistant Secretary-General and Director of Programme and Coordination. The Executive Directors would focus on programme-related areas. It was envisaged that the new positions would reduce the burden of decision-making required of the Secretary-General and would enhance decision-making processes by “increasing delegation, avoiding duplication of efforts, promoting internal synergies, and improv[ing] work programme implementation”.⁵⁵ **Thus, recommendation 15(c) has been accepted and implemented.**

42. The above-mentioned changes in the top management positions had brought some clarity to the distribution of work among senior officials. That initial progress should be pursued, as changes to an organization's culture take more time than changes to its organizational chart. The Secretary-General had a paternalistic image, centralizing all decision-making of the small secretariat for too long, with the inherent temptations of vote-catching. As stated by a member of the working group on JIU recommendations, “*clannish management that is totally centred on the Secretary-General, where functional relationships are not clear, should be avoided.*”⁵⁶ In the Inspector's opinion, the clarification undertaken to date should be continued by two means: (a) by a more precise and clearer identification of the areas of action reflected in the respective titles of the Executive Directors; and (b) by taking measures against the top-heaviness of the secretariat structure, which continues to be a concern for JIU for such a modest entity in terms of workforce.

43. In a management letter to the Secretary-General of UNWTO,⁵⁷ JIU made the observation that, in a comparison between the respective proportions of Professional staff members being placed and paid at **above the D2 grade** (sometimes known as “political grades”) at UNWTO and in the other United Nations system organizations, the UNWTO rate amounts to 9 per cent, while the rates at other organizations are all in a range between zero and 2 per cent at headquarters and offices.⁵⁸

44. Furthermore, the Executive Directors were awarded Assistant Secretary-General salaries, which is disconcerting considering that the organization has been under severe budget constraints (zero nominal growth and real growth very recently). In addition, the salary grades of the new Executive Directors were never stated in the Secretary-General's reports to the Executive Council on the human resources situation at UNWTO. It was only by reviewing internal documentation that the JIU team discovered that the Executive Directors (whose terms of office are limited by the end of the term of office of the Secretary-General himself) had been given Assistant Secretary-General salary grade, a finding subsequently confirmed by the secretariat. With respect to the cost implication and based on the salary grid of UNWTO staff in 2012,⁵⁹ had the Executive Directors be at D-2 position,

⁵² Ibid., paras. 122–123.

⁵³ “Management strategy and designation of the Management Team of the Organization”, CE/86/5, para. 13.

⁵⁴ CE/DEC/8(LXXXVI).

⁵⁵ CE/86/5, para. 18 (b).

⁵⁶ Summary of recommendations and proposals by member States of the working group established by the Executive Council, as of 22 September 2009.

⁵⁷ JIU/ML/2013/1.

⁵⁸ Personnel statistics – Data as of 31 December 2011”, Table 5A, CEB/2012/HLCM/HR/16.

⁵⁹ Pensionable remuneration for staff in the Professional and higher categories, effective 1 February 2012.

the organization would have made significant overall savings, certainly amounting to more than EUR 100,000 annually, without taking into account post adjustment and the cost of support staff and other benefits associated with Assistant Secretary-General positions.

UNWTO Liaison Office in New York

45. The Inspector, while going through the official documentation of the organization, noted that no reference is made to the UNWTO Liaison Office in New York except in the organizational chart. Its existence was confirmed by a note verbale issued on 5 December 2013 by the Special Representative of UNWTO to the United Nations addressed to the permanent representatives and observers to the United Nations and heads of liaison offices of the specialized agencies and related organizations informing them of its office relocation.

46. The Inspector was also surprised to learn that all the UNWTO officials based in the Liaison Office (i.e. a Special Representative, a Deputy Representative and a Senior Counsellor) are “collaborators” and thus are not staff. One of them is working part-time and is compensated accordingly. In the Inspector’s opinion, the fact that the organization is not represented by a single staff member in the performance of functions which may be of great importance⁶⁰ raises an issue of accountability. The Inspector is of the view that the head of a liaison office, at least, should be a regular UNWTO staff member.

47. The aforementioned JIU management letter to the Secretary-General of UNWTO indicated that no report on the activities of the Liaison office had been made available to member States. In his response, the Secretary-General agreed to prepare a detailed activities report as well as to undertake a cost-benefit analysis on the maintenance of the Liaison Office. A detailed examination of the four Secretary-General’s reports on UNWTO in the United Nations system⁶¹ does not reveal any evidence of the organization’s activities, as all activities mentioned in those reports can be documented from the Internet and/or have taken place in other regions.

48. It is suggested that the Secretary-General review the functions, staffing **(with status and grades), and costs (gross and net of any compensation of services with the UN-Women Fund) of the UNWTO New York Liaison Office and submit a report thereupon to the Executive Council.**

B. Delegation of authority

49. The primary objective of the delegation of authority is to apply the principle of subsidiarity to decision-making and the related accountability with a more efficient use of human and financial resources to enable organizations to become more agile and responsive, thereby enhancing their overall performance.⁶² It is a prerequisite for the successful implementation of results-based management that managers are given clear responsibilities and delegation of authority in all areas where they are to be held accountable for results.⁶³ Independent controls must be increased proportionately.

50. The Inspector was given copies of the delegation of authority granted by the Secretary-General to the majority of the members of his Senior Management Team (Executive Directors, the Director of Administration and Finance, Executive Secretaries and the Chef de Cabinet) to act as authorizing officers for the programmes and related accounts assigned to them. Each authorizing officer has been informed that his/her “adequate performance of the authorizing officer role leads to

⁶⁰ See “Liaison offices in the United Nations System” (JIU/REP/2007/10).

⁶¹ UNWTO activities in the UN system, CE/98/3(I)(g), CE/95/3(I)(d), CE/94/3(II)(a), and CE/90/9.

⁶² “Delegation of authority and accountability, Part II: Series on managing for results in the United Nations system” (JIU/REP/2004/7).

⁶³ *Ibid.*, para. 6.

sound implementation of the programme and budget and the organization's programme of work in an effective, efficient and economical manner; while complying with the applicable rules and regulations".⁶⁴ The representatives of UNWTO full members with whom the JIU team met in Madrid clearly appreciated the reorganization of senior management.

C. Accountability frameworks

51. An accountability framework brings together all the requisite components to comply with the definition of accountability adopted (without a vote) by the United Nations General Assembly in paragraph 6 of its resolution 64/259 after years of difficult dialogue with the United Nations Secretariat, JIU has addressed accountability in its previous reports, the most recent and comprehensive being the 2011 report entitled "Accountability frameworks in the United Nations system", (JIU/REP/2011/5), in which the Inspectors noted that, while many organizational components⁶⁵ linked to accountability were described in the UNWTO White Paper, **there was no accountability framework.** In that report, the Inspector recommended, inter alia, that UNWTO develop a stand-alone accountability framework on the basis of the benchmarks contained therein.⁶⁶ The Inspector notes that this has not been done and suggests that **the Secretary-General submit to the General Assembly a draft UNWTO accountability framework, taking into account similar successful initiatives carried out within the United Nations system.**

⁶⁴ UNWTO Decision Numbers: Delegation 1-5/2010, dated 1 January 2010.

⁶⁵ These include clarity of responsibility, delegation of authority, performance monitoring, reporting mechanisms, standards of integrity and ethical conduct, RBM, administration of justice and internal oversight.

⁶⁶ See Recommendation 1 in JIU/REP/2011/5.

IV. STRATEGY

A. Strategic planning

52. Strategic planning is the process by which an organization's medium- to long-term goals, together with the resource plans to achieve them, are defined. As pointed out in a JIU report on the subject, in a period of budgetary constraints, organizational policy-making bodies will optimize the allocation of resources, promote programmatic and organizational synergies and complementarities, and develop effective tools for planning and monitoring the implementation of plans. It was further stated in that report that an “*effective, forward-looking and well-structured strategic planning process will pave the way for transparent and meaningful reporting to stakeholders, and will facilitate further endorsement of subsequent plans by member States and other stakeholders of the organizations.*”⁶⁷

53. After the membership had approved the present Secretary-General's vision for the organization by endorsing the White Paper as the “main guiding strategic document of the Organization for the medium-term”,⁶⁸ a **White Paper Implementation Plan** was submitted, and approved, at the 93rd session of the Executive Council.⁶⁹ At its twentieth session in 2013, the UNWTO General Assembly took note of the progress of the plan and endorsed the Secretary-General's proposal to simplify the White Paper, maintaining it for “actions properly related to the reform of the organization.”⁷⁰

B. Results-based management

54. The 2009 MAR contained **recommendation 8**: “*The UNWTO General Assembly should endorse the results-based framework developed by JIU and request the secretariat to use it in the implementation of results-based management (RBM).*”

55. The United Nations System Chief Executives Board for Coordination, of which UNWTO is a member, had invited all organizations of the United Nations system to endorse the JIU benchmarking framework for RBM and to use it as the standard reference for their implementation of RBM.⁷¹ The JIU RBM benchmarking framework was subsequently endorsed by the General Assembly of the United Nations.⁷²

56. The Secretary-General's White Paper mentions the notion of RBM by stating that “the full implementation of current and future monitoring and evaluation procedures will, in turn, facilitate the establishment of the recommended results-based management and results-based budgeting methods, which are meant to raise productivity and enhance work effectiveness”.⁷³ However, no results-based framework has been submitted by the Secretary-General to the General Assembly for its endorsement, as if the secretariat could be exempted by its executive head from an obligation to implement a type of management accepted today by most organizations.

57. **The Inspector reiterates the 2009 MAR recommendation 8, which has been neither accepted nor implemented.** He observes that acceptance and implementation are not merely a formality, but are yet another aspect of a culture change whereby the focus, by means of learning and experience, goes from measuring activities to measuring their results at all levels and in all areas,

⁶⁷ “Strategic planning in the United Nations system” (JIU/REP/2012/12), para. 43.

⁶⁸ A/RES/602/(XIX).

⁶⁹ CE/93/8, CE/DEC/14(XCIII) and A/20/5(I)(e).

⁷⁰ A/RES/621/(XX).

⁷¹ CEB/2005/HLCM/R.6.

⁷² Through the approval of paragraph 248 of the report of the fifty-fifth session of the Committee for Programme Coordination in United Nations General Assembly Resolution 60/257.

⁷³ A/19/11, para. 120.

together with a related change of emphasis from inputs to outputs. As this is essentially a culture change, it does not require a complex ITC system, but merely the use of the various benchmarks developed by JIU in its reports on the subject.⁷⁴

58. **Therefore, the 2009 MAR recommendation on RBM is reiterated.** It is anticipated that its implementation will enhance the effectiveness of the organization. **The Secretary-General, making use of the results-based benchmarks and framework developed by JIU, should therefore submit to the Programme and Budget Committee in 2015 a report demonstrating how, within its particular constraints in terms of size and resources, the secretariat has moved towards the implementation of RBM.**

C. Risk management

59. Risk management is an essential element of good organizational governance and accountability. It supports an organization's achievement of strategic objectives by proactively identifying, assessing, evaluating, prioritizing and controlling risks across the organization. As it assists the organization to better prepare for the future, and for uncertainty, it cannot be de-linked from planning and priority-setting mechanisms.⁷⁵ It is for that reason that the Programme and Budget Committee should also be the body with the most vested interest in seeing it carried out. It helps to ensure the sustainability of an organization and enables it to meet organizational objectives. Organization-wide risk management policies and processes provide a coherent methodology for their implementation, possibly through an enterprise risk management (ERM) system.⁷⁶

60. UNWTO does not at this stage plan to introduce any risk management into its managerial practice, claiming that the cost of an ERM system "far outweighs the benefits".⁷⁷ The Inspector was surprised to find that there was a perception that "common sense" practices were seen as sophisticated and costly. In fact, specific risk assessments are currently carried out, more or less informally, for certain aspects of this small organization's activities such as security, financial transactions, procurement and information technology.⁷⁸ This approach is valid in the context of restricted resources, where the seriousness/probability of the main risks has to be assessed to guide decision-making: this is the essence of risk management, with or without a specific "system." **The Inspector invites UNWTO to take advantage of the benefits of ERM as indicated in box 2 of the JIU report entitled "Review of enterprise risk management in the United Nations system: benchmarking framework" (JIU/REP/2010/4) and the benchmarks for successful ERM implementation contained in box 1 of that report.**

⁷⁴ JIU/REP/2004/5, JIU/REP/2004/6, JIU/REP/2004/7 and JIU/REP/2004/8.

⁷⁵ Review of enterprise risk management in the United Nations system organizations (JIU/REP/2010/4), para. 4.

