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DRAFT

PROGRAMME OF WORK AND

BUDGET OF THE ORGANIZATION

FOR THE PERIOD

2010-2011

World Tourism Organization

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**DRAFT PROGRAMME OF WORK AND BUDGET
OF THE ORGANIZATION FOR THE PERIOD 2010-2011**

Note by the Secretary-General

In accordance with statutory provisions, in this document, the Secretary-General submits to the General Assembly for approval the revised draft general programme of work and budget for the financial period 2010-2011, following the recommendations of the Executive Council at its eighty-fifth session held at Bamako, Mali, in May 2009. The Executive Council, in decision CE/DEC/13(LXXXV), recommended that the General Assembly adopt a draft programme and budget for 2010-2011 amounting to the sum resulting from the application of zero nominal growth to the contributions of the Member States, revised from the initial amount of 26,546,000 Euros, and which shall be adjusted on the basis of any changes in the membership of the Organization that may occur until that time.

TABLE OF CONTENTS

	Pages
DRAFT PROGRAMME OF WORK OF THE ORGANIZATION FOR THE PERIOD 2010-2011	1
DRAFT BUDGET OF THE ORGANIZATION FOR THE PERIOD 2010-2011	8
TABLES:	
I. DRAFT BUDGET OF EXPENDITURE AND INCOME FOR 2010-2011 IN EUROS	14
II. APPROPRIATIONS PROPOSED FOR 2010-2011 BUDGET ESTIMATES AND ANALYSIS OF INCREASES BY MAJOR PROGRAMME	15
PART I - PROGRAMME OF WORK.....	16
PART II - EXECUTIVE ORGANS AND MEETINGS.....	17
SECTION 1: GENERAL ASSEMBLY	18
SECTION 2: EXECUTIVE COUNCIL AND SUBSIDIARY BODIES	19
SECTION 3: MANAGEMENT	21
SECTION 4: CONFERENCES, TRANSLATION AND REPROGRAPHY	21
SECTION 5: REPATRIATION	22
PART III - PROGRAMME SUPPORT SERVICES AND OTHER BUDGETARY PROVISIONS	23
SECTION 1: BUDGET AND FINANCE	24
SECTION 2: HUMAN RESOURCES AND TRAVEL	24
SECTION 3: PURCHASES, MAINTENANCE AND SECURITY	25
SECTION 4: COMMUNICATION AND INFORMATION TECHNOLOGIES	27
SECTION 5: POSTS AND TELECOMMUNICATIONS	27
SECTION 6: OTHER BUDGETARY PROVISIONS.....	28
PART IV PROVISIONS	29
SECTION 1: AFTER SERVICE HEALTH INSURANCE PROVISIONS	30
SECTION 2: REPATRIATION GRANT PROVISIONS.....	31
ANNEXES:	
1. DETAIL OF COST INCREASES	
2. SCHEDULE OF ESTABLISHED POSTS	
3. REVIEW OF PROPOSED BUDGET 2010-2011	
4. SPECIAL CONTINGENCY ACCOUNT	
5. PROGRAMME AND BUDGET DISTRIBUTION BY REGIONS AND BY AREAS OF ACTIVITY	

DRAFT PROGRAMME OF WORK

FOR THE PERIOD 2010-2011

INTRODUCTION

1. This Draft Programme of Work and Budget of the World Tourism Organization for the period 2010-2011 has been prepared by the Secretariat having in mind the following principles and guidelines emanating from the Programme Committee and the Executive Council, as well as the global recommendations of the United Nations to all agencies in the system; these guidelines are:

- a) to better reflect and respond to the Members' needs and priorities;
- b) to respond to permanent and current issues in which the Organization has a leadership and/or an irreplaceable role;
- c) to concentrate the work of the Secretariat in a small number of areas in order to achieve significant and noticeable results that benefit the largest possible number of Members;
- d) to reinforce the results-based management and results-based budgeting (RBM and RBB) approaches; and
- e) to maintain the policy of zero-growth budget for the 2010-2011 biennium.

2. In order to identify the needs and priorities of Member States and Affiliate Members, the Secretariat, with the full support of the Programme Committee, adopted a consultative process that included:

- A survey on priority areas among Full and Associate Members carried out between February and May 2008.
- Debates during the Regional Commission meetings (May to September 2008) to further clarify and agree on regional and in some cases sub-regional priorities. The region of Europe complemented this process with an additional regional survey and a seminar (December 2008), in order to refine the sub-regional analysis and identify appropriate responses.
- A specific survey on priorities conducted among Affiliate Members (September to November 2008) in order to enrich the results obtained from Full and Associate Members.
- Several internal coordination meetings at the Secretariat, lead by the Deputy Secretary General and driven by the Division of Programme and Coordination with the involvement of all Regional Representatives and heads of Departments and Units.

3. Throughout the process of preparing this Draft Programme, the Secretariat has consulted systematically with, and obtained the agreement of the Programme Committee (PC). Its members have played a key role in providing inputs to the Secretariat and in consulting with the Member States in the respective regions that they represent in the Committee.

4. In February 2009 the first version of the draft programme was presented to the Programme Committee, who approved it with slight modifications. The final version of the draft was then submitted to the Executive Council, and obtained its approval, in its 85th meeting in May 2009.

5. Like in the previous biennium, this Draft Programme is structured around strategic objectives, the number of which has been reduced from four to two. The first objective relates to **tourism competitiveness**, and the second to the **sustainability of tourism**. Within each strategic objective, a number of specific objectives are proposed, as well as the corresponding activities to achieve them.

6. In line with repeated recommendations of the Executive Council, the number of specific objectives has been reduced from 16 in the current Programme 2008-2009 to only 10 in the next Programme 2010-2011, and the number of specific actions from 255 to 130. Thus, the Secretariat is responding to the call for concentrating the activities of the Organization into a smaller number of areas.

7. In addition to the establishment of two strategic objectives, the Programme Committee and the Executive Council agreed that the next Programme of Work should include two levels of activity: (a) worldwide activities, the results of which would be of interest to, and benefit all types of Members; and (b) specific activities for the regions, and even sub-regions whenever possible.

8. It has been also agreed that specific responses to individual country needs could not be accommodated within the Programme due to well-known, prevailing budgetary constraints; these needs, whenever possible, should be handled through development assistance activities and specific technical missions, funded from external, non-budgetary sources, as and when they are available. In this respect, the Committee recommended the Secretariat and Member States alike to identify further sources of funding for this type of assistance activities.

THE STRATEGIC OBJECTIVES OF THE PROGRAMME

9. The **two strategic objectives** proposed, as initially approved by the Executive Council at its previous session, attempt to respond to the Members' short term needs (objective A), and to their development, or long term needs (objective B). They can be summarised as follows:

The Secretariat will assist UNWTO Members in:

Objective A: Improving Competitiveness, in order to achieve greater success in the management and marketing of their existing tourism industry, and

Objective B: Raising Sustainability, in order to ensure a long-lasting development of tourism, increasing the contribution to the national economies and the MDGs

10. Of course the two objectives are not totally independent from each other, since actions in the short term also have an impact on the longer term development and performance of tourism. Therefore, the differentiation between the two strategic objectives is for programming purposes only, and it should not be seen as a dividing

line in the Secretariat's work; on the contrary, all departments and units will aim at adopting a comprehensive approach in conducting their work, establishing the necessary linkages between short-term and longer term actions.

11. The two objectives can be formulated in more detail as follows:

- **Strategic Objective A** aims at a continuous improvement of competitiveness of the Members' tourism supply, promoting quality and excellence at their destinations, improving their human resources, enhancing their marketing and image promotion techniques, helping them to face crises, and providing them with updated information and data on market trends, market forecasting and accurate evaluation of the economic contribution of tourism.
- **Strategic Objective B** aims at increasing the contribution of tourism to the Millennium Development Goals, especially to poverty alleviation and to environmental protection, including the climate change and biodiversity conservation challenges, as well as a full integration of tourism in the local economy of destinations, ensuring that economic benefits accrue to a wide range of stakeholders.

