



General Assembly

Twentieth session
Victoria Falls, Zambia/Zimbabwe, 24-29 August 2013
Provisional agenda item 5(I)(c)

A/20/5(I)(c)
Madrid, 19 June 2013
Original: English

Report of the Secretary-General

Part I: Programme of work

(c) Draft programme and budget of the Organization for 2014-2015

I. Introduction

1. The Secretary-General, in accordance with Article 23(2) of the Statutes, presents to the General Assembly the current draft programme of work and budget for the period 2014-2015 for its approval. This document is a revised version of the draft submitted to the Executive Council at its 95th session (Belgrade, Serbia, May 2013) taking into account its request in decision CE/DEC/17(XCV):

"The Executive Council,

Having considered the draft general programme of work and budget of the Organization for the period 2014-2015, prepared by the Secretary-General in accordance with Article 23(2) of the Statutes and on the basis of the policy guidelines and programming principles adopted by the Council at its seventy-ninth session in decision 11(LXXIX),

Having before it the report of the Programme and Budget Committee (PBC),

1. *Takes note with appreciation of the Secretariat proposal and of the report of the PBC; and*

Considering the situation resulting from the application of a Zero Nominal Growth budget policy for the last six consecutive years,

2. *Decides to continue discussions on the resources gap and proposed intervention and support from Member countries, with the aim of reaching a consensus on the programme of work and budget 2014-2015 before the next session of the General Assembly."*

2. The programme and budget proposal is produced taking into account the following elements:

(a) Continuity with the 2012-2013 programme of work, following the two strategic objectives: Sustainability and competitiveness,

(b) Inclusion in the framework constituted by the White Paper,



- (c) Consideration of the results of the survey on Member States' priorities for the 2014-2015 period, and the subsequent debates held during the Commission meetings,
- (d) Promotion of tourism in the global agenda, and
- (e) The UNWTO Global Code of Ethics for Tourism and the UN development agenda with particular reference to the Millennium Development Goals.

3. The budget envelope is detailed in the third part of this document. The Secretariat is proposing to maintain a zero growth budget envelope once adjusted to the anticipated inflation for the biennium. This proposal is seen to balance Members' expectations for budgetary restraint while avoiding introducing further reductions to the programme of work and maintaining a balanced budget.

II. Draft programme of work for 2014-2015

A. Strategic objectives

4. As in previous biennia, the programme of work is structured along **two interdependent strategic objectives**: A) improving competitiveness and quality, while B) ensuring sustainability and ethics in tourism operations.

5. **Strategic objective A** aims at a continuous improvement of **competitiveness** of the Members tourism supply, promoting quality and excellence, improving their human resources, enhancing their marketing and image promotion techniques, facilitating the movements of travellers, and providing them with guidance and updated information and data, nationally and internationally, on tourism trends, market forecasting and accurate evaluation of the economic contribution of tourism.

6. **Strategic objective B** aims at increasing the contribution of tourism to all aspects of **sustainability**, including the question of **ethics**, in relation with the Millennium Development Goals, especially poverty alleviation and environmental protection, climate change and biodiversity conservation challenges, as well as a full integration of tourism in the local economy of destinations, ensuring fair economic benefits distribution and a high resilience of the sector.

7. The following table breaks down the different areas of work and groups of activities proposed for the 2014-2015 biennium. One aspect to be underlined in the table, in addition to the specific activities proposed, is the focus on two particular means of delivery, **guidelines and exchange of practices**, in response to the specific request expressed by Members through the survey on priorities.

Areas of work	Activities / outputs	Strategic objective	Estimated budget (*1,000 euros)
Liaising with Members	Liaising with Member States in the different regions (Full, Associate and Affiliate), creating appropriate fora, ensuring a geographically balanced repartition of UNWTO activities, and establishing relations with non-member States in order to integrate them within the Organization.	AB	1,248