⁷⁶ *Ibid.*, para. 10.

⁷⁷ UNWTO response to the JIU questionnaire.

⁷⁸ *Ibid.*

V. FINANCE

A. Resources

61. The financial aspects of the organization are governed by the Financial Regulations and Rules.⁷⁹ In 2010 and 2011, they were revised by the relevant organs for the purposes of compliance with the requirements of the International Public Sector Accounting Standards (IPSAS) and to “bring the Regulations more in line with other United Nations system organizations and to update the Regulations in areas such as voluntary contributions, internal control and external audit”, also taking into account the Executive Council’s decision to merge the Programme Committee and the Committee on Budget and Finance into the Programme and Budget Committee.⁸⁰

62. The organization’s budget, covering its administrative functions and the general programme of work, is “financed by contributions of the full, associate and affiliate members, according to the scale of assessment accepted by the General Assembly and from other possible sources of revenue for the organization in accordance with the financing rules which are attached to these statutes and form an integral part thereof”.⁸¹ In the biennial budget 2012–2013, as approved by the General Assembly, amounting to EUR 25,200,000, the amounts and proportions expected from those sources are shown in table 1 below:

Table 1. Sources of income and their share in 2012–2013

Sources of income	Amount (EUR)	Share
Full and associate members	23 018 000	91.3%
Other income sources:		
Affiliate members	1 058 000	4.2%
Publications sales	500 000	2.0%
Sundry income	624 000	2.5%
Sub-total of other income	2 182 000	8.7%
GRAND TOTAL	25 200 000	

Source: A/19/12

63. The 2009 MAR included **recommendation 9**: “*The Secretary-General should inform and obtain approval from the UNWTO General Assembly prior to any revision of assessed contributions of member States to the budget.*”

64. The scale of assessments is determined by the UNWTO General Assembly in accordance with the Financial Regulations and Rules. The draft scale of contributions is included in the programme and budget proposals submitted to the General Assembly for discussion and approval.⁸² **Recommendation 9 has therefore been accepted and implemented.** Countries are assigned to groups according to their contribution capacity. The Inspector notes that, while the methodology has not changed, the total amount of contributions has, further to application of the “Lusaka formula”,

⁷⁹ Volume III of the UNWTO Basic Documents.

⁸⁰ A/19/11, June 201: Report on the progress of the reform of the Organization (White Paper) and CE/89/4(c), September 2010, “Merging of the Programme Committee and the Committee on Budget and Finance”.

⁸¹ Article 25.1 of the UNWTO statutes.

⁸² Report of the Secretary-General Part 1: Programme of work (c) Draft programme and budget of the organization for 2014–2015” (A/20/5(I)(c)), “annex A: contributions of the full, associate and affiliate members.

which takes into consideration factors such as economic development and tourism activities in arriving at the amounts payable.

65. The 2009 MAR included **recommendation 11**: *The UNWTO General Assembly should call for the members to pay their arrears within the period stated in the statutes and financing rules.*

66. The eighteenth General Assembly adopted a resolution urging members to “observe with the utmost rigour the statutory and regulatory provisions governing the Organization’s financial affairs, with particular regard to the due date of contributions specified in paragraph 12 of the financing rules, so as to ensure, in the interest of all members, that the execution of the programme and other activities of the Secretariat is in no way hampered by shortage of funds.”⁸³ As the General Assembly has effectively made the requested call, the 2009 JIU **recommendation 11 has been accepted and implemented, but the effectiveness of that implementation has yet to be seen.**

67. The above recommendation has been accepted and implemented, but the Inspector would like to point out the annual and cumulative arrears of UNWTO members at the end of each calendar year. The arrears are not taken into consideration in the planning of the biennial budget and whatever arrears are received are deposited into the General Fund; nonetheless, **firmer measures were taken in 2013 to reduce the liabilities of affiliate members of the organization.**⁸⁴ However, **this addresses only a small part of all outstanding contributions.** The accumulated amounts (EUR 16.27 million and EUR 14.39 million respectively as at 31 December 2012 and 31 March 2014) represent 124 per cent and 110 per cent respectively of the approved level of all contributions for 2014, i.e. EUR 13.12 million, itself forecast as 6.8 per cent more than the estimated level of EUR 12.76 million for all contributions in the same year; this is a structural difference which would only be offset by EUR 0.48 million (about 3.7 per cent), received as payments in arrears (as of March 2014).⁸⁵

68. The Inspector does not fully concur with the positive assessment made in the report on the financial situation of the organization⁸⁶ which refers to a “good performance” in terms of the prompt and on-time collection of contributions at an average rate of 89 per cent over the period 2006–2012. If it can be said that *many* [countries with significant arrears] *are simply not yet in a position to make a firm commitment to repay their contribution arrears or to adopt a suitable payment plan*”, this cannot reasonably be said of several other members appearing in annex 1 to the same document.

B. Programme budget

69. Indicating the willingness of the organization to allow for better informed decisions by the Member States with regard to priorities and the related resources, in 2011 the General Assembly accepted the merger of the Programme Committee and the Budget and Finance Committee into a Programme Budget Committee, as proposed in annex 1 to the White Paper.

70. The programme of work is structured around **two interdependent strategic objectives**: (a) improving the competitiveness and quality of tourism; and (b) ensuring sustainability and ethics in tourism operations.⁸⁷ Some programmes serve **both** objectives. The Secretary-General has identified three types of programme to serve as the basis for the shift from a department-based to a programme-based secretariat in 2010. Those are, as listed in the White Paper,⁸⁸ the operational programmes, the regional programmes and the support programmes. Document A/20/5(I)(c) includes, for the biennium 2014–2015, a summary description of each programme with its name and acronym (para. 8). No

⁸³ A/RES/567(XVIII).

⁸⁴ A/RES/616(XX), p. 15.

⁸⁵ Financial situation of the Organization (A/20/5(II)(b)), para. 8, and Report of the Secretary-General on the Financial situation of the Organization (CE/98/3(II)(b)).

⁸⁶ Ibid.

⁸⁷ Report of the Secretary-General, Part I: Programme of work (c) Draft programme and budget of the Organization for 2014–2015, A/20/5(I)(c), para. 4.

⁸⁸ A/19/11, paras. 123 and 128.

follow-up has been given to the “option of formulating a four-year instead of a two-year programme of work”.⁸⁹

71. The programme-budget appropriations distinguish between two types of support: “direct to members” (communications, conference services and management) and “indirect to members” (budget and finance, human resources, information and communications technology (ICT), premises and internal services and a sum of money as “provisions”). The second type mobilizes, under the Director of Administration, 7 staff at the Professional level and 17 at the General Service level. Collaborators do not appear in the staffing table, but play an important role in certain administrative projects.

72. The 2009 MAR included **recommendation 7**: *The UNWTO General Assembly should call for a greater member State participation and leadership in the planning, programming and budgeting process.*

73. Similarly, criticism was clearly expressed in the White Paper:

*“Currently, there is a shortfall of inputs from Members for identifying priority needs, for determining the corresponding programmes to respond to those needs and for deciding on other important matters. Some proposals have been made above in this respect [...] One of the reasons behind the lack of a sense of ownership has been an ineffective system of communications between the Secretariat and its Members, which operates poorly both ways.”*⁹⁰ That recommendation is referred to specifically in the White Paper, as follows: *in line with the recommendations made by JIU, there is a need for greater discussion, involvement and debate among Member States in relation with decisions and resolutions, and it consistently adds that: the Secretariat should be there only to facilitate, propose language and help to reach consensus on decisions and resolutions”.*⁹¹

74. The Inspector welcomes the fact that, in the White Paper, the whole of section 8 is devoted to “a relevant Organization owned by its Members”, In that section, inter alia, progress already made is described as *“the regionally appointed Vice- chairs of the XVIII General Assembly session becoming fully involved in drafting resolutions, and with drafts being submitted to all Member States in advance of the session in which resolutions [are] to be approved”*⁹² and some interesting ideas on how to make further progress are put forward. For instance, it is suggested that certain routine matters should be submitted to the Executive Council rather than being addressed in the General Assembly and that presentations and debate should take place around a technical report on a major policy issue at all General Assembly meetings; and it is emphasized that “special efforts will be made by the Secretary-General in the current term to enhance and ensure permanent communication with the members”.⁹³ While only 31 member States replied to the 2006 survey for the programme of work for 2008–2009,⁹⁴ the response rate was much higher in the following years. For the programme of work 2010–2011, 113 replies were received⁹⁵ and for the programme of work for 2014–2015, 95 replies were received.⁹⁶ Those figures speak for themselves and also imply that, beyond mere verbal compliance, **recommendation 7 has been accepted and implemented, a conclusion confirmed by the representatives of member States whom the Inspector met in November 2013.**

⁸⁹ Ibid., para. 46.

⁹⁰ Ibid., paras. 54 and 61.

⁹¹ Ibid., para. 59.

⁹² Ibid., para. 60.

⁹³ Ibid., para. 61.

⁹⁴ Draft programme of work and Budget of the Organization for the Period 2008–2009, General Assembly Document A/17/7 Rev., p. 2.

⁹⁵ “General Programme of Work – Report on the Preparation of the General Programme of Work 2010–2011” (PC/35/6) (Programme Committee Document), July 2008.

⁹⁶ Survey on Member States’ priorities for 2014–2015 – Summary report, UNWTO internal document.

75. **Recommendation 10** of the 2009 MAR was as follows: “*The Secretary-General should include in the budget proposals a breakdown by organizational unit showing financial resources and staffing tables for each budget component (organizational unit)*”.

76. Included in the draft programme and budget of the organization for 2014–2015 was a table entitled “Appropriations proposed for 2014–2015 and approved for 2012–2013 budget estimates and analysis of increases by part and programme”.⁹⁷ It shows clearly the allocation of funds (or allotments) to each programme and each unit. A table entitled “Revised appropriations for 2012–2013 in accordance to the proposed new structure” shows, for each regional, operational and support programme, the number of staff posts for the Professional and General Service categories, totalling 106 posts. Another table shows in detail the whole secretariat allocation by grade, together with non-staff, confirming that **recommendation 10 has been accepted and implemented**.

B. Financial monitoring and accounting: the long path to IPSAS implementation

77. In the circumstances depicted in the JIU report on IPSAS,⁹⁸ the interagency United Nations Task Force on Accounting Standards (UNTFAS) concluded that IPSAS, derived from the private sector International Financial Reporting Standards (IFRS), represented international best practices for United system organizations to improve the quality, comparability and credibility of their financial reporting. That conclusion was subsequently endorsed by the United Nations System Chief Executives Board for Coordination High-Level Committee on Management and the United Nations General Assembly in its resolution 60/283 (sect. IV). The UNWTO Executive Council and General Assembly approved the adoption of IPSAS the same year (2006)⁹⁹ and the Executive Council approved the progressive adoption of the standards in 2010–2011¹⁰⁰ and agreed (as late as May 2009) to the utilization of the reserve fund for the replacement of fixed assets¹⁰¹ to finance their implementation.¹⁰² It further agreed that UNWTO should take steps aimed at ensuring that those new accounting standards would be adopted “as soon as possible”.¹⁰³ Together with the Food and Agriculture Organization of the United Nations (FAO), UNWTO is targeting 2014 as its first year of IPSAS compliance. IPSAS compliance in the financial statements for 2014 will be reported on by the external auditors in 2015. Like the other United Nations system organizations, UNWTO took its political decision in 2006 without realizing the variety and complexity of the tasks it would face on its path to IPSAS. Eventually, by December 2013, 21 United Nations system organizations had successfully completed the implementation of IPSAS.

The strategy

78. In view of the failure by UNWTO from 2006 to 2008 to undertake the required action, the 2009 MAR included **recommendation 12**: “*The Secretary-General should elaborate a detailed phased work plan, including necessary resources, for the implementation of IPSAS and submit it to the General Assembly for approval.*”

⁹⁷ Report of the Secretary-General Part I: Programme of Work (c) Draft programme and budget of the Organization for 2014–2015 (A/20/5(I)(c)), UNWTO General Assembly document, August 2013.

⁹⁸ “Preparedness of United Nations system organizations for the International Public Sector Accounting Standards (IPSAS)”, Chapter II: Towards IPSAS (JIU/REP/2010/6). The report is available from www.unjui.org or via the symbol A/66/308 from <http://documents.un.org>

⁹⁹ CE/81/DEC.

¹⁰⁰ CE/DEC/7 (LXXXV).