12. **A number of cross-cutting areas** that appeared as separate objectives in the Programme of Work 2008-2009 -such as development assistance, communications, publications, knowledge dissemination, information, documentation, promotion of public-private partnerships, and the like- are actually considered to be **instruments and tools** in the work of the Organization. **They will, therefore, be mainstreamed into all areas of activity in the biennium 2010-2011.**

13. In the following pages the draft Programme is presented in a concise format that includes the **two strategic objectives**, the **ten specific objectives** and the corresponding **40 areas of activity**, with the proposed budget allocations to each of the latter. The Secretariat has prepared a more detailed document, which includes the specific actions in each area of activity, the expected outputs of each of them, and the indicators to measure the results of each specific action. This detailed document is available to any Member of the Organization upon request and it will be distributed once approved by the General Assembly.

Strategic Objective A: Improving Competitiveness

Specific Objective A1: To foster the development of national Systems of Tourism Statistics (STS), the international comparability of tourism statistics and the macroeconomic analysis of tourism

Area of activities	Budget (euros)
A1 -1: Compilation guidance for implementing the new recommendations for tourism statistics (IRTS 2008), and reinforcement of international comparability of basic tourism statistical data	195,000
A1 -2: Dissemination of TSA data and fostering the macroeconomic analysis of tourism	20,000
A1 -3: Technical assistance for Member States on tourism statistics and TSA	260,000
A1 -4: Cooperation on statistics within the UN System	28,000

Specific Objective A2: To provide members with up to date information on market trends and forecasts

Area of activities	Budget (euros)
A2 -1 Short-term trends and forecasts: current developments and characteristics of tourism destinations and generating markets	145,000
A2 -2 Long-term trends and forecasts	70,000
A2 -3 Trends and Developments in Source Markets on a annual basis	80,000
A2 -4 New Tourism Products Development	125,000

Specific Objective A3: To identify innovative marketing & promotion techniques and to provide assistance to Members

Area of activities	Budget (euros)
A3 -1 Tourism Strategic Marketing Planning	30,000
A3 -2 E-marketing techniques	61,000
A3 -3. Branding, communications capacities in tourism, including image building	60,000
A3 -4 Tourism Market Segmentation / Evaluation of NTO Marketing Activities, etc.	According to requests and cost covering by host country

Specific Objective A4: To identify factors that help enhancing competitiveness and provide relevant assistance to Members

Area of activities	Budget (euros)
A4-1 Safe and efficient movement of travellers	50,000
A4-2: Facilitating dialogue between the private sector and governments through studies, projects, assistance and training to public-private sectors	70,000
A4-3: Innovation in Tourism	20,000
A4-4: Promotion of the image and importance of Tourism; effective strategic messaging	263,000
A4-5: General policy support to Members	150,000

Specific Objective A5: To support members to identify and mitigate global and local risks related to tourism; develop, plan and implement crisis management systems and coordinate with UN system

Area of activities	Budget (euros)
A5-1 Support tourism crisis management efforts at national level	24,000
A5-2 Support Members with mitigation strategies, actions and instruments and to develop and implement crisis management systems for the tourism sector	165,000
A5-3 Emergency assistance to members: crisis management at national level	55,000

Specific Objective A6: To build knowledge management in tourism and assist Members in assessing and addressing their needs in education and training

Area of activities	Budget (euros)
A6-1: To build knowledge management	86,000
A6-2: Share knowledge and information management and supply Members with effective documentation services, including legal aspects of tourism	53,000
A6-3: Education and training needs assessment and planning	85,000
A6-4: Addressing Members' needs in education & training needs ¹	360,000
A6-5: Develop and implement Technology supported learning (TSL) and capacity building	30,000
A6-6: Apply learning tools for Development Assistance	5,000 ²
A6-7: Quality assurance system for Tourism E&T Programmes (TedQual)	70,000
A6-8: Improve accessibility of UNWTO research results (publications and electronic products) for Member States and Affiliate Members	30,000
A6-9: General policy support to Members	125,000

Strategic Objective B: Raising Sustainability

Specific Objective B1: To facilitate the integration of sustainability and quality criteria in national, regional and local tourism policies and development plans. Apply these criteria to different types of destinations and encourage their application by the private sector

Area of activities	Budget (euros)
B1-1: Undertake research, develop methodologies, provide assistance and training to national and local officials and other tourism stakeholders on sustainable tourism policies and tools	30,000
B1-2: Facilitating the application of sustainable tourism policies and tools, including indicators	250,000
B1-3: Increase the contribution of intangible heritage to tourism development	45,000

¹ The activities undertaken by the Secretariat in this domain will be complemented by those carried out by the Themis Foundation.

² From external DA project budgets, or self-financing activities

Specific Objective B2: To ensure the social and cultural sustainability of tourism, with a special focus on local communities, and provide guidance for, and monitoring of, the practical Implementation of the Global Code of Ethics for Tourism

Area of activities	Budget (euros)
B2-1: Continue to provide guidance for, and monitoring of, the implementation of the Global Code of Ethics for Tourism and develop the TOURpact.Global Compact Initiative with UN Global Compact	110,000
B2-2 Provide social and economic opportunities to women in tourism development, especially in developing countries, and by promoting women's empowerment by means of creating appropriate policy frameworks	20,000
B2-3: Promote awareness of, and increase the involvement of the public and private tourism sector in, the protection of children and young people against exploitation (sexual and labour) and trafficking, especially in tourism destinations in developing countries	20,000
B2-4: Support technical cooperation projects	100,000 ³

Specific Objective B3: To deepen the knowledge of the contribution of tourism to poverty alleviation and its distribution among different stakeholders and host communities, in order to enhance both, policy formulation by public administrations and management practices by companies

Area of activities	Total Budget (euros)
B3-1: Integrate tourism into poverty reduction strategies and enhance its contribution to poverty alleviation	100,000
B3-2: Support development assistance projects on poverty alleviation, including ST-EP	100,000 ⁴

Specific Objective B4: To promote the "Davos Process", through further improving the knowledge base on the relationship between climate change and tourism, facilitate the formulation and application of adaptation and mitigation policies and measures, and contribute to the UN concerted effort on climate change

Area of activities	Total Budget (euros)
B4-1: Conduct further research and capacity building and dissemination activities on climate change impacts, policy and response measures.	50,000
B4-2: Continue the pilot applications of adaptation and mitigation measures	44,000

³ This item covers only the costs of sectoral support missions and project formulation; DA projects themselves are externally funded.

⁴ This item covers only the costs of identification missions and production of guidelines and manuals; STEP projects themselves are externally funded.

DRAFT BUDGET OF THE ORGANIZATION FOR THE
PERIOD 2010-2011

14. The draft budget for 2010-2011 has been drawn up in euros, in accordance with A/RES/433(XIV) adopted by the General Assembly at its fourteenth session. This is the fifth budget to be prepared in the single European currency which is, since 1 January 2002, the Organization's accounting, budgetary and contributions currency.

The proposals for 2010-2011 are submitted in four parts as indicated below:

- Part I: Programme of work
- Part II: Executive organs and meetings
- Part III: Programme support services and other budgetary provisions
- Part IV: Provisions

15. The draft budget for the next biennium proposes, for each of the strategic objectives included in the programme of work, the necessary human and financial resources to cover both staff and operational costs.

16. The human and financial resources proposed for each strategic objective cover the directly identifiable costs of the corresponding activities necessary to achieve it. The indirect, or support, costs of each activity in Part I have not been shown because these form part of the direct costs of the activities contemplated in Parts II and III.

17. Compared with the previous programme-budget, the following changes have been made for 2010-2011. In accordance with the new structure proposed by the Secretary-General (who took account in particular of recommendations made by the Regional Commissions, the Programme Committee, the Strategic Group and individual Members responding to the survey on the programme of work) Part I- Programme of Work has been reformulated around two strategic objectives instead of four as in previous budgets. Each objective may call for inputs from various Programme Departments, Sections or Units. At the same time, the number of sections of Part I has been reduced from 10 to 9, as section 4, Destination Management of the 2008-2009 budget has been included in the 2010-2011 budget under section 3, Affiliate Members, in order to improve the coordination of the three governing councils of the Affiliate Members. Furthermore, the necessary internal coordination mechanisms have been established for the different programme departments and the Regional Representations to work jointly in the execution of specific activities in order to achieve strategic objectives. From the budgetary standpoint, it will be observed that not only can the cost of an activity be expressed at departmental level but also at total level, covering inputs from all involved departments as well as external partners.