Compilation and international comparability of tourism statistics	<p>Compendium of Tourism Statistics</p> <p>Translating the methodological framework into practical guidance for countries: International Recommendations for Tourism Statistics Compilation Guide (IRTS 2008), with special focus on employment</p> <p>Advancing the methodological framework: measurement and analysis of tourism at the sub-national level (domestic tourism) in line with the IRTS 2008 for guidance and services to MS</p> <p>Permanent cooperation on statistics in UN system</p> <p>Dissemination of knowledge: Issue Paper series and e-learning courses</p>	A	220
Tourism Satellite Accounts (TSA)	National (extra-budgetary funded) and Regional Capacity-building Programmes on TSA	A	100
Tourism Trends	<p>UNWTO World Tourism Barometer (6 issues/year)</p> <p>Follow-up on 2030</p> <p>ETC/UNWTO Joint Research Programme: Tourism outbound studies, etc.</p>	A	140
Product development and marketing	<p>ETC/UNWTO Joint Research Programme: segment studies (health tourism), e-marketing, etc.</p> <p>Generalizing lessons learnt through the Silk Road and creating knowledge, expertise and guidelines regarding all routes</p>	A	200
Travel facilitation	<p>Advocating for visa facilitation as a growth vector for tourism</p> <p>Study on entry formalities and visa, focussing on procedures</p>	A	50
Taxation	Intelligent taxation, raising awareness of the need to evaluate the economic impact of the raise or introduction of new taxes on travel and tourism: assessment of the impact of changes in fiscal policies in tourism	A	50

Connectivity/aviation policies	Raising awareness of the importance of a closer relationship between tourism and aviation as to ensure mutual benefits: improving tourist flows, quality of infrastructures for a better tourist experience, etc.	A	50
Affiliate Members and Knowledge Network	Managing the secretariat of Affiliate Members Coordinating the UNWTO Knowledge Network in order to assist the UNWTO Member States to promote competitiveness, sustainability and global strategic development in the tourist sector	AB	120
Tourism for development	Guidelines and capacity-building for Member States to enhance their capacity in raising funds for development through tourism (extra-budgetary funds)	AB	505
	Identifying, implementing and reviewing field technical cooperation projects	AB	
	Developing UNWTO training products (courses) and other specific educational actions for Member States in the field	AB	
Destination management and quality	Enhance quality at tourism destinations: standards, guidance, etc.	AB	105
Ethics, Social Dimension and Protection of tourists and tourism providers	Implementing and disseminating the Code of Ethics, and supporting the work of the World Committee on Tourism Ethics and awareness-raising initiatives for private tourism stakeholders in Corporate Social Responsibility Supporting and promoting the Campaign for the Protection of Children Follow-up and promotion of studies, as well as development of corresponding technical products: Accessible tourism destinations for persons with disabilities, Tourism and Intangible Cultural Heritage, UNWTO/UN Women study on gender etc.	B	165
	Follow-up on the draft UNWTO Convention on the Protection of tourists and tourism providers	A	

Sustainable Development of Tourism as the backbone of every tourism activity and industry	Multiplying Sustainable Tourism Observatories Moving tourism higher on the sustainable development agenda: UNWTO-led UN Steering Committee on Tourism for Development, the Global Partnership for Sustainable Tourism (GPST), the Global Sustainable Tourism Council (GSTC), etc.	B	162
Tourism, energy and climate change	Practices and guidance on tourism, energy and climate change: mitigation and adaptation Follow-up on the Hotel Energy Solutions Initiative	B	60
Institutional/corporate relations and resource mobilization for development through tourism	Consolidating UNWTO's resource mobilization strategic framework, in cooperation with the European Commission, the UN system and other international or bilateral partners.	AB	500
Communication and networking/ Information to Members and General Public	Use of the tourism fairs worldwide as tribunes for the promotion of tourism and platforms for networking and PPP initiatives. Production of UNWTO publications and management of the library. UNWTO Annual Report, World Tourism Days, press conferences, press releases, factsheets, material for UNWTO website and any activities that will contribute to informing Members and the general public Maintenance and development of UNWTO website	AB	455
Statutory meetings	Preparing the statutory meetings of the Organization, including documents, translation, interpretation and all related logistical aspects	AB	310
Management	Management includes the Offices of the Secretary-General, of the Executive Directors and the Director of Administration	AB	572
TOTAL (only non-staff costs)			5,012