¹⁰¹ A Replacement Reserve was provided for by Detailed Financial Rule VI.21 to compensate the depreciation determined for the non-expendable fixed assets and intangible assets acquired in previous financial years, so funds are available for their replacement, the acquisition of new ones and the improvement of the infrastructure and/or **administrative support**.

¹⁰² The Inspector checked that it effectively supports the planning, budgeting and implementation of the various activities of the IPSAS project.

¹⁰³ CE/95/3(II)(a)Add.1: progress report and amendments, 3 April 2013, 94 p (para. 3).

79. In 2009, a detailed gap analysis was carried out by the expert who had led the World Food Programme (WFP) through the first successful IPSAS implementation in the United Nations system.¹⁰⁴ The expert assessed the existing administrative, accounting and IT situation against the requirements of IPSAS. As a result, the secretariat obtained the support of the Executive Council through its **decision CE/DEC/5/LXXXVIII, outlining the strategy, structure, workplan and the major impact areas and the revised plan to prepare UNWTO to become IPSAS compliant** in the biennium 2014–2015.

80. As recommended by JIU, **a workplan was carefully drawn up**, including:

- A pre-phase (2009–2010) with the establishment of new document flow and approval procedures, a new financial model, a review of the IT infrastructure, the migration of the Financial and Management Information System (FMIS) to superior software (Oracle Forms 10g) and the development of a FMIS manual;
- A main phase (2011–2014) with a review of the regulatory framework, a new accounting policy and practice, a review of all applicable procedures, all communication and training at all levels, and the determination of IT appropriate specifications;
- A post-phase (after 2014) which would enable compliance with IPSAS to be sustained and to see the impact of its expected advantages. During this phase, the decision to establish an Enterprise Resource Planning (ERP)¹⁰⁵ or possible alternative IT solutions would be taken, subject to a rigorous cost-benefit analysis.

81. The 2009 MAR **recommendation 12 has therefore been fully accepted and implemented.**¹⁰⁶ Moreover, regular reports to the Executive Council and detailed documents were produced, using the UNTFAS guidance, to implement the IPSAS project plan, detailing the tasks, their planned and actual deadlines, regularly produced and updated degrees of achievement, the main costs and the overall balance of the reserve fund used to that end.¹⁰⁷

Governance and human resources of the project: risks and luck

82. Under the agreed principle of zero nominal budget growth, the human and financial resources to be dedicated to the IPSAS project **were calculated at such a low level that serious risks were taken** for its possible success, without those risks being officially recognized. The secretariat highlights its transparency vis-à-vis member States, which *have always been informed through the IPSAS progress reports on possible identified risk issues*,¹⁰⁸ and refers to the most recent progress reports to illustrate its point. All stakeholders could therefore be seen as sharing responsibility for the risky situation thus created.

83. Until the 2009 gap analysis (see above), the lack of financial and human resources had delayed its effective implementation. **Until 2010 only one staff member at the Professional level was in charge of accounting and IPSAS, in addition to other tasks; she remained the only staff member at the Professional level involved, leading from her P-3 post an IPSAS team consisting of herself and three collaborators recruited progressively, as accounting specialists.** In the Inspector's view, a team of that size and grade level is clearly insufficient in relation to the qualification requirements and the responsibilities incurred by the team and its leader. The governance

¹⁰⁴ Project story described in annex IV of JIU/REP/2010/6 under the title "A success story: the WFP process"

¹⁰⁵ ERP systems provide standard applications to manage the financial, human and physical resources of a user Organization, integrating data and business processes under a unified information system sharing a common set of data. See JIU/REP/2012/8, para. 2.

¹⁰⁶ Annex I below gives a more detailed version of the plan implementation.

¹⁰⁷ CE/DEC/7(LXXXV), 2009.

¹⁰⁸ Secretariat written reply to JIU additional questionnaire. See CE/95/3(II)(a) Add.1 addresses IPSAS-identified risk issues.

of the project through a steering group¹⁰⁹ was not found to be effective, and oversight was provided through more direct supervision by the Director of Administration and the Secretary-General. Since 2012, the Senior Management Team has met twice to discuss the subject. Formally, the responsibility for implementation lies with the Director of Administration under the overall supervision of the Secretary-General.¹¹⁰ Real leadership emerged through several meetings per year of a swift three-level group composed of the Secretary-General, with his political weight and personal commitment, the Director of the Administration with his bird's-eye view of all administrative procedures and a staff member at the Professional level leading the project team. The external independent adviser who authored the gap analysis, has continued to monitor operations several hours per month and sometimes visits UNWTO headquarters for that purpose. The project made use of the JIU report on IPSAS and, in particular, of the guidance and working papers provided by the United Nations Task Force on Accounting Standards (UNTFAS), implementing one of the roles embedded into its four strategic orientations.¹¹¹

84. On 23 December 2013, the Secretary-General of UNWTO issued a circular¹¹² regarding the approval and entering into force, from 1 January 2014, of the UNWTO Financial Regulations and Rules, the UNWTO IPSAS Policy Guidance Manual, the UNWTO Accounting Manual, and the UNWTO IPSAS-related operational and management procedures.

85. The Inspector has prepared a detailed management letter to the Secretary-General on the degree of implementation by UNWTO of the 3 JIU recommendations and 16 benchmarks.¹¹³ He comes to a favourable conclusion regarding the reporting to the UNWTO governing bodies, observing, however, that their political support was not accompanied by a level of staffing and funding commensurate with the amount and complexity of the related requirements; consequently, in the absence of a risk analysis and mitigation, the very committed but too small IPSAS team was clearly overstretched, which posed serious risks for a successful, effective and timely transition to IPSAS. The Inspector considers that those risks have not materialized so far owing to the exceptional dedication and skills of the secretariat at all levels; he underlines that a series of miracles cannot be factored into any project. However, strong management support for, and control of, the project have ensured that problem issues have so far been dealt with expeditiously. **The Inspector found that UNWTO has effectively complied with the “Best practices for a smooth transition to IPSAS” except for BP 12, which** requires “the adoption of risk assessment, management and mitigation strategies and practices for the project implementation”, **and BP 16, since no resources were set apart** for “an independent and comprehensive validation and verification of the system towards the end of its completion”.¹¹⁴ **The full implementation of BP 13 remains unlikely:** as it calls for interim financial statements (also called “dry runs”) to be planned and prepared for review by external auditor(s) “well ahead of the final implementation date (31 December 2014)”, while the “pilot financial statements” at UNWTO are planned for implementation in September 2014, only three

¹⁰⁹ CE/88/5(a) point 4 regarding “Progress report on the implementation of International Public Sector Financial Standards (IPSAS)” reads: “An IPSAS Steering Group comprising the senior management of the Organization has been established in order to support and enable the implementation of the IPSAS project within the Secretariat. This structure is presented in annex IV of the document”. Decision CE/DEC/7(LXXXV) takes note of the above.

¹¹⁰ CE/93/5(b)Add.1 Progress report on the implementation of International Public Sector Accounting Standards (IPSAS). Decision CE/DEC/7(XCIII) takes note of the above.

¹¹¹ Those are: (a) facilitation and communication; (b) IPSAS Board monitoring and follow-up activities; (c) coordination of accounting diversity; and, (d) guidance and support.

¹¹² NS 775.

¹¹³ JIU/REP/2010/6, available from www.unjiu.org or A/66/308, available from <http://documents.un.org>: Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS).

¹¹⁴ JIU/REP/2010/6, available from www.unjiu.org or A/66/308, available from <http://documents.un.org>: Preparedness of United Nations system Organizations for the International Public Sector Accounting Standards (IPSAS), Best practice 16.

months prior to the closing balance date. Moreover, a number of data for the accounts of the year 2014, in particular from the “satellite entities”, will have to be introduced retrospectively, once their relations with the organization at a political level are fixed and agreed upon.

86. In addition, UNWTO made the choice of a “big bang strategy”: from the first day of 2014, the recording process of any business process or action was supposed to change overnight rather than progressively, as it had been decided by the Executive Council in 2007 (CE/81/DEC); this was made possible by the new business flows introduced in the pre-phase and by extremely rigorous planning, as finally shown in March 2014 when the 2013 closing balance for the biennium 2012–2013 (under UNSAS, the previous United Nations accounting standards) was validated, to the Inspector’s great relief.

87. The 2014 opening balance under IPSAS remains to be checked and validated by the external auditors. In particular, they would have to assess whether the accounts of the controlled satellites (under IPSAS 6) or the external satellites maintaining a power relation with the organization (see chapter VI below) would lend themselves to an IPSAS-compliant process (under IPSAS 7 or 8). At the time of drafting the present report (April 2014), an IPSAS-compliant opening balance for 2014 (as at 1 January 2014) is claimed by the secretariat to be “*under preparation and will be submitted in May 2014 to the External Auditors for their revision and external auditing (planned to be carried out immediately thereafter)*”.¹¹⁵

88. Without pre-empting the external auditors’ conclusions in 2015, and taking into account the financial and human resources limitations imposed on the IPSAS project and the limited timespan resulting from the announcement of 2014 compliance, **the Inspector is of the opinion that the UNWTO secretariat previously made every effort to request more resources from the legislative bodies for IPSAS compliance, and applied the best possible strategy to ensure unqualified compliance of its financial statements with IPSAS.** This was achieved **at an extraordinarily modest cost.** Upon request, the Inspector received a written statement, according to which “*the impact of IPSAS implementation is currently being absorbed mainly by selected staff within two programs, Budget and Finance (by three staff members and two collaborators) and Information and Communication Technologies (by two staff members and one collaborator). Both programs are called upon to provide support and input, in addition to ongoing responsibilities.*” **The Inspector regrets that such a large programme was not taken into account in a timely manner in the last review of generic job profiles, conducted in March and May 2011,**¹¹⁶ since he supports the principle that “*the criteria ...with all jobs [should] be defined by the work of the programme*”.¹¹⁷

¹¹⁵ The wording leads the Inspector to wonder whether there could be some conflict of interest between the external auditors’ successive tasks, as coaches for the review and thereafter as validators of IPSAS compliance, for the same organization, an issue which emerged years ago within the Panel of External Auditors.

¹¹⁶ CE/90/5(a), Add.3, Annex, para. 1

¹¹⁷ Ibid., para. 16.

VI. “SATELLITE ENTITIES”

89. A number of other bodies, better known today as “satellite entities”, have been created in recent decades in a context of deliberate scarcity in UNWTO resources¹¹⁸ together with:

- The direct or indirect interest of some UNWTO full members or a group thereof in a particular aspect of the tourism-related policies, such as tourism advocacy, training activities, technical cooperation projects, contributing to the elimination of poverty
- The availability of funds in a host country
- Their interest in organizing international events, often in their home countries
- The individual interest of a number of officials of the UNWTO secretariat at various levels in travelling to those countries.¹¹⁹

90. In paragraphs 28 to 32 of the 2009 MAR, five entities were mentioned.¹²⁰ “The Inspector found “the purpose, structure and financing of these foundations unclear, inasmuch as they are part and parcel of the Organization” (para. 31) and deplored the fact that their respective relations with UNWTO were not clearly defining the organization’s responsibilities, especially in the areas of human and financial resources, or the legal aspects relating to each entity. A document entitled *Themis Foundation Audit Report* of November 2007 had begun to raise doubts with regard to those aspects. Since then, another audit report has sadly confirmed the lack of record management and transparency of the ST-EP Foundation and the UNWTO Osaka office.¹²¹ In section 12, “External Entities”, the White Paper was no less critical when observing that all those partnerships “set up with a different model of association, without clarity and without a general norm as to the specific role that the Organization has to play in it”. The governance model and responsibilities of UNWTO vary from one entity to another and are not always clearly defined. The responsibility of the Secretary-General in respect of those entities is not clear either, and there are no rules regarding the reporting lines for financial and administrative issues concerning them.¹²²

91. The 2009 MAR included **recommendation 2**: *The Secretary-General should develop modalities of cooperation with the respective foundations and offices and submit them to the 2011 UNWTO General Assembly for consideration and approval, together with the outcome of the mentioned JIU investigation on the subject.*

92. JIU did not obtain the resources to carry out the investigations envisaged in the 2009 MAR. However, the tone of official UNWTO documents with regard to those entities changed dramatically.¹²³ The need for more consistency and control emerged strongly. In 2010, the UNWTO

¹¹⁸ Article 12 of the Agreement between the United Nations and the World Tourism Organization (UNWTO Basic Documents, Vol. I, p. 104) restricts the use of UNWTO technical assistance for projects. In addition, since 2007 the main contributors have applied a restrictive funding doctrine and budgetary policy practice of zero nominal growth (which the United Nations did not apply to itself).