18. The institutional structure necessary to undertake the programme of work is as follows:

- 0) Programme and coordination management
- 1) Market
- 2) Information and communication
- 3) Affiliate Members and public-private partnership
- 4) Education, training and knowledge management
- 5) Sustainable development of tourism
- 6) Development assistance
- 7) Regional activities
- 8) United Nations System
- 9) Technical Conferences

19. It will be noted that cooperation with the United Nations System is considered as a pre-eminently programme activity. This is based on the consideration that it includes, in addition to certain administrative and statutory issues, UNWTO participation in the United Nations High-Level Committee on Programmes (HLCP) and the United Nations Development Group (UNDG), the setting up and managing the United Nations Tourism Exchange Network (UNTEN), the submission of periodic reports on tourism and related issues to the United Nations General Assembly and its subsidiary body the United Nations Economic and Social Council (ECOSOC) as well as specific thematic cooperation on an inter-agency basis as envisaged in the Agreement on Cooperation and Relations between UNWTO and the United Nations of 23 December 2003. The Secretariat will continue to count on the support of the Office of the UNWTO Special Representative to the United Nations in New York.

20. The activities of the Conferences, Translation and Reprography (Part II-4) are not limited to meetings of the executive organs of UNWTO but include the organization and holding of a variety of meetings relating to both technical and policy aspects of tourism, for example Parliamentary Fora, Conferences on Tourism in the Economy, etc. For this reason, the Unit "Technical Conferences" is maintained as Part I-Section 10 which, while formally part of the Programme of Work, will be managed by and come under the direct responsibility of the Chief of the Conferences Service.

21. Moreover, the budget for 2010-2011 includes a new element in its principal structure. A Part IV has been created to reflect the budgetary provisions that the UNWTO is obliged to make in order to cover the contingencies stipulated in the International Public Sector Accounting Standards (IPSAS) and which must be applied starting 1 January 2010. For the biennium 2010-2011 the two principal contingencies established by IPSAS have been identified and constitute Part IV of the budget:

- Provision to cover the cost of medical insurance after the retirement of staff members, for the accrued amount corresponding the two-year budgetary period (EUR400,000);
- Provision to cover the cost of repatriation of staff members upon retirement, for the accrued amount corresponding to the two-year budgetary period (EUR200,000).

22. The 85th Executive Council in paragraph 8 of decision CE/DEC/13(LXXXV), recommended to the General Assembly to adopt a draft programme and budget for 2010-2011 amounting to a total, revised from the initial amount of 26,546,000 Euros, resulting from the application of zero nominal growth to individual contributions of the Member States, and adjusted by any modification in membership that may occur until that time. Therefore, the Secretary-General has decided to submit, for approval, a proposed revision of the budget for 2010-2011, taking into consideration the recommendation made by the Council.

23. The draft budget for the biennium 2010-2011 submitted by the Secretary-General to the 85th Executive Council in May 2009 amounted to 26,546,000 Euros, which represented a nominal increase of 5.7 per cent relative to the 2008-2009 budget. Taking into account that the inflation estimate adopted for the financial period was 5.06 per cent (2.5 per cent per annum), the budgetary increase in real terms represented a variation of just 0.6 per cent.

24. Furthermore, the total amount of the contributions to be paid by the Associate and Full Members was 3.6 per cent higher with respect to the period 2008-2009, although this was the result of the application of an individual increase in the contributions of 2.5 per cent per annum over the contribution fixed in 2009.

25. The Executive Council, aware of the situation of the world economy, considered it advisable to recommend to the Secretary-General to revise the submitted budget based on zero growth in individual member country contributions for the period 2010-2011. As can be seen in the comparative table in Annex 3, the decision to freeze the contributions of the Associate and Full Members at the level of the contributions fixed in 2009 implies a reduction of 641,000 Euros with respect to the proposed contributions submitted to the 85th Executive Council.

26. Furthermore, the Executive Council, having taken cognizance of the Secretary-General's proposal to use the available surplus from financial period 2006-2007 to strengthen the activities of the programme of work of the Organization for the biennium 2010-2011, requested the General Assembly in decision CE/DEC/8(LXXXV) that such funds not be used for the normal operating expenses included in the budget, but rather that a special account be established for this surplus, which the Secretary-General could mobilize with the agreement of the Executive Council. This decision of the Council implies a reduction of 830,933.50 Euros in the budgetary income initially foreseen to fund the 2010-2011 budget. Annex 4 of this document shows the proposal of the Secretary-General for the creation and use of this special account.

27. In view of the recommendations made by the Council, the budget estimates for 2010-2011 were once again recalculated, resulting in a new budget amount of 25,200,000 euros, which represents a total reduction of 1,346,000 euros with respect to the initial draft budget of 26,546,000 euros. As can be seen in the table in Annex 3, this reduction represents 5.1 per cent of the initial amount.

28. In order to ensure budgetary balance between income and expenditure, the foreseen increases in expenditure have been eliminated, both from the category of personnel costs as well as in other costs due to the estimated inflation (2.5 per cent per annum) in the initial draft budget for 2010-2011, and two General Service posts will be kept frozen as unfilled vacancies. Furthermore, the estimates for sundry income and income from the sale of publications have been revised based on the most recent data.

29. It can be seen in Table I of the document that the amount of the contributions to be paid by the Full and Associate Members for the years 2010 and 2011 remain constant, at 11,213,000 euros per year, with respect to the contributions fixed in 2009. The 0.7 per cent increase relative to the period 2008-2009 is due to the fact that the reference figure for the calculation of the contributions for 2010-2011 was the amount of the contributions fixed in financial year 2009, taking no account of those fixed in financial year 2008.

30. Furthermore, it can be observed that the nominal increase of the revised budget for 2010-2011, with respect to the 2008-2009 budget, is now 0.4 per cent, as compared to the 5.7 per cent initially proposed in the budget submitted to the 85th session of the Executive Council.

31. Lastly, it should be pointed out that all the figures appearing in this document correspond to the new revised budget.

32. As shown in **TABLE I**, the proposals in the programme budget for 2010-2011 come to EUR25,200,000 which implies an increase of 0.4 per cent in nominal terms over the approved budget of EUR25,110,000 for 2008-2009. Now then, leaving out the contingency provisions of Part IV of the budget (EUR600,000) which were not provided for in the previous budget, the nominal decrease, as can be seen in the following table, would be -2.0%,.

	2008-2009	2010-2011	Nominal increase
Budget before Provisions	25,110,000	24,600,000	-2.0%
Provisions (Part IV)	---	<u>600,000</u>	
Budget after provisions	25,100,000	25,200,000	0.4%

33. The increase in current terms in the various parts of the budget has not been uniform, each having varied according to the anticipated increase in costs and in the operating and staff costs applicable to each part. There has also been a transfer of posts between parts reflecting a reorganization. This has resulted in increases in the appropriations of some parts and decreases in those of others. Most of the Organization's human and financial resources are concentrated in the nine areas or sections of Part I: Major Programme -Programme of Work.

34. The appropriations assigned to this Part amount to EUR13,586,000 accounting for 53.91 per cent of the total budget (see **TABLE II**) and represent a 1.9 per cent decrease over the period 2008-2009 (see **TABLE I**).

35. The appropriation in Part II - Executive Organs and Meetings, amounting to EUR5,144,000, has decreased by 4.1 per cent. This is due to the elimination of expected expenditures to cover compensation for repatriation of the Secretary-General and Deputy Secretary-General at the end of their mandate in the eighteenth General Assembly with respect to the period 2008-2009.

36. In Part III - Programme Support Services and Other Budgetary Provisions - the appropriation totals EUR5,870,000, a decrease of 0.3 per cent compared to 2008-2009 due to the transfer of credits for personnel (1 General Service post) from Part I to section 4 of Part III, Information and Communication Technologies, as a consequence of the internal reorganization of the Secretariat.

37. That being said, UNWTO continues to be an exceptionally "low cost" organization when compared with other United Nations Specialized Agencies, whose individual staff numbers range up to more than four thousand. With scarcely more than 100 staff at its Madrid headquarters, UNWTO truly requires only a marginal financial effort from its main contributing countries. This is all the more apparent when it is recalled that, while UNWTO's staff numbers are gradually increasing towards the previous maximum level of 120 staff experienced in 1986-1987, its membership at that time was scarcely 100 Full Members whereas, in 2010-2011, the number of States Members should attain 153. Nevertheless, the Secretary-General, taking into account the current situation of worldwide economic crisis, has decided not to increase the staff and to maintain the same posts of the 2008-2009 budget.