Areas of activity	RPAF	RPAM	RPAP	RPEU	RPME	SDTR	TCSV	STSA	AFMS	KWNT	TTMK	ICRS	DMGT	ESDT	FSFP	THMS	COMM	CONF	MNGT	Budget
Liaising with Members	302	302	302	171	171															1248
Compilation and international comparability of tourism statistics								220												220
Tourism Satellite Accounts (TSA)								100												100
Tourism Trends											140									140
Product development and marketing											120				80					200
Travel facilitation						30					20									50
Taxation						30					20									50
Connectivity/aviation policies						30					20									50
Affiliate Members and Knowledge Network									40	80										120
Tourism for development							200									305				505
Destination management and quality													105							105
Ethics, Social Dimension and Protection of tourists and tourism providers														105					60	165
Sustainable Development of Tourism						140						22								162
Tourism, energy and climate change						40						20								60
Institutional/corporate relations and resource mobilization for development through tourism												500								500
Communication and networking/ Information to Members and General Public															205		250			455
Statutory meetings																			310	310
Management																				572
	302	302	302	171	171	270	200	320	40	80	320	542	105	105	285	305	250	310	632	5012
	RPAF	RPAM	RPAP	RPEU	RPME	SDTR	TCSV	STSA	AFMS	KWNT	TTMK	ICRS	DMGT	ESDT	FSFP	THMS	COMM	CONF	MNGT	TOTAL

B. Programme description for 2014-2015

8. The following table includes a brief description of the different programmes of the Secretariat, which will be in charge of the activities previously described:

Code	Programme title	Description
Part A: Regional		This part of the programme of work covers the regionally-based activities of the Organization
Regional Programmes	Africa, Americas, Asia and the Pacific, Europe and Middle East	Are responsible for the coordination, follow-up and reporting of the activities undertaken in each region. Through continuous relations with each and every Member State, as well as with the Affiliate Members in the region, the programme ensures, a fair, yet strategic, geographically balanced repartition of UNWTO activities. It also establishes and maintains relations with non-member States in order to integrate them within the Organization.
Part B: Operational		This part of the programme of work covers the horizontal activities of the Organization, benefitting membership at large
SDTR	Sustainable Development of Tourism	Builds its work upon the Plan of Implementation agreed upon at the World Summit on Sustainable Development (WSSD, Johannesburg, 2002), in pursuit of the Millennium Development Goals and in the framework of the Global Code of Ethics for Tourism. It deals with policies and tools for SDT and their application to the different types of tourism destinations for improved sustainability and resilience of the sector.
TCSV	Technical Cooperation and Services	Is responsible for the identification, implementation and review of field projects, including ST-EP projects, in cooperation with all operational UNWTO programmes according to the nature of such projects. It assists Member States in achieving a high degree of sustainability and quality in their tourism development process and in promoting local economic development through tourism.
STSA	Statistics and Tourism Satellite Account	Undertakes activities and develops products regarding the development of national Systems of Tourism Statistics (STS), the international comparability of tourism statistics and the macroeconomic analysis of tourism. It is in charge of the protection of the TSA brand and of exploring future TSA extensions.
AFMS	Affiliate Members	Aims to encourage collaboration and integration between the non-governmental sector in UNWTO. The activities in the Programme are orientated toward generating, sharing and transmitting initiatives of value which can contribute toward innovation and competitiveness in tourism, in wide ranging cooperation with all the Secretariat's Programmes.

KWNT	Knowledge Network	It administrates, within the framework of the Affiliate Members, a worldwide network for tourism knowledge and fosters the UNWTO's positioning as the global reference in tourism policy and governance.
TTMK	Tourism Trends and Marketing Strategies	Is responsible for providing up-to-date analysis on tourism trends and forecasts. Its work encompasses short and long-term trends, studies on source markets and on specific tourism segments. It is also responsible for identifying and disseminating expertise on effective and innovative marketing methodology.
ICRS	Institutional and Corporate Relations	Is responsible for consolidating, coordinating and providing for a strategic framework for funds and resources to be mobilized for and through the Organization. It develops the framework for relations and cooperation with UN institutions, as well as other international organizations.
DMGT	Destination Management and Quality	Is committed to respond positively to the growing need for systematic, multidisciplinary and intersectoral strategies for tourism at sub-national level. It is particularly responsible for providing general and specific guidance in destination management and quality and for disseminating good practices.
ESDT	Ethics and Social Dimension of Tourism	Seeks to raise awareness and improve knowledge of the Global Code of Ethics for Tourism, as well as to enhance the practical implementation of its principles by tourism stakeholders from the public and private sectors, and civil society. It also endeavours to raise awareness of the social impact of tourism development, its implications for local communities. The programme also seeks to address all issues related to accessibility for all, social tourism, human rights, social rights of workers, quality of employment in the tourism sector, as well as the relations of the sector with intangible heritage.
FSFP	Fairs and Special Field Projects	Deals with the participation of UNWTO in tourism fairs worldwide. It is responsible for developing alliances with relevant travel fairs and for coordinating and supporting all activities of the Secretariat at those fairs. It is also in charge of the information management regarding fairs and events organized by members for their online display. It also includes a flexible component aiming at helping Member States in developing specific promotion initiatives. It is responsible for creating knowledge, expertise and guidelines regarding all routes based on lessons learnt from the Silk Road.
THMS	Themis	Acts as the instrument for developing UNWTO training products and specific actions for Member States in the fields, in close cooperation with the Themis Foundation.