¹¹⁹ In diplomatic language, “*some Member States have offered to provide the Organization with ... special, voluntary support, either in cash or in kind, over and above their assessed contribution to the UNWTO budget*” which has been “*instrumental to allow the secretariat to expand its services to Members and to the entire tourism community*” (A/18/17, Report on the entities associated with UNWTO, para. 3).

¹²⁰ The Themis Foundation in Andorra, an “office” in the same country, Sustainable Tourism Eliminating Poverty (ST-EP) Foundation, established in Seoul, Republic of Korea in 2004 as the cornerstone of the ST-EP Programme, proposed a World Centre of Excellence for Destinations established in 2006 in Montreal, Canada, and a secretariat office in Osaka, Japan.

¹²¹ CE/85/5(c) Add.1.

¹²² A/19/11, para. 105.

¹²³ Cf. the March 2009 progress report (CE/85/9) on six “different external entities with which the UNWTO has established collaborative links” and the August 2009 “Report on the entities associated with UNWTO” (A/18/17).

secretariat undertook a valuable in-house legal analysis of the external entities. It remained in-house, but was shared with the Inspector. Its objective was to analyse the legal relationship existing between the secretariat and its eight associated entities and to propose a new model of governance in order to protect UNWTO from any legal or financial liability. As a result, a major achievement has been the announcement in the White Paper of a criterion which should be applied to each entity, in accordance with the clarity required by IPSAS.¹²⁴

93. It must be recalled that one of the absolute requirements of IPSAS 1 (Presentation of the financial statements) is as follows: “an entity whose financial statements comply with IPSAS shall make an explicit and unreserved statement of such compliance in the notes. **Financial statements shall not be described as complying with IPSASs unless they comply with all¹²⁵ the requirements of IPSAS**”. (para. 28). While significant steps have been taken since 2009, surmounting this issue could have jeopardized a timely transition of UNWTO to IPSAS as, until quite recently, there was much uncertainty on two issues:

- (a) Whether each of the various UNWTO satellites has to be considered as:
 - An integral part of the organization, and its financial data integrated into those of UNWTO under IPSAS 6, “Consolidated and separate financial statements”
 - An associate, under IPSAS 7, “Investments in associates”
 - A joint venture under IPSAS 8, “Jointly controlled entities” or
 - A fully independent entity, with no requirement for specifically addressing its financial relations with UNWTO.
- (b) Whether in any of the three first cases above, sufficiently transparent accounting policies and data (for their inventories, for example) existed within each of the satellites **prior to 1 January 2014** to give a credible basis to the opening balance for the first year of compliance.

94. By its decision CE/DEC/17/LXXXV on the entities associated with UNWTO, the **Executive Council agreed on the necessity of an appropriate policy framework regarding all these bodies** which had been severely but rightly criticized in document A/18/17 (paras. 7–11).

95. To provide some clarity and consistency to such a policy framework, the secretariat had explained the legal framework binding UNWTO: “Any deviation to any Basic Document and sources of Law constitutes an infringement of the legal framework of UNWTO and of the rules established by the members. Therefore, they require the specific approval of the Secretary-General. The Secretary-General remains accountable to the Executive Council and the GA for such deviations and their consequences.”¹²⁶ In the same spirit, a circular on “UNWTO Policy on Agreements”¹²⁷ listed the criteria to be applied in determining the need for the organization to conclude an agreement, defined as “*a legal instrument concluded between the World Tourism Organization (UNWTO) and external parties for the exercise of its functions and fulfillment of its mission and strategic objectives*”. In addition, “any draft agreement that envisages the creation of a new body, entity or subsidiary organ will be referred by the Secretary-General to the Executive Council for its opinion”.¹²⁸ No room was left for amateurism in agreements.

¹²⁴ IPSAS 6 states, *inter alia* that:

- “the *Consolidated financial statements shall include all controlled entities of the controlling entity (foreign or domestic)*, except [2 exceptions not applicable to UNWTO]”
- “*An entity (the controlling entity) controls another entity (the controlled entity) if one entity has the power to govern decision-making in relation to the financial and operating policies of another entity so as to benefit from its activities*”

¹²⁵ Emphasis added by the Inspector.

¹²⁶ UNWTO Legal Framework.

¹²⁷ NS 738, dated 16 November 2011.

¹²⁸ *Ibid.*, page 1.

96. The secretariat undertook another **analysis of those entities from an IPSAS perspective**, to classify each UNWTO satellite in its current form out of or into the IPSAS framework (6, 7 or 8), if applicable, as well as to determine its implications and challenges for UNWTO from a financial and accounting perspective.¹²⁹

97. It became evident quite recently that legal and financial liability for acts and omissions of the UNWTO satellites remained the responsibility of the secretariat and of members of UNWTO.¹³⁰ The secretariat's legal and accounting approaches have been spurred on in recent years by a trend towards giving more responsibility to the organizations for the action of their satellites,¹³¹ which highlighted the importance and urgency of **the need to protect an organization from the liabilities of badly controlled satellites** created without established limitation to their own responsibility.

98. **With the endorsement of section 12 of the White Paper, the General Assembly, in resolution 602(XIX) fully accepted 2009 MAR recommendation 2 and prepared thoroughly for its (necessarily time-consuming) implementation. The reform of the satellite entities** called for clarity in the model of management and legal and financial security for the organization. Subsequently, the question arose of "**which entities are controlled by UNWTO**". A comprehensive response was required to study whether UNWTO was effectively sharing some of its power with one or more of its Member States, in a way which should be analyzed from pragmatic, political, sociological, legal and financial perspectives by means of a retrospective and prospective cost-benefit analysis of each of those entities.

99. A review of that type called for a considerable amount of information to be gathered on each of the entities, including sound accounting and record management policies at least for the financial period preceding 2014; this can only be assessed by the external auditors and/or the external auditors of the organization. It **also required reviewing, and to some extent changing, the legal and political framework of each satellite entity**, with the help of the focal points in UNWTO for each entity and the good will and understanding of the full member primarily concerned by and hosting the external entity. At the XXth General Assembly in 2013, the secretariat announced **its objective of an implementation plan for the reform of the satellite entities** to ensure either their control status when deemed necessary or their non-control status, indicating, at that time, a progress rate of only 50 per cent.¹³² **Thus, implementation of the 2009 MAR recommendation 2 is still in progress. The relevant external auditors' reports expected for the 98th session of the Executive Council will indicate the extent to which it has been implemented.**

100. With the same objective of clarity and accountability, the 2009 MAR included **recommendation 24: *The Secretary-General should develop rules and procedures for establishing private sector partnerships in the context of potential conflict of interest for the consideration and approval of the General Assembly.***

101. In 2011, the Secretary-General issued a circular entitled "UNWTO Policy on Agreements"¹³³, which sets out the rules, guidelines and procedures to be followed when entering into agreements with third parties, including from the private sector. The secretariat subsequently conducted, within the scope of the IPSAS project, an "Analysis of UNWTO satellites from the IPSAS perspective"

¹²⁹ In addition, a survey was launched by the UNWTO secretariat to inquire about possible similar situations faced by other intergovernmental organizations, mostly in the United Nations system. It confirmed that among the four responding Organizations with "satellites" (some others had none) only UNESCO felt comfortable, thanks to clearly defined responsibilities (the influence of Roman written law).

¹³⁰ UNWTO is not protected by its immunity from jurisdiction with regard to claims made to its satellites, which may have to be settled in mechanisms such as ILOAT or by arbitration.

¹³¹ Judgment 2867 of ILOAT requiring the International Fund for Agriculture Development (IFAD) to award US\$ 100,000 to a satellite's employee; its confirmation by an advisory opinion of the International Court of Justice (1 February 2012); adoption by the International Law Commission of articles on the responsibility of international organizations.

¹³² A/20/5(I)(e), Annex, under Action 42.

¹³³ Circular NS/738.

(Edition I, 2013), which was shared with stakeholders and published internally. Its purpose was to classify the UNWTO satellites in their current form into the framework of either IPSAS 6, 7 or 8, as applicable, as well as to determine implications and challenges for UNWTO and for each satellite entity from the financial and accounting perspective. That analysis has acted as a powerful driver for the adaptation of the governance models of the various satellites. Further to a request, the Inspector received the information reproduced in table 2 below, which illustrates the results of the analysis.

Table 2

Satellite	Relationship	Up to 31 Dec. 2013	From 1 Jan. 2014
Regional Support Office of Asia and the Pacific (RSOAP)	Part of UNWTO	Not part of UNWTO accounting documents	It will be part of UNWTO financial statements
ST-EP Foundation	<ul style="list-style-type: none"> - Up to Aug. 2013: Controlled entity. - From Sept 2013: In Aug. 2013 the UNWTO 20th General Assembly (GA) to transform the ST-EP Foundation into an independent international organization (A/RES/622(XX)) 	Not part of UNWTO accounting documents	<p>Not applicable (n.a.) – not part of UNWTO financial statements because UNWTO has no direct control over the ST-EP Foundation.</p> <p>No materiality in respect to total UNWTO resources.</p>
Themis Foundation	Joint venture	Not part of UNWTO accounting documents	It will be part of UNWTO financial statements
TOI (Tour Operators' Initiative for Sustainable Tourism Development)	Independent from UNWTO	Not part of UNWTO accounting documents	<p>Not applicable (n.a.) – not part of UNWTO financial statements.</p> <p>New MOU between TOI and UNWTO signed in 2014</p>
International Centre for Knowledge Management on Meetings and Events	Independent from UNWTO	Not part of UNWTO accounting documents	Not applicable (n.a.) – not part of UNWTO financial statements
Silk Road Tourism Office	Associate to UNWTO	Not part of UNWTO accounting documents	Not applicable (n.a.) – not part of UNWTO financial statements because there is no way of ascribing ownership.
International Documentation and Research Centre on Industrial Heritage for Tourism	Independent from UNWTO	Not part of UNWTO accounting documents	Not applicable (n.a.) – not part of UNWTO financial statements

Source: UNWTO secretariat

102. Therefore, **recommendation 24 has been accepted and implemented**. The remaining current UNWTO satellites (the Diplomatic Office, the Centre for the Promotion of the Global Code of

Ethics for Tourism and the World Center of Excellence for Destinations) are not included in the table because UNWTO has no control over them, they are consequently not subject to any IPSAS and will not be mentioned in the UNWTO financial statements for the year 2014.

103. The Executive Council will be informed by the Secretary-General's reports on the transformation and future of the respective UNWTO satellites. The present report sets out below only some major aspects in this regard.

104. Contrary to previous forecasting, a new international organization was established in 2013 as a successor to the **Sustainable Tourism – Eliminating Poverty Initiative (ST-EP)**. Its statutes are based on those of UNWTO and the decision concerning separation was taken by the UNWTO XXth General Assembly, at Victoria Falls. UNWTO remains an observer in the governing body of the new organization; its member States are entrusted with the task of finalizing its basic texts.

105. With the termination of the UNWTO–Germany agreement, the status of the **Bonn Office** changed in 2011 and its accounts were fully integrated into the organization's accounts in 2013. The Government of Germany seems interested in maintaining its activities, which it continues to fund via voluntary contributions to the organization's budget.

106. UNWTO is considering a similar formula for the **Nara** (former Osaka) **Office** in Japan, although a clear-cut solution has yet to be found, including for accounting matters. A possible delegation of authority is being discussed by UNWTO headquarters and officials in Nara. An agreement has still to be reached which would allow for some control by the organization over its Nara Office, while allowing the latter to keep some operational autonomy. The Inspector is interested to learn how all those provisions would be retrospectively translated in terms of control for the whole year 2014, in respect of compliance with IPSAS.

107. The Themis Foundation provides training services which are deemed valuable by the Secretary-General; however, it comes under the national legislation of Andorra, which does not apply IPSAS. In accounting terms, the relations between UNWTO and the Themis Foundation could be considered as a joint venture under IPSAS 8, but this implies a partial integration of the respective financial statements and a clear measurement of the net value of the Foundation's assets, revenue and expenses, therefore requiring some adjustments in the presentation of its accounts, to enable the organization's external auditors to operate. Another satellite entity, the Diplomatic Office, also located in Andorra, has been inactive for years and should be disposed of.