38. In drawing up the 2010-2011 budget the Secretary-General was, as always, mindful of the need to maintain a healthy balance between staff costs and other expenses. The fact that these so-called fixed costs amount to about 70% of the draft budget does not imply in any sense that they are unproductive. On the contrary, a substantial proportion of UNWTO's programme is permanent or regular in character. This is particularly true of the work carried out in the statistics, market trends, information and communications areas. These activities are conducted by a full-time team of experienced officials, whereas other more selective, occasional and specialized tasks are entrusted to outside experts.

39. All told, over 50% of the draft budget is dedicated to implementation of the general programme of work while “executive organs, meetings and general management”, and “programme support” account for 20% and 23% each. In the area of support services, it is worth recalling that, despite the small size of the UNWTO Secretariat, it has officials producing work in the four official languages, and furthermore, a fifth language, Arabic, has been introduced in order to respect resolution 61(III) adopted by the General Assembly in 1979.

40. Reference should be made to the Staff Assessment Plan contemplated in Rule 12(7) of the Organization’s Staff Rules. Since its inception, UNWTO has always paid net salaries to its officials in accordance with the salary scales published by the International Civil Service Commission (ICSC) in New York. This is, the Secretary-General understands, in accordance with the practice followed by most if not all the United Nations Specialized Agencies. The difference between gross and net salaries is known as the Staff Assessment. The Secretary-General believes that, in the interests of transparency, the Members should be aware of the amount of Staff Assessment as it would apply to UNWTO in 2010-2011. This amount has therefore been calculated for 2010-2011 on the basis of the tables and rates published by the ICSC. The total of Staff Assessment would be 2,932,000 Euros for the biennium. This amount has therefore been included in the budget, both as a receipt and as expenditure.

41. Finally, as can be seen in Annex 2, the total number of staff for the 2010-2011 is maintained at 106 posts.

I - DRAFT BUDGET OF EXPENDITURE AND INCOME FOR 2010-2011

IN EUROS

	2008	2009	2008-2009	2010	2011	2010-2011	VAR %
BUDGETED EXPENSES							
PART I - Programme of work	6.823.000,00	7.033.000,00	13.856.000,00	6.723.000,00	6.863.000,00	13.586.000,00	(1,9)
PART II - Executive Organs and Meetings	2.422.000,00	2.942.000,00	5.364.000,00	2.495.000,00	2.649.000,00	5.144.000,00	(4,1)
PART III - Programme Support Services and Other budgetary provisions	2.903.000,00	2.987.000,00	5.890.000,00	2.915.000,00	2.955.000,00	5.870.000,00	(0,3)
PART IV - Provisions				300.000,00	300.000,00	600.000,00	
TOTAL BUDGETED ESPENSES	12.148.000,00	12.962.000,00	25.110.000,00	12.433.000,00	12.767.000,00	25.200.000,00	0,4
STAFF ASSESSMENT	1.576.000,00	1.646.000,00	3.222.000,00	1.451.000,00	1.481.000,00	2.932.000,00	
GROSS EXPENSES	13.724.000,00	14.608.000,00	28.332.000,00	13.884.000,00	14.248.000,00	28.132.000,00	(0,7)
BUDGETED INCOME							
- Contributions from Full and Associate Members	11.048.000,00	11.213.000,00	22.261.000,00	11.213.000,00	11.213.000,00	22.426.000,00 (2)	0,7
- Other income sources, of which :							
- Sundry income	253.000,00	394.750,48	647.750,48	419.000,00	576.000,00	995.000,00	
- Income from the sale of publications	232.000,00	408.000,00	640.000,00	291.000,00	468.000,00	759.000,00	
- Affiliate Members	457.000,00	457.000,00	914.000,00	510.000,00 (1)	510.000,00 (1)	1.020.000,00	
- Income from Budget Surplus	158.000,00	489.249,52	647.249,52	0,00	0,00	0,00	
TOTAL BUDGETED INCOME	12.148.000,00	12.962.000,00	25.110.000,00	12.433.000,00	12.767.000,00	25.200.000,00	0,4
STAFF ASSESSMENT	1.576.000,00	1.646.000,00	3.222.000,00	1.451.000,00	1.481.000,00	2.932.000,00	
GROSS INCOME	13.724.000,00	14.608.000,00	28.332.000,00	13.884.000,00	14.248.000,00	28.132.000,00	(0,7)

(1) 364 Affiliate Members

(2) Variation due to 0.0 per cent increase in contributions for 2010 and 0.0 per cent for 2011 (base year 2009) and to the net balance of new Members

II - APPROPRIATIONS PROPOSED FOR 2010-2011
BUDGET ESTIMATES AND ANALYSIS OF INCREASES BY MAJOR PROGRAMME

(in euros)

APPROPRIATION LINE	POSTS		A			B		C		D		E			POSTS		F
			APPROVED 2008-2009 APPROPRIATIONS			INCREASE/ DECREASE ACCORDING TO NEEDS		COST INCREASE/ DECREASE		NET INCREASE (B + C)		PROPOSED 2010-2011 APPROPRIATIONS (A + D)					
	P	G	Staff costs	Operational costs	Total	Staff costs	Operational costs	Staff costs	Operational costs	Staff costs	Operational costs	Staff costs	Operational costs	TOTAL	P	G	
PART I-MAJOR PROGRAMME- PROGRAMME OF WORK																	
Programme and Coordination Management	2	1	547.000	42.000	589.000	222.000	-8.000	-15.000	0	207.000	-8.000	754.000	34.000	788.000	3	1	
Market	7	6	2.173.000	655.000	2.828.000	-547.000	58.000	-42.000	0	-589.000	-8.000	1.584.000	713.000	2.297.000	5	5	
Information and communications	3	7	1.385.000	360.000	1.745.000	222.000	-9.000	-44.000	0	178.000	-9.000	1.563.000	351.000	1.914.000	4	7	
Affiliate Members and public-private partnership	1	2	428.000	94.000	522.000	325.000	165.000	-21.000	0	304.000	165.000	732.000	259.000	991.000	2	3	
[Destination management].....	1	1	325.000	81.000	406.000	-325.000	-81.000	0	0	-325.000	-81.000	0	0	0	0	0	
Education, training and knowledge management	2	1	547.000	398.000	945.000	-222.000	-228.000	-8.000	0	-230.000	-228.000	317.000	170.000	487.000	1	1	
Sustainable development of tourism	4	2	1.094.000	464.000	1.558.000	0	-289.000	-23.000	0	-23.000	-289.000	1.071.000	175.000	1.246.000	4	2	
Development assistance	2	4	855.000	193.000	1.048.000	0	7.000	-24.000	0	-24.000	7.000	831.000	200.000	1.031.000	2	4	
Regional activities.....	8	6	2.393.000	1.242.000	3.635.000	222.000	474.000	-58.000	0	164.000	474.000	2.557.000	1.716.000	4.273.000	9	6	
United Nations System	0	1	103.000	189.000	292.000	0	-9.000	-4.000	0	-4.000	-9.000	99.000	180.000	279.000	0	1	
Technical conferences	0	2	205.000	83.000	288.000	0	-1.000	-7.000	0	-7.000	-1.000	198.000	82.000	280.000	0	2	
TOTAL PART I	30	33	10.055.000	3.801.000	13.856.000	-103.000	79.000	-246.000	0	-349.000	79.000	9.706.000	3.880.000	13.586.000	30	32	53,91
PART II-MAJOR PROGRAMME- EXECUTIVE ORGANS AND MEETINGS																	
General Assembly	0	0	0	193.000	193.000	0	0	0	0	0	0	0	193.000	193.000	0	0	
Executive Council and Subsidiary organs	0	0	0	130.000	130.000	0	2.000	0	0	0	2.000	0	132.000	132.000	0	0	
Management	6	1	2.317.000	314.000	2.631.000	0	60.000	-36.000	0	-36.000	60.000	2.281.000	374.000	2.655.000	6	1	
Conferences, Translation, Printing and Reproduction	7	5	2.068.000	95.000	2.163.000	0	48.000	-47.000	0	-47.000	48.000	2.021.000	143.000	2.164.000	7	5	
Repatriation	0	0	247.000	0	247.000	-247.000	0	0	0	-247.000	0	0	0	0	0	0	
TOTAL PART II	13	6	4.632.000	732.000	5.364.000	-247.000	110.000	-83.000	0	-330.000	110.000	4.302.000	842.000	5.144.000	13	6	20,41
PART III-MAJOR PROGRAMME- PROGRAMME SUPPORT SERVICES AND OTHER BUDGETARY PROVISIONS																	
Budget and Finance	2	3	752.000	0	752.000	0	0	-20.000	0	-20.000	0	732.000	0	732.000	2	3	
Human Resources and Travel	1	4	634.000	272.000	906.000	0	0	-21.000	0	-21.000	0	613.000	272.000	885.000	1	4	
Purchases, maintenance and security.....	0	7	719.000	1.753.000	2.472.000	0	0	-28.000	0	-28.000	0	691.000	1.753.000	2.444.000	0	7	
Computers and Telematics	2	2	650.000	0	650.000	103.000	0	-21.000	0	82.000	0	732.000	0	732.000	2	3	
Posts and Telecommunications	0	3	308.000	745.000	1.053.000	0	0	-13.000	0	-13.000	0	295.000	745.000	1.040.000	0	3	
Other budgetary provisions	0	0	0	57.000	57.000	0	-20.000	0	0	0	-20.000	0	37.000	37.000	0	0	
TOTAL PART III	5	19	3.063.000	2.827.000	5.890.000	103.000	-20.000	-103.000	0	0	-20.000	3.063.000	2.807.000	5.870.000	5	20	23,29
PART IV-MAJOR PROGRAMME- PROVISIONS FOR CONTINGENT LIABILITIES																	
After Service Health Insurance provisions			0	0	0	400.000	0	0	0	400.000	0	400.000	0	400.000			
Repatriation Grant provisions			0	0	0	200.000	0	0	0	200.000	0	200.000	0	200.000			
TOTAL PART IV			0	0	0	600.000	0	0	0	600.000	0	600.000	0	600.000			2,38
SUBTOTALS	48	58	17.750.000	7.360.000	25.110.000	353.000	169.000	-432.000	0	-79.000	169.000	17.671.000	7.529.000	25.200.000	48	58	100,00
						1,99%	2,30%	-2,43%	0,00%	-0,45%	2,30%						
TOTAL	106		25.110.000			522.000		-432.000		90.000		25.200.000			106		
						2,1%		-1,7%		0,4%							