Part C: Direct Support		This part of the programme of work covers the functioning of the Statutory Organs and Senior Management and provides direct services to Members
COMM	Communications and Publications	Is responsible for streamlining and coordinating all communication aspects of the Secretariat vis-à-vis the different publics: media, Member States, Affiliate Members, public tourism bodies, tourism private sector and civil society, as well as other UN agencies and organizations. It also supports the production of UNWTO publications and electronic products and displays the corresponding information in an adequate form for both the market and UNWTO members.
CONF	Conference Services	Is responsible for providing UNWTO and its constituents with the linguistic and logistical expertise necessary to ensure the successful organization and smooth running of the statutory meetings of their decision-making organs. It guarantees proper documental communication with the Members, including a sound document production, dissemination and archiving system.
MNGT	Management	Covers the functioning of the Senior Management Team, which is entrusted with the global coordination of all programmes of the Secretariat, as well as the supervision and authorization of all activities of the Organization.
Part D: Indirect Support		This part of the programme of work covers the internal administrative services of the Organization
BDFN	Budget and Finance	Manages income, expenditure and treasury of regular and extra-budgetary resources, develops IPSAS compliant accounting principles and procedures, and provides travel services in accordance to Financial Regulations
HHRR	Human Resources	Is responsible for the management of the human resources of the UNWTO Secretariat through the implementation of HR policies and practices and the administration of benefits and entitlements in line with the conditions set out by the International Civil Service Commission and UNWTO Staff Regulations and Rules. It also administers the social protection plans (UNJSPF and medical), oversees the recruitment and selection processes of staff and in-house collaborators, and maintains regular contacts with staff representatives and counterparts within the UN Common System for proper coordination and common delivery.
LGCN	Legal and Contracts	Provides advice on compliance with UNWTO's legal framework and the prevention of legal risks, develops standards, provides advice and assistance in procurement and contractual processes.
ICTS	Information and Communication Technology	Provides Information and Communication Technology services, maintaining the infrastructure and applications required by those services and updating/upgrading it as required. It also provides telecommunication services including telephone lines and switchboard operation.

GSER	General Services	Ensures the adequacy and proper maintenance of the infrastructure of the Headquarters building and utilities contracts, provides security services, handles reproduction and printing services, distributes mail and internal documents, and secures internal transportation services.
PROV	Provisions	Finances the provisions set to cover after service health insurance and costs accrued on account of the separation and repatriation grants of internationally recruited staff.

III. Draft budget 2014-2015

A. Introduction

9. The main theme of the 2014-2015 proposed budget is zero growth in real terms, i.e., zero nominal growth incorporating estimated inflation to the expenditure level of the Organization within a balanced budget framework. The subsequent clarifications and budget tables explain the relevant budget parameters within this envelope, as outlined in the presentation of the Programme of Work. While zero growth is demanding on the Organization, particularly following recent budgetary evolution, it is seen feasible as heavier reliance is made on cooperation with external parties, both technically and financially.

B. Revised budget 2012-2013

10. The General Assembly at its 19th session in Gyeongju (Republic of Korea) approved the Programme of Work and Budget of the Organization for the period 2012-2013. The Programme of Work has been presented in accordance to the standard description for that document, around two objectives: Improving Competitiveness and Raising Sustainability, including activities at global level and specific activities for the regions. The programme-based budget was classified in accordance to four Programmes (Regional, Operational and Direct and Indirect Programmes), following the recommendations of the 18th General Assembly [A/RES/572(XVIII)] and the guidelines of the White Paper.