108. As can be seen, in various ways, the organization is changing its unclear, ambiguous and unsafe relations with satellites to clearer models, such as integration, independence or joint ventures. **However, in a context not always characterized by clear and comprehensive information, there is still some uncertainty concerning the required political, legal and accounting decisions, which threatens to delay by one year some of the prerequisite conditions for IPSAS compliance. That is why IPSAS and the satellite entities,¹³⁴ which constitute two intertwined issues, have taken priority in the activities of the UNWTO administration; the Secretary-General and the secretariat are running against the clock to complete on time the necessary work of clarification requested by JIU in its 2009 MAR.** The satellite entities apparently remain the Achilles heel of UNWTO.

¹³⁴ Further to change in their governance models, Themis and RSOAP are to be consolidated into UNWTO financial statements.

VII. HUMAN RESOURCES

A. Composition of the secretariat

109. Following the 2009 MAR, the White Paper confirmed that the organization's human resources management required further updating and strengthening and highlighted the priority areas. Those included the review of recruitment practices to foster wider advertising of vacancies, the establishment of career management principles based on merit and results, and review of contract typologies in the light of defined working conditions.¹³⁵ In addition, the Inspector would like the organization to consider the areas described in the present chapter of the report.

Grade distribution

110. The 2009 MAR included **recommendation 16**: *The Secretary-General should conduct an overall review of job descriptions and subsequently a job classification exercise in accordance with the United Nations generic job descriptions and standards for consideration by the UNWTO General Assembly.*

111. As recommended by the Secretary-General, a review of the generic job profiles (GJPs) at UNWTO was carried out from March to May 2011 by an external consultant under the direction of the Chief of Human Resources. At the conclusion of the review, six generic job descriptions were created.¹³⁶ An additional job description for Programme Chief (at the P-4–P-5 level) was subsequently added. These job descriptions are posted on the UNWTO intranet website. The Executive Council welcomed the transparency demonstrated by the management of the organization and encouraged the Secretary-General to carry out his efforts in implementing such reform.¹³⁷ Thus, **recommendation 16 has been formally accepted and implemented.**

112. However, the Inspector notes that the external consultant was not able to discover the rationale for having a Programme Manager or Programme Chief in small organizational units of UNWTO that consist of two to three staff supported by a few consultants or collaborators. “*With such small programmes it was considered unnecessary to have Executive Directors and Directors and then two additional management positions. ...It was decided that ... those who primarily manage a programme, with small groups of staff,*”¹³⁸ would be given the title of Programme Coordinator (at the P-3–P-4 level) instead of Programme Chief/Manager (at the P-4–P-5 level).

113. The newly created Executive Director positions replaced the previous Deputy Secretary-General, Assistant Secretary-General and Director of Programme and Coordination posts.¹³⁹ The incumbents were presented by the Secretary-General at the 2009 UNWTO General Assembly and the latter **supported** their appointment, “in the context of the restructuring of the secretariat,”¹⁴⁰ “*Executive Directors will focus each on Competitiveness, Sustainability and Partnerships, discharging among them the ... responsibilities*” described in paragraph 17 of the note “Management Strategy and Designation of the Management Team of the Secretariat” and approved by the General Assembly.¹⁴¹ Those responsibilities include planning, programming, funding, overseeing, identifying

¹³⁵ A/19/11, para. 131.

¹³⁶ CE/90/5(a) Add.3, annex.

¹³⁷ See Executive Council Decision CE/DEC/5(XC).

¹³⁸ CE/90/5(a) Add. 3, annex, para. 15.

¹³⁹ A/18/14.

¹⁴⁰ A/RES/571/(XVIII), welcoming the proposal made in the note by the Secretary-General (UNWTO General Assembly document A/18/14).

¹⁴¹ A/18/14.

members' needs and possible response, supported by relevant, updated and available data, at the national, subregional and regional levels; prospecting and defining new partnerships, leading to synergies, higher effectiveness and additional funding; communication with Members and all stakeholders; advising the Secretary-General on all technical and political issues.

114. The fact that the Executive Director posts were not filled through a standardized recruitment and selection process does not mean that the Secretary-General is given a “carte blanche” to make the selection. **The appointment of the Executive Directors should follow an established process, to be as transparent as possible, as stated in the JIU report entitled “Transparency in the selection and appointment of senior managers in the United Nations secretariat” (JIU/REP/2011/2). In this spirit, the Secretary-General could, in the context of the appointment of the Executive Directors, formulate and publish formal job descriptions and inform the UNWTO governing bodies on measures to enhance the transparency of their grade, selection and appointment process.** Such measures should contribute to enhanced clarity in the respective functions of the Executive Directors and more transparency and accountability at the senior managers' level in the manner in which they discharge their respective responsibilities.¹⁴²

Gender distribution

115. In the area of staff recruitment in United Nations system organizations, JIU has recently completed a comparative analysis and benchmarking framework of gender balance and geographic distribution.¹⁴³ Benchmarks 14 and 15 of that study are reproduced below:

Benchmarks 14 and 15

The principle of 50/50 gender balance (benchmark 14) and of equitable geographical distribution (benchmark 15) is embedded in organizational culture, staff regulations and recruitment strategies, policies, guidelines, procedures and practices, bearing in mind that the paramount consideration in the employment of the staff and the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity.

116. The Inspector noted that the following paragraph was included in recent UNWTO vacancy announcements: *“In filling vacancies, due regard will be paid towards maintaining a staff selected on a wide and equitable geographical basis. Candidates of all nationalities are welcome to apply; under similar circumstances, preference will be given to nationals of UNWTO Member States. Women candidates and nationals from non-represented Member States in UNWTO Secretariat are encouraged to apply.”* UNWTO has therefore accepted and virtually implemented benchmark 14.

¹⁴² At the United Nations, since 2008, the senior managers (at the Under-Secretary-General and Assistant – Secretary-General level) sign with the United Nations Secretary-General individual “management compacts” outlining their goals for reaching priorities set by Member States. These documents are shared with their staff and used by the Secretary-General to assess their personal performance yearly. This is in addition to the duty to file their financial disclosure statements. Non-compliance may result in disciplinary measures.

¹⁴³ JIU/NOTE/2012/3: Staff recruitment in United Nations system Organizations: a comparative analysis and benchmarking framework, Gender balance and geographical distribution.

Table 3: Staff distribution by category and gender (as of April 2013)

	Professional category and above	General Service category	TOTAL
Female	20	32	52
Male	25	18	43
Total	45	50	95

Source: "Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters", CE/95/3(II)(f), April 2013

117. However, only four of 14 positions at the higher professional grades (P-5 and above) are held by women. The Inspector notes that the Senior Management Team, as defined previously, includes only one woman (at the P-4 level).¹⁴⁴ It appears that the parity implied by benchmark 14 is yet far from being respected. The recent appointment of a third male at the Executive Director level seems to confirm this observation. **In this respect, the Inspector is of the view that the Secretary-General could take measures to improve the gender balance at the senior grade level.**

Geographical distribution

118. As shown in table 4 below, nationals of 36 countries were employed by UNWTO in 2013. The proportion of Spanish nationals is due to the number of staff recruited locally, predominantly at the General Service level, which is a common practice at various duty stations of the international organizations. **While UNWTO, unlike many other United Nations system organizations, does not presently apply rules to assess gender and geographical distribution at the Professional level and above, thought could be given to a new reporting format, with or without quotas, to suggest useful measures for meeting benchmark 15 of JIU/NOTE/2012/3.**¹⁴⁵

Table 4: Staff distribution by category and nationality

COUNTRY	P	GS	COUNTRY	P	GS
Algeria		1	Mexico	1	1
Argentina	1	1	Morocco		1
Austria	1		Mozambique	1	
Bosnia & Herzegovina		1	Netherlands	3	
Brazil	1		Nicaragua		1
Cambodia	1		Peru	1	
Cameroon		1	Philippines	1	
Canada	1		Portugal	1	
China	1	1	Republic of Korea	1	1
Dominican Republic		1	Republic of Moldova		1
Egypt	1		Russian Federation	1	1
France	4	3	Senegal	1	
Germany	2	1	Seychelles	1	
Ghana		1	Spain	8	26
Haiti	1		Switzerland		1
Hungary	1		Turkey	1	
India	1		Ukraine	1	
Indonesia		1	United Kingdom	1	
Italy	3		United States of America		1
Jordan	1		Uruguay		1
Lebanon	1	1	Uzbekistan		1
Lithuania		1	Venezuela	1	
			Total number per category of staff	45	50
			Total number of staff	95	

Source: Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters", CE/95/3(II)(f), table 4

¹⁴⁴ Source: UNWTO secretariat.

¹⁴⁵ "Staff recruitment in United Nations system Organizations: a comparative analysis and benchmarking framework, Gender balance and geographical distribution".

Non-staff

119. UNWTO circular NS/677¹⁴⁶ provides guidelines for the recruitment of trainees and collaborators at the secretariat, as well as the terms and conditions for each category. As the guidelines are under revision, **the Inspector trusts that the following changes are incorporated:**

- Terms of Reference are issued for all trainees and collaborators.
- Maximum duration of contract (including extensions) would be 18 months for all collaborators, with or without interruption
- Student trainees are granted similar annual and sick leave entitlements as their graduate trainee counterparts

120. UNWTO has two types of collaborators, internal, recruited by the Secretary-General on a 12-month contract and paid through the payroll; or external, tied to projects, and paid when deliverables indicated in the contract are made available, without appearing on the payroll. Three levels of payment (all inclusive) are established on a yearly basis and are influenced considerably by the Spanish labour market: up to EUR 2,000, between EUR 2,000 and 3,000, and above EUR 3,000, with no equivalence with payment of the staff (comparisons are discouraged) and no career perspective. Collaborators benefit from the same leave modalities and medical coverage as staff but have no pension entitlements. Some voluntarily contribute to the Spanish social security system. Inflation is factored in when contracts are renewed. When recruitment is for urgently needed qualified people, as in the case of accounting specialists for the IPSAS team, a copy of the original call for expressions of interest is attached to the contract and, after a first year, remunerations may be increased upon yearly extensions.

121. While collaborators are usually recruited for short-term projects or activities, many have been hired for core administrative functions. While the latter recruitment is perhaps justifiable for ad hoc requirements or temporary projects, such as for the IPSAS project, the Inspector noted that a few collaborators in such positions have been with the secretariat for over four years. **This practice should be reviewed and long-standing temporary employees should either be given fixed-term contracts or their temporary contracts should not be renewed, in conformity with the provisions of circular NS/677.** JIU is currently working on the issue, which affects many other organizations in the United Nations system and is at the risk of deeply dividing the United Nations workforce. In this regard, the Inspector is concerned to not in the White Paper that *“The target is to balance the proportion of staff costs to the benefit of increasing the non-staff amount in the budget of the Organization.”*¹⁴⁷

122. In this area, one of the challenges of staff-management relations at UNWTO is the absence of formal representation for internal collaborators¹⁴⁸ – time-bound project personnel tied to projects with average contract durations of one to two years – who are clearly categorized as non-staff in the programme budget document. Their total number increased from 34 in 2010 to 45 in 2012 (with around 50 in 2013 including 10 to 15 interns). With a great diversity of contracts, collaborators often perform the same tasks as staff members, even core functions in some cases, and have workspaces on the UNWTO premises, but have less desirable conditions of service than staff members. This is the category of employees that suffers the most from budgetary restrictions (see A/20/5(I)(c), para. 18).

¹⁴⁶ Dated 17 April 2008 and under revision.

¹⁴⁷ A/19/11, para. 131.

¹⁴⁸ Internal collaborators are in house and on the payroll, external collaborators are contracted to work outside headquarters, usually for very short periods of time and are paid by task, i.e. lectures, papers and articles, preparation of reports, etc.

Granting diplomatic privileges to UNWTO officials on pro-bono contracts

123. Some UNWTO officials are given pro-bono contracts and, therefore, theoretically incur no costs to the organization. However, it has been brought to the Inspector's attention that, in addition to office space, supplies and travel-related requirements and costs, certain such officials have been granted diplomatic privileges by the host country at the request of UNWTO. The Inspector wonders whether the decision to award such contracts creates a precedent that might not be in the long-term interest of the organization.