**PART I
PROGRAMME OF WORK**

Summary of 2010-2011 proposals

Programmes	Work-Years/Months 2010-2011		EURO						
	Professional and higher categories	General Service	Staff costs		Operational costs		Total Resources		
			2010	2011	2010	2011	2010	2011	2010-2011
Section 0 : PROGRAMME AND COORDINATION MANAGEMENT	06/00	02/00	371.000	383.000	17.000	17.000	388.000	400.000	788.000
Section 1 : MARKET	10/00	10/00	781.000	803.000	357.000	356.000	1.138.000	1.159.000	2.297.000
Section 2 : INFORMATION AND COMMUNICATION	08/00	14/00	771.000	792.000	175.000	176.000	946.000	968.000	1.914.000
Section 3 : AFFILIATE MEMBERS AND PUBLIC-PRIVATE PARTNERSHIP	04/00	06/00	361.000	371.000	129.000	130.000	490.000	501.000	991.000
Section 4 : EDUCATION, TRAINING AND KNOWLEDGE MANAGEMENT	02/00	02/00	156.000	161.000	85.000	85.000	241.000	246.000	487.000
Section 5 : SUSTAINABLE DEVELOPMENT OF TOURISM	08/00	04/00	527.000	544.000	87.000	88.000	614.000	632.000	1.246.000
Section 6 : DEVELOPMENT ASSISTANCE	04/00	08/00	410.000	421.000	100.000	100.000	510.000	521.000	1.031.000
Section 7 : REGIONAL ACTIVITIES	18/00	12/00	1.260.000	1.297.000	858.000	858.000	2.118.000	2.155.000	4.273.000
Section 8 : UNITED NATIONS SYSTEM	00/00	02/00	49.000	50.000	90.000	90.000	139.000	140.000	279.000
Section 9 : TECHNICAL CONFERENCES	00/00	04/00	98.000	100.000	41.000	41.000	139.000	141.000	280.000
Totals 2010-2011	60/00	64/00	4.784.000	4.922.000	1.939.000	1.941.000	6.723.000	6.863.000	13.586.000
			9.706.000		3.880.000		13.586.000		

PART II

EXECUTIVE ORGANS AND MEETINGS

Summary of proposals for 2010-2011

Programmes	Work-Years/Months 2010-2011		Euros 2010-2011		
	Profes- sional and higher categories	General Service	Staff Cost	Operational Costs	Total Resources
Section 1: GENERAL ASSEMBLY	--	--	--	193,000	193,000
Section 2: EXECUTIVE COUNCIL AND SUBSIDIARY BODIES	--	--	--	132,000	132,000
Section 3: MANAGEMENT	12/00	02/00	2,281,000	374,000	2,655,000
Section 4: CONFERENCES, TRANSLATION AND REPROGRAPHY¹	14/00	10/00	2,021,000	143,000	2,164,000
Section 5: REPATRIATION	--	--	--	--	--
Totals 2010-2011	26/00	12/00	4,302,000	842,000	5,144,000
Totals 2008-2009	26/00	12/00	4,632,000	732,000	5,364,000

42. The resources in this major programme cover the directly identifiable costs of holding meetings of the Organization's general policy-making organs, which, in their respective spheres of competence, consider and adopt the decisions on which the Organization's activity is based, as a general rule in the light of the Secretary-General's proposals. This major programme also includes resources to cover the costs of Management and of the programme of Conferences, Translation and Reprography.

¹ The "Technical Conferences" Unit (Part I Section 9) is part of the Conferences Service and is managed by the Chief of that Service. It has 04/00 General Service staff, in addition to those indicated above.

43. In estimating expenditure for 2010-2011 the policy has been to limit the length of meetings so far as possible in order to keep costs down.

44. Estimated expenditure for meetings has been based on the actual expenses incurred in 2008 and, in the case of the General Assembly, on the cost of the last session held in 2007, albeit taking into account current costs and their trends.

45. This major programme provides for the directly identifiable costs of holding meetings in the biennium 2010-2011. In addition to the directly identifiable costs shown in the budget table for this major programme, costs are allocated to a number of other programmes. These costs are not shown in this Part because they correspond to work forming part of other programmes. The Conference programme provides for the coordination of secretariat services and contributes certain staff resources for in-meeting servicing, as well as for the translation, printing and reproduction of documents. The other budget programmes also contribute to meetings by providing administrative support, such as personnel, finance, typing, messenger, information and reception services.

46. The resources shown for each meeting in this major programme relate to the direct costs of interpreters, external collaborators and other temporary staff, as well as sundry costs, including those of equipment and supplies.

SECTION 1: GENERAL ASSEMBLY

Euros

Costs		Total Resources
2010	2011	2010-2011
--	193,000	193,000

Totals 2010-2011	193,000
Totals 2008-2009	193,000

47. The General Assembly meets in ordinary session every two years.

SECTION 2: EXECUTIVE COUNCIL AND SUBSIDIARY BODIES

Euros 2010-2011		
Subprogrammes	Costs	Total Resources
Heading 1: Executive Council	61,000	61,000
Heading 2: Programme Committee	48,000	48,000
Heading 3: Committee on Budget and Finance	23,000	23,000
Totals 2010-2011.....		132,000
Totals 2008-2009.....		130,000

Heading 1: Executive Council

Euros			
	Costs		Total Resources
	2010	2011	2010-2011
	30,000	31,000	61,000
Totals 2010-2011			61,000
Totals 2008-2009			61,000

48. The Executive Council meets twice in the first year of the biennium. In the second year it holds three sessions, the last of them in conjunction with the General Assembly.

Heading 2: Programme Committee

Euros		
Costs		Total Resources
2010	2011	2010-2011
24,000	24,000	48,000

Totals 2010-2011.....	48,000
Totals 2008-2009.....	46,000

49. The Programme Committee (PC) holds two meetings each calendar year, normally before the sessions of the Executive Council that are required to examine the general programme of work. Each meeting last two days and is held in conjunction with a meeting of the Evaluation Task Force which is also financed under this budget heading.