11. The budget envelope for the 2012-2013 biennium (see document A/19/12) is 25,200,000 euros in accordance to General Assembly Resolution A/RES/603(XIX), resulting from the application of "Zero Nominal Growth" to the 2010-2011 programme and budget. The Programme and Budget for the biennia 2008-2009 and 2010-2011 had envelopes of 25,110,000 euros and 25,200,000 euros respectively.

12. The structure of the 2012-2013 budget approved by the General Assembly has not changed during its implementation in 2012, but in early 2013 the Secretary-General undertook a review of the structure reducing the number of programmes by consolidating some of them.

- (a) Risk and Crisis Management Programme became part of the Sustainable Development of Tourism Programme;
- (b) Information Resources and Archives and Publications and E-Library programmes have been merged into a programme now called Communications and Publications and transferred to Part C, Support - Direct to Members;
- (c) Fairs and Special Field Projects has been merged into a single programme;
- (d) Programme and Coordination Programme is now part of the Management Programme.

Other programmes have changed titles:

- (e) the component “Quality” has been added to Destination Management Programme;
- (f) the previous programme Languages, Meetings and Documents is renamed Conference Services;
- (g) Premises and Internal Services Programme is now transformed into General Services.

These changes in the budget structure have resulted in the redeployment of staff positions among Programmes as shown in the following table. More information about staff positions in the Secretariat can be seen in document CE/95/3(l)(f). These changes have been made within approved resources.

The tables below contains the approved budget 2012-2013 and the revised budget 2012-2013 in accordance to the new Programme of Work structure. It shall be noted that the budget envelope of the Organization remains unchanged at 25,200,000 euros.

REVISED APPROPRIATIONS 2012-2013 IN ACCORDANCE TO THE PROPOSED NEW STRUCTURE (in euros)											
MAJOR PARTS AND PROGRAMMES APPROPRIATION LINES	POSTS		2012			2013			2012 - 2013		
	P	G	STAFF	NON STAFF	TOTAL	STAFF	NON STAFF	TOTAL	STAFF	NON STAFF	TOTAL
A REGIONAL											
A01 Regional Programme, Africa	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
A02 Regional Programme, Americas	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
A03 Regional Programme, Asia and the Pacific	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
A04 Regional Programme, Europe	2	2	313.000	75.000	388.000	322.000	75.000	397.000	635.000	150.000	785.000
A05 Regional Programme, Middle East	1	2	205.000	75.000	280.000	212.000	75.000	287.000	417.000	150.000	567.000
TOTAL REGIONAL PROGRAMMES	9	10	1.457.000	570.000	2.027.000	1.500.000	570.000	2.070.000	2.957.000	1.140.000	4.097.000
B OPERATIONAL											
B01 Sustainable Development of Tourism	3	2	421.000	125.000	546.000	433.000	125.000	558.000	854.000	250.000	1.104.000
B02 Technical Cooperation and Services	3	3	411.000	85.000	496.000	423.000	85.000	508.000	834.000	170.000	1.004.000
B03 Statistics and Tourism Satellite Account	2	3	362.000	140.000	502.000	373.000	140.000	513.000	735.000	280.000	1.015.000
B04 Affiliate Members	0	2	98.000	20.000	118.000	102.000	20.000	122.000	200.000	40.000	240.000
B05 Knowledge Network	0	1	49.000	20.000	69.000	51.000	20.000	71.000	100.000	40.000	140.000
B06 Tourism Trends and Marketing Strategies	3	2	420.000	140.000	560.000	433.000	140.000	573.000	853.000	280.000	1.133.000
B07 Institutional and Corporate Relations	2	1	264.000	260.000	524.000	272.000	260.000	532.000	536.000	520.000	1.056.000
B08 Destination Management and Quality	1	1	156.000	45.000	201.000	160.000	45.000	205.000	316.000	90.000	406.000
B09 Ethics and Social Dimension of Tourism	1	1	156.000	40.000	196.000	160.000	40.000	200.000	316.000	80.000	396.000
B10 Fairs and Special Field Projects	1	2	205.000	155.000	360.000	212.000	155.000	367.000	417.000	310.000	727.000
B11 Themis	0	0	0	150.000	150.000	0	150.000	150.000	0	300.000	300.000
TOTAL OPERATIONAL PROGRAMME	16	18	2.542.000	1.180.000	3.722.000	2.619.000	1.180.000	3.799.000	5.161.000	2.360.000	7.521.000
C SUPPORT - DIRECT TO MEMBERS											
C01 Communications and Publications	2	4	411.000	130.000	541.000	424.000	130.000	554.000	835.000	260.000	1.095.000
C02 Conference Services	5	2	635.000	120.000	755.000	654.000	189.000	843.000	1.289.000	309.000	1.598.000
C03 Management	9	8	1.962.000	259.000	2.221.000	2.026.000	259.000	2.285.000	3.988.000	518.000	4.506.000
TOTAL SUPPORT-DIRECT TO MEMBERS PROGRAMME	16	14	3.008.000	509.000	3.517.000	3.104.000	578.000	3.682.000	6.112.000	1.087.000	7.199.000
D SUPPORT - INDIRECT TO MEMBERS											
D01 Budget and Finance	3	3	470.000	131.000	601.000	484.000	131.000	615.000	954.000	262.000	1.216.000
D02 Human Resources	3	2	420.000	132.000	552.000	433.000	132.000	565.000	853.000	264.000	1.117.000
D03 Information and Communication Technology	2	3	362.000	410.000	772.000	373.000	410.000	783.000	735.000	820.000	1.555.000
D04 General Services	0	7	344.000	598.000	942.000	355.000	598.000	953.000	699.000	1.196.000	1.895.000
D05 Provisions	0	0	0	300.000	300.000	0	300.000	300.000	0	600.000	600.000
TOTAL SUPPORT-INDIRECT TO MEMBERS PROGRAMME	8	15	1.596.000	1.571.000	3.167.000	1.645.000	1.571.000	3.216.000	3.241.000	3.142.000	6.383.000
TOTAL	49	57	8.603.000	3.830.000	12.433.000	8.868.000	3.899.000	12.767.000	17.471.000	7.729.000	25.200.000