B. Career management

124. UNWTO recruited a consultant to work from March to May 2011 to draw up guidelines for professional growth for staff at UNWTO.¹⁴⁹ The Inspector appreciates the inclusion in the guidelines of the five steps for the implementation of the UNWTO Post Review and Professional Growth Plan¹⁵⁰ and the involvement of the staff representative body in that important and sensitive reform, complemented by the related guidelines¹⁵¹ and annual review of procedures.¹⁵²

Selection and recruitment

125. The 2009 MAR included **recommendation 17**: *The Secretary-General should develop tools and control mechanisms to guarantee that recruitment and promotion are based on transparent, comparative evaluations of the professional competencies of the candidates, with due consideration given to a balanced geographical and gender representation.*

126. The Secretary-General strengthened the Appointments and Promotion Board, which reviews applications from pre-screened candidates submitted to it by the Human Resources section, by giving it clear and transparent guidelines. Following an evaluation of candidates' professional competencies, a shortlist of recommended candidates is submitted to the Secretary-General for final selection. Members of the Board include a representative of the Staff Association. **Recommendation 17 has therefore been accepted and implemented.**

127. The 2009 MAR included **recommendation 15 (b)**: *The Secretary-General should develop a rule defining the exceptional circumstances under which the extension of contracts over the age of retirement could be granted.*

128. The Secretary-General informed the Inspector that he had not developed such a rule and, upon taking office, he had not extended any contracts beyond the mandatory retirement age. However, over time, he had come to feel that some staff were too invaluable to let go and thus some were given contract extensions, for a maximum of one or two years. He made those decisions under staff regulation 28, which grants him the authority to make such decisions at his discretion. **As a result, recommendation 15 (b) had not been accepted.**

Training

129. In addition to IPSAS-related training, UNWTO provides training to staff in the areas listed in table 5.

¹⁴⁹ UNWTO circular NS/731, 6 July 2011.

¹⁵⁰ Ibid.

¹⁵¹ Circular NS/734.

¹⁵² Circular NS 772.

Table 5: UNWTO training activities

Language	Eligible UNWTO staff can take language courses (English, French, Spanish, Russian and Chinese currently offered) for a (subsidized) fee of EUR 80 per year. ¹⁵³
Information Technology	The UNWTO Information and Technology Section organizes on a regular basis training sessions on software applications, the most recent being one on Microsoft Office 2010.
Themis Foundation	UNWTO education certificate training is given by the Themis Foundation for staff from national tourism agencies. Some UNWTO staff also participate in this training.
Individual	UNWTO offers time flexibility and, in some instances, partial financing, awarded on a case-by-case basis.
In-house	UNWTO is pursuing the possibility of some UNWTO staff giving training to other UNWTO staff members.

Source: UNWTO secretariat

130. The Inspector was informed by the UNWTO secretariat that the organization has a training budget line limited to EUR 38,000 as used by the Human Resources section in 2013, and that it does not provide for IPSAS training, which is included in the overall IPSAS project. With a view to cost savings, the Inspector suggests that **the organization request selected affiliate members (if they are so inclined) to deliver training on tourism-related topics for its staff at no cost.**

Personal accountability

131. The 2009 MAR included **recommendation 18**: *The Secretary-General should develop, after consultations with the staff, an individual performance assessment instrument, which should include, inter alia, Specific, Measurable, Attainable, Results-oriented and Time-bound (SMART) objectives and targets for each staff member in order to allow a fair, objective and transparent assessment of staff performance.*

132. The Secretary-General, after consultations with the staff, has also put in place a performance evaluation system for all staff members (not for collaborators) that enables promotions based on positive reviews over a period of time. **Hence, recommendation 18 has been accepted and implemented.**

133. The current format for annual performance evaluation reports for UNWTO staff was introduced in June 2012, together with the issuance of “*Guidelines and replies to frequently-asked questions*”, representing a major improvement on the prior staff evaluation mechanism. The organization reiterated to staff that the purpose of the review was to “allow room for recognition and for improvement by identifying problems or difficulties in performance issues. It also constitutes a tool when assessing performance with the professional growth plan”.¹⁵⁴

Age-related issues

134. Table 6 indicates that the organization does not face any apparent age-related issues. Furthermore, to ensure that there is knowledge transfer to mid-level staff, the Secretary-General has established the Extended Management Team (see para. 37 above). UNWTO will implement the United Nations General Assembly decision to extend the retirement age to 65 for those staff recruited after 1 January 2014.

¹⁵³ Information note NI/12/13 – Language courses 2013–2104, 3 September 2013.

¹⁵⁴ Circular NS/751.

Table 6: Staff distribution by category and age

Category	P and above	GS	Total
29 or less	1	2	3
30–39	7	15	22
40–49	11	14	25
50–54	8	8	16
55–59	9	9	18
60–62	5	2	7
Total	41	50	91

Source: Report of the Secretary-General, Part II: Administrative and statutory matters, (f) Human resources matters, CE/95/3(II)(f), table 5.

Succession planning and retirement age

135. The 2009 MAR included **recommendation 15 (a)**: *The Secretary-General should: (a) Develop a senior management succession plan in order to preserve institutional memory and guarantee the smooth future management of the organization;*

136. The Inspector realized that the wording of the recommendation had given rise to certain interpretation issues. He appreciates that there have been some instances where the successors to key retiring managers in UNWTO have been able to overlap them in their respective functions for a short period, which is one of the best practices for facilitating succession and safeguarding institutional memory. **Prima facie, recommendation 15 (a) has been accepted and implemented**, if not with the wider meaning given to the notion of succession planning in the private sector, then at least as a basic requirement of any succession planning; demographic aspects are a prerequisite for preparing a timely succession process,¹⁵⁵ at any level, including the consideration of the normal retirement age and the mandatory age of separation.¹⁵⁶

137. It should be noted that the United Nations General Assembly has already approved the normal retirement age,¹⁵⁷ not to be confused with the mandatory age of separation.¹⁵⁸ By its resolution 68/253, the United Nations General Assembly deferred its “*decision on the recommendation of the International Civil Service Commission to raise the mandatory age of separation to 65 years*”, pending further consultations with the stakeholders.

138. With regard to institutional memory, the Inspector draws attention to lessons that could be learned by all UNWTO stakeholders from the recent JIU report on Records and Archives Management in the United Nations.¹⁵⁹

¹⁵⁵ Age structure of human resources in the organizations of the United Nations system (JIU/REP/2007/4).

¹⁵⁶ In private companies succession planning is a process for identifying and developing internal staff with the potential to fill key business leadership positions in the company.

¹⁵⁷ Normal retirement age: the system-wide age at which a retiring participant in the United Nations Joint Staff Pension Fund would be entitled to a retirement benefit unreduced on account of age: 60 or 62 for participants who entered or re-entered the Fund on or after 1 January 1990 or 65 for entry after 1 January 2014.

¹⁵⁸ The mandatory age of separation is set by the Staff Regulations of an employing organization such as UNWTO.

¹⁵⁹ JIU/REP/2013/2.

C. Other human resources issues

Ethics function

139. The 2009 MAR included **recommendation 14**: *UNWTO should adopt the status, basic rights and duties of United Nations staff members (ST/SGB/2002/13) and the corresponding financial disclosures, while promoting ethics and integrity at work, and allocate resources for relevant training of staff on these issues.*

140. The secretariat has adopted the International Civil Service Commission's Code of Conduct for staff. It has recently approved and circulated internally the organization's policy on personal financial disclosures and issued a similar circular on the acceptance of gifts.¹⁶⁰ The Executive Council endorsed¹⁶¹ the Secretary-General's proposal¹⁶² to fulfil the requirement of the ethics function by outsourcing it to the United Nations Office for Project Services (UNOPS). The ethics function is aimed at promoting an ethical organizational culture based on integrity, accountability, transparency and respect.¹⁶³

141. The terms of reference for the UNWTO ethics function are the standards suggested in paragraph 20 of the JIU report on ethics in the United Nations system,¹⁶⁴ as approved by the Executive Council.¹⁶⁵ The services of the UNOPS Ethics Officer are shared with UNWTO, effective as of 1 January 2013. Although based in London, he organizes ethics-related training in Madrid and reports directly to the UNWTO Secretary-General. The Ethics Officer will provide the Secretary-General with an annual report about his activities for UNWTO.¹⁶⁶ **The 2009 MAR recommendation 14 has therefore been accepted and implemented.**

Work-life balance issues

142. UNWTO does not have an official policy on flexible working arrangements. However, it is pointed out in the JIU note on the subject¹⁶⁷ that the organization has nevertheless informally incorporated elements of flexible working arrangements, including the possibility for UNWTO staff members to have staggered working hours and to take time off for personal study. The UNWTO Staff Association confirmed to the Inspector that, as in many other international organizations, UNWTO staff members are unaware that such procedures exist, as they are dispersed throughout the Staff Rules, various circulars and internal procedures. **The Secretary-General could therefore draft, in consultation with the UNWTO Staff Association, a policy and relevant staff rules on flexible working arrangements within the secretariat.**

Staff-management relations

143. Staff representation at UNWTO is formally laid down in its staff regulation 23 and staff rule 23.1 on the conditions for the representativeness of a staff representative body. In 2012, the UNWTO Staff Association, the only such body at UNWTO, comprised 75 per cent (72 out of 96) of all staff holding either indefinite or fixed-term contracts and paying dues.

¹⁶⁰ NS 780 Policy of accepting gifts, honours, decoration, favours or non-United Nations remuneration of benefits from governmental and non-governmental sources (1 January 2014).

¹⁶¹ CE/DEC/12/(XCIV).

¹⁶² CE/94/3(III)(e), "Report of the Secretary-General Part III: Administrative and statutory matters (e) implementation of an ethics function" (Executive Council document 23–25 October 2012).

¹⁶³ Establishment of an ethics function, UNWTO Circular NS/762, 27 February 2013.

¹⁶⁴ Ethics in the United Nations system (JIU/REP/2010/3).

¹⁶⁵ Establishment of an ethics function, UNWTO Circular NS/762, 27 February 2013.

¹⁶⁶ Ibid. and see Report of the Secretary-General on the ethics function, CE/98/3(II) (f), regarding the activities of the UNWTO Ethics Office in 2013.

¹⁶⁷ Flexible working arrangements in the United Nations system organizations (JIU/NOTE/2012/4).

144. Both management and the Staff Association describe the present state of staff-management relations as good and the quality of consultation and communication as excellent organization-wide; no litigation cases have been submitted to the ILO Administrative Tribunal (ILOAT) for some years. In a spirit of consultation, all administrative issuances affecting staff welfare are shared with the Staff Association for its input and views; the Staff Association has informal access to the Director of Administration and, on a less frequent basis, the Secretary-General. Both sides view joint working groups as informal mechanisms that have played a positive role in facilitating discussions and moving forward relevant issues such as annual performance reports, ethics, overtime, flexible working arrangements, cooperation with external collaborators, reclassification, etc. Their recommendations have often constituted the basis for decisions taken by the Secretary-General on issues within the realm of his authority, but they are non-binding and have no follow-up mechanisms. Access to Member States is described as excellent by both sides, with the Staff Association being allowed, since 2009, to submit a report (through the Report of the Secretary General) to the Executive Council without any censorship.¹⁶⁸

145. In line with its statute, which clearly enables the Staff Association to “*establish the ways and means for the participation and representation, if applicable, of collaborators of the General Secretariat who express a desire to form part of the Association*”, the Staff Association Committee was discussing with the administration at the time of the JIU mission the best ways to represent the interests of non-staff personnel in their relations with management. During a meeting with the Staff Association in mid-2012, the Secretary-General had expressed the view that, until some flexibility was introduced into representation mechanisms for non-staff personnel, it would be only natural for the Staff Association to become a channel for raising concerns of non-staff personnel to management. The Inspector fully shares that view. **Non-staff personnel in the United Nations system organizations will be the subject of a system-wide JIU report to be made available soon. It is suggested that the forthcoming report be used to review the employment of non-staff personnel, in liaison with the human resources network of the United Nations System Chief Executives Board for Coordination.**

¹⁶⁸ For example report CE/95/3(II)(g), dated 12 March 2013, submitted to the Executive Council at its May 2013 session.

VIII. OVERSIGHT

146. JIU defined the Member States' responsibilities in terms of oversight in paragraph 4 of its report entitled "Oversight lacunae in the United Nations system".¹⁶⁹

A. Number of external auditors

147. As the UNWTO statutes were promulgated prior to the organization's entering the United Nations system, the 2009 MAR included **recommendation 23** to ensure that the organization followed United Nations practice: "*The UNWTO General Assembly should modify the Statutes of the Organization in order to provide the selection of a single external auditor with a specified term limitation as well as country rotation.*"

148. Article 26 of the UNWTO statutes stipulates that the UNWTO General Assembly "*shall elect from among its full members, on the recommendation of the Council, two External Auditors*". It should be acknowledged that some confusion may have been introduced by the use of the words "single external auditor"; however the recommendation had nothing to do with the "single audit principle",¹⁷⁰ which restricts access to the United Nations system organizations' accounts to the auditors elected by their respective member States to audit the accounts of the organization.¹⁷¹ Moreover, the General Assembly, at its twentieth session, designated Germany, India and Spain as the external auditors for the period 2014–2015.¹⁷² **Recommendation 23 was not accepted and was even directly challenged**, on the pretext of the implementation of IPSAS,¹⁷³ whereas in fact such plurality merely complicates and slows down the considerable tasks of the secretariat. Three external auditors have to agree on numerous points of their dialogue with the administration. As a result of the resolution on the election of the auditors for 2014–2015,¹⁷⁴ while every **other organization of the United Nations system has only one Supreme Audit Institution to audit its respective accounts and financial statements**, only two organizations have three external auditors: UNWTO and the United Nations, whose portfolios are hardly comparable. In the case of the United Nations, one third of the total portfolio is allocated to each external auditor to avoid their having to discuss every aspect of their respective findings and reports, which is also a judicious way of avoiding any political debate.