Heading 3: Committee on Budget and Finance

Euros		
Costs		Total Resources
2010	2011	2010-2011
11,000	12,000	23,000

Totals 2010-2011	23,000
Totals 2008-2009	23,000

50. The Committee on Budget and Finance (CBF) generally holds a one-day meeting once or twice every financial year.

SECTION 3: MANAGEMENT

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
12/00	02/00	1,175,000	1,106,000	187,000	187,000	1,362,000	1,293,000
Totals 2010-2011		2,281,000		374,000		2,655,000	
Totals 2008-2009		2,317,000		314,000		2,631,000	

51. Resources are provided under this programme for the management activities that enable the Secretary-General to discharge his responsibility, consisting in the main of ensuring the efficient operation of the World Tourism Organization. Provision is made for the posts of Secretary-General, Deputy Secretary-General and Director of Administration, their staff and their direct collaborators as well as for official travel and legal advice.

SECTION 4: CONFERENCES, TRANSLATION AND REPROGRAPHY

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
14/00	10/00	996,000	1,025,000	71,000	72,000	1,067,000	1,097,000
Totals 2010-2011		2,021,000		143,000		2,164,000	
Totals 2008-2009		2,068,000		95,000		2,163,000	

52. The activities under this programme include the organization of General Assembly and Executive Council sessions, and other meetings convened by UNWTO.

53. The Translation service provides language support for the translation of documents for meetings, as well as of periodic publications.

54. As its name suggests, the Printing and Reproduction service is responsible for printing, reproducing and distributing documents for meetings convened by the Organization. If the volume of work permits, other documents and publications are also printed in-house.

55. Besides maintaining an appropriation of EUR23,000 for travel costs, "Operational Costs" includes an appropriation of EUR120,000 to meet the needs of outsourcing translation work at times when the workload increases to the extent that it cannot be handled in-house.

56. It is recalled that the "Technical Conferences" Unit, which organizes meetings related to technical and policy aspects of tourism, is included in Part I-9 of the programme budget with 04/00 General Service staff and a budgetary appropriation for operational expenses of EUR82,000.

SECTION 5: REPATRIATION

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
00/00	00/00	--	--	--	--	--	--
Totals 2010-2011		--	--	--	--	--	--
Totals 2008-2009		247.000	--	--	--	247.000	--

57. Financial provision was made in 2008-2009 under a heading "Repatriation" for the separation from service of members of the Management on completion of their mandates. This section will not be included in Part II after the 2010-2011 budget. Any financial provision made under the heading of Repatriation of staff members shall be incorporated in Part IV of the budget "Provisions for Contingent Liabilities".

PART III

PROGRAMME SUPPORT SERVICES AND
OTHER BUDGETARY PROVISIONS

Summary of proposals for 2010-2011

Programmes	Work-Years/Months 2010-2011			Euros 2010-2011	
	Profes- sional and higher categories	General Service	Staff Cost	Operational and Other Costs	Total Resources
Section 1: BUDGET AND FINANCE	04/00	06/00	732,000	---	732,000
Section 2: HUMAN RESOURCES AND TRAVEL	02/00	08/00	613,000	272,000	885,000
Section 3: PURCHASES, MAINTENANCE AND SECURITY	00/00	14/00	691,000	1,753,000	2,444,000
Section 4: INFORMATION AND COMMUNICATION TECHNOLOGIES	04/00	06/00	732,000	---	732,000
Section 5: POSTS AND TELECOMMUNICATIONS	---	06/00	295,000	745,000	1,040,000
Section 6: OTHER BUDGETARY PROVISIONS	---	---	---	37,000	37,000
Totals 2010-2011	10/00	40/00	3,063,000	2,807,000	5,870,000
Totals 2008-2009	10/00	38/00	3,063,000	2,827,000	5,890,000

58. The activities under this major programme include the following: financial and personnel services; purchases and maintenance; and computers and telecommunications.

SECTION 1: BUDGET AND FINANCE

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
04/00	06/00	361,000	371,000	--	--	361,000	371,000
Totals 2010-2011		732,000		--		732,000	
Totals 2008-2009		752,000		--		752,000	

59. Resources are provided under this programme for the Budget and Finance Section which is responsible for the Organization's financial and accounting activities

SECTION 2: HUMAN RESOURCES AND TRAVEL

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
02/00	08/00	303,000	310,000	136,000	136,000	439,000	446,000
Totals 2010-2011		613,000		272,000		885,000	
Totals 2008-2009		634,000		272,000		906,000	

60. Resources under this programme are allocated to the Human Resources Section which is responsible for all administrative procedures for the recruitment of staff, internal staffing changes, transfers, and separation from service. "Operational Costs" include appropriations to meet the needs that may arise in the Secretariat for temporary staff to assist at times of increased workload as well as covering the cost of internal staff training courses. The Unit responsible for official travel is also part of this Section.

SECTION 3: PURCHASES, MAINTENANCE AND SECURITY

Subprogrammes	Work-Years/Months 2010-2011		Euros 2010-2011		
	Profes- sional and higher categories	General Service	Staff Cost	Operational and Other Costs	Total re- sources
Heading 1: Office procurement, purchasing and supplies	00/00	02/00	99,000	1,175,00	1,274,000
Heading 2: Maintenance security and other services	00/00	12/00	592,000	578,000	1,170,000
Totals 2010-2011	00/00	14/00	691,000	1,753,000	2,444,000
Totals 2008-2009	00/00	14/00	719,000	1,753,000	2,472,000

Heading 1: Office purchasing and supplies

Profes- sional and higher categories	General Services	Work-Years/Months 2010-2011		Euros			
		2010	2011	Operational and Other Costs		Total Resources	
				2010	2011	2010	2011
00/00	02/00	49,000	50,000	585,000	590,000	634,000	640,000
Totals 2010-2011		99,000		1,175,000		1,274,000	
Totals 2008-2009		103,000		1,175,000		1,278,000	

61. The activities of this subprogramme include the procurement, purchase, storage, distribution and maintenance of office furniture, equipment and stationery and other goods and supplies necessary for the Organization as a whole. The subprogramme's resources, excluding staff costs, are as follows:

	Euros	
	2010	2011
Stationery, office and document reproduction supplies	200,000	201,000
Acquisition of furniture, equipment and vehicles	63,000	64,000
Use and maintenance of furniture, office equipment and vehicles	41,000	41,000
Depreciation of fixed assets.....	223,000	224,000
Hospitality costs and other supplies and services.....	<u>58,000</u>	<u>60,000</u>
Total	585,000	590,000
	=====	=====

62. For this financial period the appropriations are maintained at the same level than in the previous budget. However, the appropriation corresponding to the item "Depreciation of fixed assets" has to be updated in each period, not on the basis of inflation but according to the estimated amount of the replacement and the yearly replacement rates already established by the straight-line system applied.

Heading 2: Maintenance, security and other services

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational and Other Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
00/00	12/00	293,000	299,000	288,000	290,000	581,000	589,000

Totals 2010-2011	592,000	578,000	1,170,000
Totals 2008-2009	616,000	578,000	1,194,000

63. The resources under this subprogramme cover the general running costs of the building, as well as those of maintenance staff, security, a driver and messengers.

64. With the exception of staff costs, the following list sets out the resources required for the general costs of running the building:

	Euros	
	2010	2011
Maintenance and renovation of UNWTO premises .	16,000	16,000
Insurance	9,000	9,000
Utilities (electricity, heating and water).....	73,000	74,000
Cleaning and security	<u>190,000</u>	<u>191,000</u>
Total	288,000	290,000
	=====	=====

65. The Headquarters building of the Organization was supplied by the Government of Spain for a token annual rental of USD1.00.

SECTION 4: COMMUNICATION AND INFORMATION TECHNOLOGIES

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational and Other Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
04/00	06/00	361,000	371,000	--	--	361,000	371,000
Totals 2010-2011		732,000		---		732,000	
Totals 2008-2009		650,000		---		650,000	

66. The activities of this programme include the operation and management of computer systems, maintenance of existing programmes and their adjustment to changing needs; preparation of software; in-house training courses and advice and support to users; and maintenance of electronic mail, Internet systems and telephony.

SECTION 5: POSTS AND TELECOMMUNICATIONS

Work-Years/Months 2010-2011		Euros					
Professional and higher categories	General Services	Staff Costs		Operational and Other Costs		Total Resources	
		2010	2011	2010	2011	2010	2011
00/00	06/00	146,000	149,000	372,000	373,000	518,000	522,000
Totals 2010-2011		295,000		745,000		1,040,000	
Totals 2008-2009		308,000		745,000		1,053,000	

67. With the exception of staff costs, the "Operational and Other Costs" under this programme refer to postage, telephone, telefax, and cables.