106

BUDGET 2012-2013 APPROVED BY THE 19TH GENERAL ASSEMBLY
(in euros)

MAJOR PARTS AND PROGRAMMES APPROPRIATION LINES	POSTS		2012			2013			2012 - 2013		
	P	G	STAFF	NON STAFF	TOTAL	STAFF	NON STAFF	TOTAL	STAFF	NON STAFF	TOTAL
A REGIONAL											
A01 Regional Programme, Africa	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
A02 Regional Programme, Americas	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
A03 Regional Programme, Asia and the Pacific	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
A04 Regional Programme, Europe	2	2	313.000	75.000	388.000	322.000	75.000	397.000	635.000	150.000	785.000
A05 Regional Programme, Middle East	1	2	205.000	75.000	280.000	212.000	75.000	287.000	417.000	150.000	567.000
TOTAL REGIONAL PROGRAMMES	9	10	1.457.000	570.000	2.027.000	1.500.000	570.000	2.070.000	2.957.000	1.140.000	4.097.000
B OPERATIONAL											
B01 Sustainable Development of Tourism	3	1	372.000	85.000	457.000	382.000	85.000	467.000	754.000	170.000	924.000
B02 Technical Cooperation and Services	2	4	411.000	85.000	496.000	424.000	85.000	509.000	835.000	170.000	1.005.000
B03 Statistics and Tourism Satellite Account	2	3	362.000	140.000	502.000	373.000	140.000	513.000	735.000	280.000	1.015.000
B04 Affiliate Members	0	2	97.000	20.000	117.000	102.000	20.000	122.000	199.000	40.000	239.000
B05 Communications	2	2	313.000	75.000	388.000	322.000	75.000	397.000	635.000	150.000	785.000
B06 Tourism Trends and Marketing Strategies	2	2	313.000	140.000	453.000	322.000	140.000	462.000	635.000	280.000	915.000
B07 Risk and Crisis Management	1	0	107.000	40.000	147.000	111.000	40.000	151.000	218.000	80.000	298.000
B08 Institutional and Corporate Relations	1	0	107.000	260.000	367.000	111.000	260.000	371.000	218.000	520.000	738.000
B09 Destination Management	1	1	156.000	45.000	201.000	160.000	45.000	205.000	316.000	90.000	406.000
B10 Information Resources and Archives	1	3	254.000	35.000	289.000	262.000	35.000	297.000	516.000	70.000	586.000
B11 Ethics and Social Dimension of Tourism	1	1	156.000	40.000	196.000	160.000	40.000	200.000	316.000	80.000	396.000
B12 Special Field Program	0	0	0	40.000	40.000	0	40.000	40.000	0	80.000	80.000
B13 Knowledge Network	0	0	0	20.000	20.000	0	20.000	20.000	0	40.000	40.000
B14 Themis	0	1	49.000	150.000	199.000	51.000	150.000	201.000	100.000	300.000	400.000
TOTAL OPERATIONAL PROGRAMME	16	20	2.697.000	1.175.000	3.872.000	2.780.000	1.175.000	3.955.000	5.477.000	2.350.000	7.827.000
C SUPPORT - DIRECT TO MEMBERS											
C01 Languages, Meetings and Documents	6	2	745.000	120.000	865.000	766.000	189.000	955.000	1.511.000	309.000	1.820.000
C02 Management	7	7	1.699.000	240.000	1.939.000	1.755.000	240.000	1.995.000	3.454.000	480.000	3.934.000
C03 Programme and Coordination	2	0	215.000	19.000	234.000	220.000	19.000	239.000	435.000	38.000	473.000
C04 Publications and e-Library	0	1	49.000	20.000	69.000	51.000	20.000	71.000	100.000	40.000	140.000