B. Relations with the Joint Inspection Unit

149. UNWTO is also subject to oversight by the Joint Inspection Unit of the United Nations system, the latter's only independent external oversight body. Statutorily, "*the Inspectors shall provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater co-ordination between organizations*".¹⁷⁵ Furthermore, the United Nations General Assembly has regularly stressed since 1996 (resolution 50/233) that "**the impact of the Unit on the cost-effectiveness of activities within the United Nations system is a shared responsibility of the Member States, the Unit and the secretariats of the participating organizations.**"

150. While some UNWTO full members had taken quite seriously the 2009 MAR and worked on it, the UNWTO secretariat had ceased to reply to JIU messages requesting information on the governing bodies' position and its own position with regard to acceptance and implementation of the recommendations contained in the various reports and notes officially sent to it. That had had the effect of tarnishing the organization's performance image in the JIU annual reports (A/63/34 to

¹⁶⁹ JIU/REP/2006/2.

¹⁷⁰ JIU/REP/2010/5, para. 173, and A/48/587, para. 3.

¹⁷¹ See UNWTO Financial Regulation 15.

¹⁷² A/RES/627(XX).

¹⁷³ See chapter on finance below.

¹⁷⁴ Agenda item 5(II)(e) (document A/20/5(II)(e)).

¹⁷⁵ JIU statute, art. 5.2.

A/67/34), discussed in March at the United Nations General Assembly, thus minimizing the apparent impact of JIU itself in the ratings shown in the follow-up to those reports.¹⁷⁶

151. However, independently of JIU, the UNWTO secretariat has made efforts to convey to members some reflection of the work of JIU in documents such as the “Review of JIU Recommendations in 2011 and their impact for the UNWTO”¹⁷⁷ or the 104-page document “(g) Joint Inspection Unit recommendations in the context of the White Paper”.¹⁷⁸ Recently, preparation for a mission in the context of the present follow-up inspection was dealt with by the secretariat with a remarkable effort towards transparency, from the level of the Secretary-General downwards. In a letter from the Director of Administration and the JIU focal point, dated 10 July 2013, it was mentioned that document A/18/14 by the Secretary-General-elect “*presented a reform agenda which in reference to JIU/REP/2009/1 stated: most of the above issues are either directly referenced or become indirect requirements in addressing recommendations of the JIU report. The Secretary-General a.i. has the firm intention to consider all these requirements, while some prioritization has to be introduced for effective action. In this regard a roadmap for responding to JIU recommendations will be established.*”

152. In September 2013, the UNWTO administration took steps towards using the Web-Based Tracking System (WBTS) put online by JIU, and is expected to pursue improvements in recording its acceptance and implementation of each JIU recommendation. WBTS allows one authorized person (the JIU focal point) in each participating organization to record online its organization’s status vis-à-vis recommendations from JIU reports and notes; it also allows all representatives of member states to consult the data in real time and monitor the progress made.

153. However, the Secretary-General expressed his concern to the Inspector about the organization’s capacity to comply with the numerous requirements of the JIU system-wide reports and notes, highlighting the specific difficulties experienced by the smaller agencies which followed the JIU statute (i.e. the International Maritime Organization (IMO), the International Trade Centre (ITC), UNWTO, UPU and the World Meteorological Organization (WMO)) in fully accepting and implementing all JIU recommendations. Following that discussion, the Inspector persuaded the Unit to take into account the specific difficulties of the five smaller agencies, with a view to ensuring that all recommendations made would be appropriate for them. Consequently, in December 2013, JIU, by its decision JIU/DEC/2013/40, “**decided that:**

- *When soliciting substantive comments to the draft version of such reports or notes to each of the five secretariats concerned, it will draw their attention to the annex called overview table and engage the secretariat at through its JIU focal point, to undertake a specific dialog with the author or coordinating Inspector of the document in order to ascertain how much the secretariat concerned will be able, with its best efforts and in good faith, to fully accept and implement – or not, giving its size – each of the recommendations contained in the draft document concerned;*
- *Such a dialog will take place before the deadline indicated for receiving factual corrections and substantive comments;*
- *In the published version of the report or note, the “overview” annex will reflect, as “for information” only, rather than “for action”, those recommendations the implementation of which would be agreed upon to be beyond the capacity of the Organization, given its size; consequently, all follow up tables and statistics made in JIU publications, including the WBTS and the annual report of the Unit to the United Nations General Assembly (A/xx/34)*

¹⁷⁶ These ratings are computed by number of organizations accepting or implementing the recommendations, with the same weight allocated to each, regardless of its relative weight in terms of staff and volume of activity.

¹⁷⁷ CE/94/3(II)(b), annex XVI.

¹⁷⁸ CE/96/2(g), report of the Secretary-General on administrative and statutory matters.

will not reflect negatively – but neutrally – the agreed-upon non-acceptance or non-implementation of those specific recommendations;

- *Where proposed recommendations could not be agreed upon through the dialogue referred to above, the current practices would continue to apply in all respects.”*

C. Internal audit

154. The 2009 MAR noted that the oversight functions at the United Nations included audit, investigation, inspection and evaluation.¹⁷⁹ At UNWTO, however, while the external auditors certified the accounts and the financial statements, the other oversight functions were not carried out. The report thus included **recommendation 22**: “*The UNWTO General Assembly should in-source the internal audit, inspection, evaluation, investigation and monitoring functions to any other organization in the United Nations system that has the capacity to respond. Alternatively, the UNWTO General Assembly should provide the necessary resources, three positions, for the above-mentioned functions for the 2010–2011 biennium*”.

155. In addition to the preparation of an internal oversight charter,¹⁸⁰ which had not been finalized, the response of UNWTO in paragraph 131 of the White Paper to the above recommendation was ambiguous. It was positive with regard to the principle, announcing that “*An internal oversight function will be created in the secretariat to oversee the management and operation of the Organization, to take note of any complaints, and to advise the Secretary-General as necessary.*” The General Assembly shared the Secretary-General’s concern as to the underestimation of the resources for its implementation: three additional full-time positions were perceived as “*unaffordable and unnecessary for a small agency such as UNWTO.*” As a result, **while recommendation 22 has been accepted in principle, it has not to date been implemented.**

156. The Inspector, who had an opportunity to discuss this matter with the Secretary-General, appreciates that, in line with the perspective taken in the White Paper, that “*this function could be deployed with external support and as expected would deliver annual reports to the Secretary-General on their findings and recommendations*”,¹⁸¹ a gap analysis of the need for internal controls will take place with the help of a sister United Nations system organization of similar size, UPU. A number of internal controls are built into the various administrative processes and IT systems to prevent certain mistakes and errors. Monitoring, ensuring the effectiveness of, and improving, internal controls is part of the internal auditor’s work (a function yet to be funded and implemented at UNWTO). In addition, taking into account article 5.4 of the JIU statute,¹⁸² an exchange of views has begun with JIU on options to enhance the establishment of an evaluation function with professional integrity (i.e. meeting appropriate norms and standards) and with due regard to economy, efficiency and impact for the development of the organization.

D. Evaluation

157. According to the White Paper, UNWTO has recognized that monitoring and evaluation should become “*continuous management functions at UNWTO, aiming primarily to provide the*

¹⁷⁹ “The audit function in the United Nations system” (JIU/REP/2010/5).

¹⁸⁰ See CE/94/3 (III) (e), para. 35.

¹⁸¹ White paper (A/19/11), para. 131.

¹⁸² “Without prejudice to the principle that external evaluation remains the responsibility of appropriate intergovernmental bodies, the Unit, with due regard to its other responsibilities, may assist them in carrying out their responsibilities for external evaluation of programmes and activities. On its own initiative or at the request of the executive heads, the Unit may also advise organizations on their methods for internal evaluation, periodically assess these methods and make ad hoc evaluations of programmes and activities.”

*Senior Management Team and members with regular feedback and early indications of progress and lack thereof in the achievement of intended results.*¹⁸³

158. Evaluation tools were introduced in 2008 to measure the results and effectiveness of UNWTO activities. Progress made has included technical conferences, technical missions, capacity-building exercises, publications and technical projects. The evaluation tools were tailored to UNWTO and were to be refined and enhanced, and incorporated into each activity.¹⁸⁴ The evidence¹⁸⁵ indicates not a systematic, but an ad hoc and limited, use of such tools, with limited evaluations. Budget limitations, the absence of a culture of evaluation and learning, the associated absence of an RBM framework and the lack of technical capacity to carry out evaluations are identified as constraining factors.

159. The White Paper further recognized that evaluation could be carried out in partnerships and collaboration with external institutions, including with affiliate members. This is currently done on an ad hoc case-by-case basis and the results are not always evident. Notwithstanding the fact that such activities are *“sometimes undertaken without a direct cost to UNWTO”*, the provision of resources would enhance the success of the partnership. Finally, the White Paper also indicated that *“full implementation of current and future monitoring and evaluation procedures put in place will, in turn, facilitate the establishment of the recommended results-based management and results-based budgeting methods, which are meant to raise productivity and enhance work effectiveness”*.¹⁸⁶ The RBM is almost non-existent, as observed above in respect of the 2009 MAR recommendation 8. Efforts to initiate the development of the system were hampered by a lack of RB culture, as the present culture is still focused on activities rather than oriented towards results.

¹⁸³ Para. 115 of the White Paper.

¹⁸⁴ Ibid., para. 117.

¹⁸⁵ JIU 2013 Survey: Analysis of the evaluation function of the United Nations system.

¹⁸⁶ Ibid., para. 120.

IX. OTHER ISSUES

A. Procurement

160. Until recently, UNWTO was the only organization in the United Nations system that had not established general procurement principles.¹⁸⁷ However, with the recruitment in March 2010 of a Legal and Procurement Officer (LPO), who reports directly to the Director of Administration, the organization, which had introduced Detailed Financial Rules (in 2013) on the subject will be issuing its procurement manual soon (at the time of writing the present report, a draft had been internally approved), in accordance with United Nations practices. In 2012, the organization's procurement amounted to EUR 4 million.¹⁸⁸

161. The procurement function in UNWTO is decentralized; each programme conducts its own procurement activities, as stated in the programme of work; the Legal and Procurement Officer does not conduct procurement; she only advises on procurement practices. The organization considers procurement to be a relatively low risk for itself, and risk assessment is carried out on an ad hoc basis whenever needed.¹⁸⁹

162. In its note on procurement, JIU advised heads of organizations to acknowledge the importance of the procurement function, which should be an "integral part of the corporate decision-making and planning of each organization".¹⁹⁰ The dynamic nature of procurement, including the expansion of activities and increasing technical complexity, calls for regular professional training for the staff concerned. Investing in such activities is "*capable of providing a relatively quick payback in terms of financial savings and best value for money*".¹⁹¹

B. Information and communication

Website

163. The 2009 MAR contained **recommendation 21**: "*The Secretary-General should revise, continuously update the content and maintain the functionality of the UNWTO website.*"

164. Paragraph 63 of the White Paper states that, under the assigned Executive Director, "*ICT and electronic communications systems at the Secretariat are being substantially improved for, among other purposes, enhancing the frequency, quality and contents in the relationships and contacts with and among members, and improving the contents, appearance and ease-of-use of the Organization's website.*"¹⁹² Annex 4 of the White Paper provides an overview of the measures taken to modernize the UNWTO website,¹⁹³ making reference to that first achievement, that of implementing a brand new and reliable web infrastructure to host all contents, and to the secretariat's choice to use "cloud" servers, allowing for worldwide availability, scalability and stretched costs (not without security risks). All services are built on open-source software, hence with no licence costs or maintenance fees. **Recommendation 21 has been accepted and implemented.**

Information and communication technologies

165. The 2009 MAR contained **recommendation 20**: "*The Secretary-General should develop a long-term holistic ICT strategy taking into consideration the current and future needs of different stakeholders. The strategy should include a phased cost plan to be submitted to the General Assembly for consideration and approval.*"

¹⁸⁷ Procurement reforms in the United Nations system (JIU/NOTE/2011/1), annex 1.