SECTION 6: OTHER BUDGETARY PROVISIONS

Euros

Costs		Total Resources
2010	2011	2010-2011
18,000	19,000	37,000

Totals 2010-2011	37,000
Totals 2008-2009	57,000

68. Resources are provided under this programme for external auditing costs, for the Organization's contribution towards Staff Association expenses and for unforeseen expenditure.

PART IV**PROVISIONS**

Summary of proposals for 2010-2011

Programmes	Work-Years/Months 2010-2011			Euros 2010-2011	
	Profes- sional and higher categories	General Service	Staff Cost	Operational and Other Costs	Total Resources
Section 1: AFTER SERVICE HEALTH INSURANCE PROVISIONS	00/00	00/00	---	---	400,000
Section 2: REPATRIATION GRANT PROVISIONS	00/00	00/00	---	---	200,000
Totals 2010-2011	00/00	00/00	---	600,000	600,000
Totals 2008-2009	00/00	00/00	---	---	---

69. The external auditors of the United Nations have repeatedly underlined, in their annual recommendations, the urgent need for all the organizations to recognize the liabilities deriving from benefits after separation from service, to book them in their financial statements, and to propose measures to ensure the funding of the total amount of such liabilities.

70. The International Public Sector Accounting Standards (IPSAS), adopted by the United Nations at its 60th General Assembly in 2006, and which must be applied at all organizations of the system starting 1 January 2010, prescribe that the liabilities be accounted for on a full accrual basis, which entails that liabilities deriving from post-retirement benefits should be recognized and be disclosed in the financial statements, and that the future benefits of active staff members that accrue annually should be booked as expenditure each year until the staff members become eligible to receive the benefits.

SECTION 1: AFTER SERVICE HEALTH INSURANCE PROVISIONS

Euros								
	Costs	Total Resources						
	2010	2011						
	2010	2011						
	200,000	200,000						
		400,000						
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Totals 2010-2011</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: right;">400,000</td> </tr> <tr> <td>Totals 2008-2009</td> <td></td> <td style="text-align: center;">----</td> </tr> </table>			Totals 2010-2011		400,000	Totals 2008-2009		----
Totals 2010-2011		400,000						
Totals 2008-2009		----						

71. The United Nations provides staff members who have met certain eligibility requirements with medical coverage and other post-termination benefits. The liabilities pertaining to these benefits must be disclosed as such in the financial statements of the Organization.

72. Health coverage provided through the post-separation medical insurance plan is a fundamental element of the social security of retired officials, many of whom cannot benefit from the national social security plans of the Member States as a consequence of having served in the United Nations.

73. The medical insurance plans of the United Nations are funded with contributions from the Organization and from the participants, both active and retired. All the plans provide medical insurance that is common to active officials and retired officials. Currently, the UNWTO funds two-thirds of the medical insurance, and the participants, active and retired, one-third.

74. Bearing in mind the amount of the liabilities of the after-service medical insurance, it is not possible to achieve full funding in the short or medium term of the accrued liability of the Organization; and it will be necessary to establish a special long-term funding strategy. As part of this strategy, it is necessary to individually identify funding sources in order to ensure that sufficient resources are available to cover all future liabilities, while at the same time maintaining the annual funding of the Organization in accordance with a rate that is as constant as possible.

75. An annual provision of 200,000 euros has been made to cover services rendered in the period 2010-2011, based on a study carried out by an external consultant.

SECTION 2: REPATRIATION GRANT PROVISIONS

Euros

Costs		Total Resources
2010	2011	2010-2011
100,000	100,000	200,000

Totals 2010-2011	200,000
Totals 2008-2009	----

76. In accordance with Rule 24(11) of the Staff Rules of the UNWTO, a repatriation grant is payable to any non-locally recruited official who, on leaving the Organization otherwise than by summary dismissal and has completed one year of service outside the country of his home.

77. The International Public Sector Accounting Standards (IPSAS) establish that liabilities pertaining to these liabilities must be accounted for on a full accrual basis and be disclosed as such in the financial statements of the Organization.

78. In order to comply with the requirements of IPSAS an estimated annual provision of 100,000 euros has been made to cover services rendered accrued in the period 2010-2011.

A N N E X 1**DETAIL OF COST INCREASES**

1. This Annex provides information on the cost increases that have been included in this budget and that are calculated on the basis either of the objects of expenditure common to most of the major programmes or of the analysis of a specific activity.

RATES OF INFLATION IN SPAIN AND OTHER COST INCREASES

2. Cost changes for which it was considered necessary to make provision in the budget proposals included the probable effects of inflation and "statutory" increases in staff costs, bearing in mind the costs of annual salary increments or "step increases", education grants, separation and recruitment and premiums payable to the pension fund and for health and accident insurance, etc.

3. As to inflation, the official consumer price index (CPI) in Spain recorded a 1.4 per cent increase in 2008. The Bank of Spain has put this figure at 0.2 per cent for 2009. Due to the budgetary restrictions deriving from the decisions taken by the 85th Executive Council, cost increases due to inflation have not been applied to any of the items of the budget. It is worth noting that any price increases that may occur during the financial period will have to be assumed within the budgetary limits approved by the General Assembly.

Staff costs for the Professional and higher categories in Madrid

4. The remuneration of staff in the Professional and higher categories consists of a base salary and a post adjustment. The base salary scale is published, and periodically updated, by the International Civil Service Commission (ICSC) in New York. The ICSC also publishes a monthly post adjustment index, reflecting the evolution of the cost of living at UNWTO's Headquarters. Since UNWTO is a Specialized Agency of the United Nations, it periodically cooperates with ICSC in conducting "Place to place surveys" to determine the level of the cost of living at Madrid for United Nations System officials. The last such survey was conducted in October 2005. A new survey would normally be conducted in 2010.

5. The cost estimates for this staff category in 2010-2011 have been based on the planned staffing level for the biennium, taking as reference the base and pensionable salary scales in force on 1 January 2008, statutory increments due plus a provision for growth of 0% for the possible annual increase in the cost of living.

Staff costs for the General Service category in Madrid

6. The estimates for 2010-2011 are based on the budgeted staffing level in this category. The salary scale for General Service officials is published by the ICSC and is expressed in Euros. The present salary scale, based on a survey conducted by the ICSC in cooperation with UNWTO, has been in force since April 2004. Since then, the ICSC has determined the annual increases by reference to the Spanish cost of living index.

7. The salary scale effective 1 April 2008 has been used to determine staff costs in this category, after making allowance for statutory increments and the 0 % annual increase in the cost of living at Madrid.

Contributions to the United Nations Joint Staff Pension Fund

8. The basis for calculating this expenditure is unchanged with respect to the period 2008-2009. In effect, of the total contribution rate of 24 per cent (*) (the rate currently applicable in the UNJSPF), the two-thirds financed by the Organization will amount in this case to 16 per cent (*) of pensionable remuneration for the financial years 2010 and 2011.

Staff health and accident insurance

9. For the purpose of the 2010-2011 budget, no increase of the premium rates over the premium rate fixed for 2008 is expected in 2010. It is planned to revise the policy provisions of the medical insurance scheme in late 2010 and to negotiate a new policy for a 3 to 5 year period. As a result the rate foreseen to be contributed by the Organization is equal to 7.67 per cent in 2010 and 7.86 per cent for 2011 of gross staff remuneration.