C05 Fairs	1	1	156.000	115.000	271.000	160.000	115.000	275.000	316.000	230.000	546.000
TOTAL SUPPORT-DIRECT TO MEMBERS PROGRAMME	16	11	2.864.000	514.000	3.378.000	2.952.000	583.000	3.535.000	5.816.000	1.097.000	6.913.000
D SUPPORT - INDIRECT TO MEMBERS											
D01 Budget and Finance	3	3	470.000	131.000	601.000	484.000	131.000	615.000	954.000	262.000	1.216.000
D02 Human Resources	2	2	313.000	132.000	445.000	322.000	132.000	454.000	635.000	264.000	899.000
D03 Information and Communication Technology	2	3	362.000	410.000	772.000	373.000	410.000	783.000	735.000	820.000	1.555.000
D04 Premises and Internal Services	0	9	440.000	598.000	1.038.000	457.000	598.000	1.055.000	897.000	1.196.000	2.093.000
D05 Provisions	0	0	0	300.000	300.000	0	300.000	300.000	0	600.000	600.000
TOTAL SUPPORT-INDIRECT TO MEMBERS PROGRAMME	7	17	1.585.000	1.571.000	3.156.000	1.636.000	1.571.000	3.207.000	3.221.000	3.142.000	6.363.000
TOTAL	48	58	8.603.000	3.830.000	12.433.000	8.868.000	3.899.000	12.767.000	17.471.000	7.729.000	25.200.000

C. Budget envelope 2014-2015

13. The 18th General Assembly session approved a budget for 2010-2011 which represented Zero Nominal Growth in contribution revenue and budget appropriations. Similarly, the 19th General Assembly also approved a 2012-2013 budget with Zero Nominal Growth. Since 2010, the Secretariat embarked on significant re-structuring efforts, aiming among other issues to reducing costs and enhancing efficiency within a Zero Nominal Growth envelope for the last two biennia.

14. **As a direct result of the application of the Zero Nominal Growth policy for the period 2008-2013, the budget of the Organization underwent a loss of purchasing power of 14% on account of inflation over this 6-year period (see annex B for details). If that budget freeze were to continue in 2014-2015, an additional loss of 5.7% of purchasing power would be incurred, raising the total loss for the period to an amount of 20%.** The impact of such policy being extended over two additional years is seen as significantly detrimental to the capacity of the Organization to manage and implement the mandate embedded in the White Paper and in this document, more particularly in view of the small size of the Secretariat and the requirements imposed by the United Nations family of organizations to its members. Consequently, Members are suggested not to take that option. By contrast and in order to make a proposal which on the one hand is mindful of the budgetary restrictions of members while on the other is sustainable, the Secretary-General proposes a Zero Growth policy for 2014-2015 with respect to 2012-2013 but once adjusted for inflation, currently estimated at 2.8% per annum. Application of this Zero Growth policy yields a budget envelope of 26,616,000 euros for 2014-2015 which compares with earlier periods as reflected below.