¹⁸⁸ 2012 UNOPS Annual Statistical Report on United Nations Procurement.

¹⁸⁹ Response to the Inspector's questionnaire on procurement reform.

¹⁹⁰ JIU/NOTE/2011/1 (see note 191), para. 24.

¹⁹¹ *Ibid.*, para. 35.

¹⁹² A/19/11, para. 63.

¹⁹³ A/19/11, annex 4.

166. Microsoft, at the request of the secretariat in 2009, performed an independent evaluation of information and communication technologies (ICT) at UNWTO which formed the basis of the current ICT programme of work and for which a status report was submitted to the Executive Council at its 94th session in October 2012.¹⁹⁴ The Executive Council took note of the organization and development of the ICT programme and welcomed the Secretary-General's initiative of keeping them regularly informed on the ICT strategy, programme of work and developments.¹⁹⁵

167. It was not possible to carry out the transition to IPSAS and the related transformations in the management and accounting of all transactions without **an in-depth adaptation of the UNWTO IT system** and its incorporation in the administration, not through a too-costly ERP, but through a series of modules (payables, receivables, the monitoring of inventories, etc.) managed manually. Each case required the functional analysis of the IT system and a definition of all modifications to be made to the current software. The work of the consulting firm (Delaware, chosen through a competitive bidding process) was to design, define, check, test, and to train staff for, the adapted IT system; to analyse and define all changes to current databases; and to design the interface with, and migration to, Oracle of other in-house databases which share reference data with pre-IPSAS IT.¹⁹⁶ The secretariat provided an update to the ICT programme of work to the Executive Council at its 96th session on 25 August 2013, including an outline of current/future activities.¹⁹⁷ The Executive Council took note of the report and “supported the orientation given by the Secretariat to the ICT programme of work, in particular the projects related to IPSAS implementation and telecommunications infrastructure and services”,¹⁹⁸ showing the acceptance of **recommendation 20, duly implemented**.

168. According to the report on information and communication technologies at the secretariat¹⁹⁹ dated 10 July 2013, which describes the main activities of the ICT programme, the main infrastructures plan was then “*close to completion and focus would need to be changed to application development. With a very crucial and time-critical project currently going on in ICT (ICT-PREIPSAS), it is ICT's intention to run a second comprehensive ICT audit in 2014. The outcome of this audit is expected to provide the main lines to prepare a strategic ICT plan till 2017*”.

Multilingualism

169. The 2009 MAR included **recommendation 19**: “*The UNWTO General Assembly should provide the required resources to permit the use of the Chinese language as an official language of the organization in accordance with UNWTO General Assembly resolution 521 (XVII)*”.

170. While the amendment to article 38 of the UNWTO statutes was indeed adopted by the UNWTO General Assembly at its seventeenth session in Cartagena de Indias in November 2007, constitutional requirements (i.e two-thirds of the Member States to notify the Depositary Government of their ratification of such amendment) have delayed its entry into force. As of 4 June 2013, only 48 member States had ratified the amendment; therefore, a further 55 ratifications were required to reach the threshold of 103.²⁰⁰ However, the Inspector notes that some UNWTO documents are already

¹⁹⁴ Report of the Secretary-General Part III: Administrative and statutory matters (f) Information and communications technologies at the Secretariat (CE/94/3(III)(f)) (UNWTO Executive Council document – 94th session 23–25 October 2012).

¹⁹⁵ CE/DEC/13(XCIV), Executive Council, 94th session, 23–25 October 2012.

¹⁹⁶ The report of the Secretary General on ICT at the Secretariat (CE/96/2(f)) describes those efforts.

¹⁹⁷ CE (96/2(f), Report of the Secretary-General on administrative and statutory matters (f) Information and communication technologies at the Secretariat (UNWTO Executive Council document – 96th session, 25 August 2013).

¹⁹⁸ CE/DEC/6(XCVI), Executive Council, 96th session, 25 August 2013.

¹⁹⁹ CE/96/2(f): Report of the Secretary-General on administrative and statutory matters: Information and communication technologies at the Secretariat, para. 13

²⁰⁰ A/20/5(II)(f), “Report of the Secretary-General Part II: Administrative and statutory matters (f) Situation of amendments to the Statutes and the Financing Rules” (UNWTO General Assembly Document – Twentieth Session, 24–29 August 2013).

translated into Chinese with the support of the Government of China and/or other voluntary contributions.

171. The secretariat has brought the ratification issue to the forefront. Out of 10 amendments to the statutes and Financing Rules adopted so far by the General Assembly since 1975, only 1, on the inclusion of Arabic as an official language, has entered into force, 29 years later.²⁰¹ The General Assembly took note of the Secretary-General's note on the subject and has called on member States to ratify all amendments to the statutes and Financing Rules and requested the Secretary-General to report systematically to it on the situation of the amendments.²⁰² **Therefore, recommendation 19 has been accepted, but not implemented.** However, at the national level, it appears difficult in practice for the authorities in charge of tourism to mobilize the Ministry of Foreign Affairs in this regard.

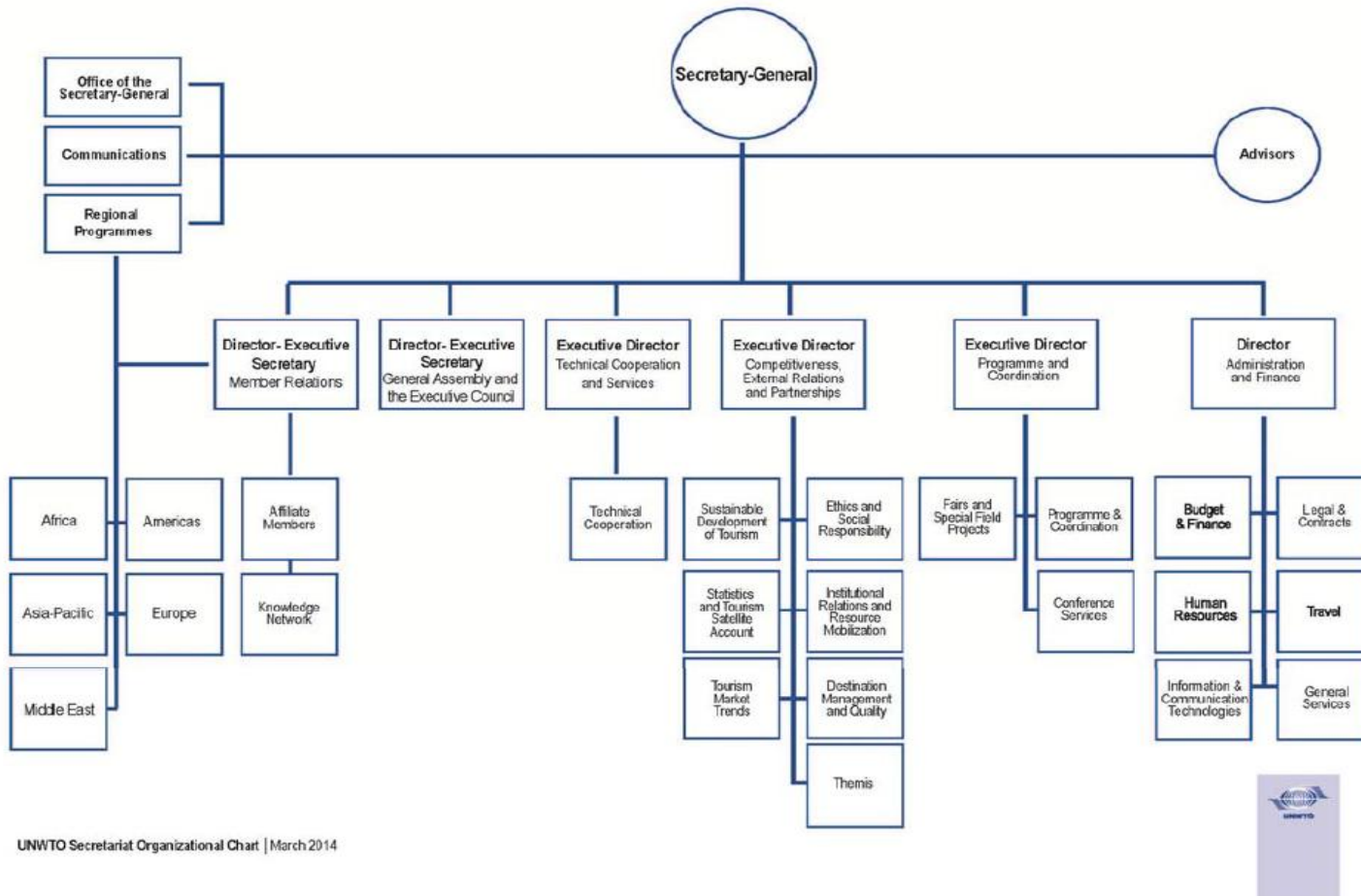
²⁰¹ Ibid., para. 2.

²⁰² A/RES/628(XX), Decision of UNWTO General Assembly, twentieth session, 24–29 August 2013.

**Annex I: Status of acceptance and implementation of the recommendations contained in
JIU/REP/2009/1**

Original report JIU/REP/2009/1		Present report JIU/REP/2014/5	Acceptance		Implementation	
			As reported by UNWTO	As assessed by JIU	As reported by UNWTO	As assessed by JIU
Rec. 1	Paras. 21–27	Paras. 28–29	Accepted	Not accepted	Implemented	N.A.
Rec. 2	Paras. 28–32	Paras. 89–98	Accepted	Accepted	In progress	In progress
Rec. 3	Paras. 33–40	Paras. 32–33	Accepted	Accepted	Implemented	Implemented
Rec. 4	Paras. 33–40	Paras. 25–27	Accepted	Accepted	Implemented	Implemented
Rec. 5	Paras. 41–43	Paras. 20–21	Accepted	Accepted	Implemented	Implemented
Rec. 6	Paras. 41–43	Paras. 22–24	Accepted	Not accepted	Implemented	N.A.
Rec. 7	Paras. 44–47	Paras. 72–74	Accepted	Accepted	Implemented	Implemented
Rec. 8	Paras. 48–55	Paras. 54–57	Accepted	Not accepted	Implemented	N.A.
Rec. 9	Paras. 56–58	Paras. 63–64	Accepted	Accepted	Implemented	Implemented
Rec. 10	Paras. 59–63	Paras. 75–76	Accepted	Accepted	Implemented	Implemented
Rec. 11	Paras. 64–65	Paras. 65–66	Accepted	Accepted	Implemented	Implemented
Rec. 12	Paras. 66–67	Paras. 78–81	Accepted	Accepted	Implemented	Implemented
Rec. 13	Paras. 68–70	Paras. 36–37	Accepted	Accepted	Implemented	Implemented
Rec. 14	Paras. 71–82	Paras. 138–140	Accepted	Accepted	Implemented	Implemented
Rec. 15a	Paras. 71–82	Paras. 134–135	Accepted	Accepted	Implemented	Implemented
Rec. 15b	Paras. 71–82	Paras. 126–127	Accepted	Not accepted	Implemented	N.A.
Rec. 15c	Paras. 71–82	Paras. 39–41	Accepted	Accepted	Implemented	Implemented
Rec. 16	Paras. 83–87	Paras. 109–110	Accepted	Accepted	Implemented	Implemented
Rec. 17	Paras. 91–93	Paras. 124–125	Accepted	Accepted	Implemented	Implemented
Rec. 18	Paras. 94–96	Paras. 130–131	Accepted	Accepted	Implemented	Implemented
Rec. 19	Paras. 99–100	Paras. 169–171	Accepted	Accepted	Implemented	In progress
Rec. 20	Paras. 101–103	Paras. 165–167	Accepted	Accepted	In progress	Implemented
Rec. 21	Paras. 104–106	Paras. 163–164	Accepted	Accepted	Implemented	Implemented
Rec. 22	Paras. 107–116	Paras. 153–154	Accepted	Accepted	In progress	In progress
Rec. 23	Paras. 107–116	Paras. 146–147	Accepted	Not accepted	Implemented	N.A.
Rec. 24	Paras. 121–124	Paras. 99–101	Accepted	Accepted	In progress	Implemented

Annex II: 2014 UNWTO organizational chart



2008 UNWTO organizational chart