(*) Percentage rounded up

ANNEX 2

SCHEDULE OF ESTABLISHED POSTS

This Schedule shows the number and category of established posts under the regular budget:

	<u>Number of posts</u>	
	<u>2010-2011</u>	<u>2008-2009</u>
Secretary-General	1	1
Deputy Secretary-General	1	1
Assistant Secretary-General	1	1
Professional and higher categories	45	45
General Service category	58	58
	—	—
TOTAL	106	106
	===	===

ANNEX 3 - REVIEW OF PROPOSED BUDGET 2010-2011 RECOMMENDED BY THE 85° EXECUTIVE COUNCIL [(EC/DEC/13(LXXXV))]

EN EUROS

	PROPOSED BUDGET TO THE 85° E.C.			REVISED BUDGET			VARIATION	
	2010	2011	2010-2011	2010	2011	2010-2011		
BUDGETED EXPENSES								
PART I - Programme of work	7.014.000,00	7.335.000,00	14.349.000,00	6.723.000,00	6.863.000,00	13.586.000,00	(763.000,00)	-5,3%
PART II - Executive Organs and Meetings	2.564.000,00	2.784.000,00	5.348.000,00	2.495.000,00	2.649.000,00	5.144.000,00	(204.000,00)	-3,8%
PART III - Programme Support Services and Other budgetary provisions	3.072.000,00	3.177.000,00	6.249.000,00	2.915.000,00	2.955.000,00	5.870.000,00	(379.000,00)	-6,1%
PART IV - Provisions	300.000,00	300.000,00	600.000,00	300.000,00	300.000,00	600.000,00	0,00	0,0%
TOTAL BUDGETED EXPENSES	12.950.000,00	13.596.000,00	26.546.000,00	12.433.000,00	12.767.000,00	25.200.000,00	(1.346.000,00)	-5,1%
STAFF ASSESSMENT	1.503.000,00	1.571.000,00	3.074.000,00	1.451.000,00	1.481.000,00	2.932.000,00	(142.000,00)	-4,6%
GROSS EXPENSES	14.453.000,00	15.167.000,00	29.620.000,00	13.884.000,00	14.248.000,00	28.132.000,00	(1.488.000,00)	-5,0%
BUDGETED INCOME								
· Contributions from Full and Associate Members	11.391.000,00	11.676.000,00	23.067.000,00	11.213.000,00	11.213.000,00	22.426.000,00	(641.000,00)	-2,8%
· Other income sources, of which :								
· Sundry income	384.000,00	544.006,50	928.006,50	419.000,00	576.000,00	995.000,00	66.993,50	7,2%
· Income from the sale of publications	250.000,00	450.000,00	700.000,00	291.000,00	468.000,00	759.000,00	59.000,00	8,4%
· Affiliate Members	510.000,00	510.000,00	1.020.000,00	510.000,00	510.000,00	1.020.000,00	0,00	0,0%
· Income from Budget Surplus	415.000,00	415.993,50	830.993,50	0,00	0,00	0,00	(830.993,50)	-100,0%
TOTAL BUDGETED INCOME	12.950.000,00	13.596.000,00	26.546.000,00	12.433.000,00	12.767.000,00	25.200.000,00	(1.346.000,00)	-5,1%
STAFF ASSESSMENT	1.503.000,00	1.571.000,00	3.074.000,00	1.451.000,00	1.481.000,00	2.932.000,00	(142.000,00)	-4,6%
GROSS INCOME	14.453.000,00	15.167.000,00	29.620.000,00	13.884.000,00	14.248.000,00	28.132.000,00	(1.488.000,00)	-5,0%

ANNEX 4

Special Contingency Account

The 85th Executive Council (Bamako, Mali, May 2009), after studying the proposal of the Secretary-General to utilize the available surplus from the financial period 2006-2007 to strengthen the activities of the programme of work of the Organization for the biennium 2010-2011, considered it advisable to refrain from using such surplus to fund the budget submitted for its approval and requested the General Assembly, in decision CE/DEC/8(LXXXV), to establish a special account for this surplus, which the Secretary-General may use for other types of extra-budgetary expenditures with the agreement of the Executive Council.

The Secretary-General, pursuant to the recommendation of the Executive Council, proposes to the General Assembly that the aforementioned special account be called the "Special Contingency Account" and that it be used to fund activities or operations of an extraordinary nature, and thus not provided for in the budget of the Organization.

The characteristics of the account would be as follows:

1. The account, once approved by the General Assembly, will be opened with an initial balance of 830,993.50 Euros obtained from the transfer of the existing funds in the "2006-2007 General Fund Surplus" reserve.
2. The account would have the nature of a permanent reserve account of the General Fund and shall be administered in accordance with the Financial Regulations of the UNWTO.
3. The account may be fed from budgetary surpluses of subsequent biennia or from other surpluses or funds designated by the General Assembly.
4. Its use shall be determined by the Secretary-General with prior authorization from the Chairman of the Executive Council, subject to confirmation by the Committee on Budget and Finance and the Executive Council.
5. The funds of this account will serve to finance activities or operations not provided for in the budget of the Organization. The account may also advance sums for activities financed with extra-budgetary funds in the event of delays in the pledged payment of these funds, with such sums being reimbursed once payment is received.

ANNEX 5

PROGRAMME AND BUDGET DISTRIBUTION
BY REGIONS AND BY AREAS OF ACTIVITY**A. BUDGET BY REGIONS** (Euros)**Africa**

1. General policy support to Members:	85,000
2. Technical activities (missions, workshops, etc.):	<u>505,000</u>
	590,000

Americas

1. General policy support to Members:	50,000
2. Technical activities (missions, workshops, etc.):	<u>285,000</u>
	335,000

Asia-Pacific

1. General policy support to Members:	50,000
2. Technical activities (missions, workshops, etc.):	<u>337,000</u>
	387,000

Europe

1. General policy support to Members:	70,000
2. Technical activities (missions, workshops, etc.):	<u>240,000</u>
	310,000

Middle East

1. General policy support to Members:	20,000
2. Technical activities (missions, workshops, etc.):	<u>253,000</u>
	273,000

SUMMARY:

1. General policy support to Members:	275,000
2. Technical activities (missions, workshops, etc.):	<u>1,620,000</u>
Sub-Total, regional level activities:	1,895,000
plus	
Sub-Total, global level activities, benefitting all regions:	<u>1,689,000</u>

TOTAL BUDGET PoW 2010/2011:	3,584,000
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B. BUDGET BY AREAS OF ACTIVITY⁶

Objective A (Competitiveness)	(Euros)
A1: International statistics and TSA	
Global activities (R&D, publications, worldwide events, etc.):	274,000
Field activities in regions and sub-regions:	<u>229,000</u>
	503,000
A2: Market trends and forecasts	
Global activities (R&D, publications, worldwide events, etc.):	275,000
Field activities in regions and sub-regions:	<u>145,000</u>
	420,000
A3: Innovative marketing & promotion techniques	
Global activities (R&D, publications, worldwide events, etc.):	60,000
Field activities in regions and sub-regions:	<u>91,000</u>
	151,000
A4: Enhancement of competitiveness	
Global activities (R&D, publications, worldwide events, etc.):	363,000
Field activities in regions and sub-regions, including general policy support to Members:	<u>190,000</u>
	553,000
A5: Risk and crisis management	
Global activities (R&D, publications, worldwide events, etc.):	84,000
Field activities in regions and sub-regions:	<u>160,000</u>
	244,000
A6: Knowledge management building and education	
Global activities (R&D, publications, worldwide events, etc.):	339,000
Field activities in regions and sub-regions, including general policy support to Members:	<u>505,000</u>
	844,000
Sub-Total, Objective A (Competitiveness):	
Global activities (R&D, publications, worldwide events, etc.):	1,395,000
Field activities in regions and sub-regions:	<u>1,320,000</u>
	2,715,000

⁶ Areas of activity do not necessarily correspond to the internal structure of UNWTO Secretariat

Objective B (Sustainability)	(Euros)
B1: Sustainability and quality	
Global activities (R&D, publications, worldwide events, etc.):	100,000
Field activities in regions and sub-regions:	<u>225,000</u>
	325,000
B2: Social, cultural and ethical aspects of tourism	
Global activities (R&D, publications, worldwide events, etc.):	120,000
Field activities in regions and sub-regions:	<u>130,000</u>
	250,000
B3: Tourism and poverty alleviation	
Global activities (R&D, publications, worldwide events, etc.):	10,000
Field activities in regions and sub-regions:	<u>190,000</u>
	200,000
B4: Tourism and climate change	
Global activities (R&D, publications, worldwide events, etc.):	64,000
Field activities in regions and sub-regions:	<u>30,000</u>
	94,000
Sub-Total, Objective B (Sustainability):	
Global activities (R&D, publications, worldwide events, etc.):	294,000
Field activities in regions and sub-regions:	<u>575,000</u>
	869,000
Total Objectives A + B:	3,584,000
SUMMARY:	
Field activities in regions and sub-regions:	1,895,000
plus	
Total global activities (R&D, publications, worldwide events):	<u>1,689,000</u>
benefitting all regions and members	
TOTAL BUDGET PoW 2010/2011:	€3,584,000