Biennium	2008/09	2010/11	2012/13	2014/15
Total Budget	25,110	25,200	25,200	26,616

15. While the Secretariat is demonstrating through this budget proposal its full commitment to the Members' mandate of delivering more programme with less resources, and therefore stretching efficiency gains to the maximum, it is also noted that, due to the relatively small size of the Organization's budget, the mandate to carry out a global programme delivery and the significant impact of having implemented a ZNG policy for two consecutive biennia, the Secretariat's capacity to absorb additional mandates without corresponding resources or the sunseting of alternative activities has been eliminated. A contributing factor to this restrictive situation is the fact that most of the Secretariat's cost structure is unavoidably attached either to inflation or to other mandatory changes, such as the updates provided by the International Civil Service Commission, or the cost increases in Headquarters-related contracts for goods and services; all this resulting in the crowding out of discretionary spending by fixed costs.

16. The budget document elaborates further the comparison between the current biennial budget 2012-2013 and the changes for the proposed 2014-2015 budget. The internal distribution of these figures by contrast needs to be adjusted, as cost drivers are different for each account. In fact, while the application of no-growth policies for six consecutive years (2008 through 2013) has undoubtedly imposed efficiencies in the Organization, it has also implied some distortions to an optimal allocation of resources, and has reduced the Organization's capacity to react and its internal flexibility.

17. The loss of resources experienced by the Organization over this period starting in 2008 is quantified and illustrated in comparing the budgets for the years 2008 and 2009 with 2014 and 2015 respectively, both in nominal and in real terms. In the first of the tables below the budget for 2014 is compared with that for 2008 (figures in thousands of euros). The figure for 2014 is also adjusted to the 2008 base by discounting the inflation accrued over the period 2008-2013 (amounting to 14.0%).

18. This table demonstrates the following: (a) the decline in real terms of the Organization's operational budget by a factor of 10% during the period 2008, 2009, 2010, 2011, 2012 and 2013, (b) cost containment efforts in staff costs up to 9% of the budgeted amount, which need to be internalized through vacancies to generate sufficient savings, (c) major cost reductions in administrative and support activities, with non-staff cost savings reaching a factor double than the Organization's average cost reductions, (d) the commitment of the Secretary-General to complying with IPSAS requirements through the establishment of provisions to tackle unfunded liabilities of the Organization--even in the context of a cost reduction exercise-, and (e) the priority given by the Organization to servicing its Members, by maintaining these allocations directly related as high as possible within the budget envelope.

Year	2008 base (1)	2014 base (2)	2014 adjusted (3)	Difference Amount (3)-(1)	%
Staff costs	8,613	9,085	7,813	-800	-8.8
Non-staff POW	2,140	2,443	1,929	-211	-8.6
Non-staff Support	1,395	1,296	1,115	-280	-21.6
Subtotal	12,148	12,824	10,857	-1,291	-10.1
Provisions	n.a.	300	300	n.a.	n.a.
Total Budget	12,148	13,124	11,157	-991	-7.5

19. Likewise, the same comparison for 2015 with respect to 2009 is made in the following table. The figure for 2015 is also adjusted to the 2009 base by discounting the inflation accrued during the period 2009-2014 (amounting to 15.6%). The annual comparison is made for 2008 versus 2014 and 2009 versus 2015 as each first or second year on each biennium shares specific peculiarities, like for example the holding of a General Assembly. The comparison between the budget for 2009 and the proposed budget for 2015 ratifies and supports the observations made in the comparison between 2008 and 2014. Financial loss in real terms in this case is 13.8%.

Year	2009 base (1)	2015 base (2)	2013 adjusted (3)	Difference Amount (3)-(1)	%
Staff costs	9,137	9,302	7,851	-1,286	-13.8
Non-staff POW	2,393	2,569	2,168	-225	-8.7
Non-staff Support	1,432	1,321	1,115	-317	-24.0
Subtotal	12,962	13,192	11,134	-1,828	-13.8
Provisions	n.a.	300	300	n.a.	n.a.
Total Budget	12,962	13,492	11,434	-1,528	-11.3

D. Income budget

20. The Organization's income is budgeted on account of assessed contributions (Full, Associate and Affiliate Members), the financial result of publication sales and miscellaneous income (mainly financial revenue).

21. Contributions are assessed in accordance to the proposed scale for 2014 and 2015 annexed to this document. Figures for 2013 are also included in the scale for ease of comparison. Income from publication sales remain at the same level with respect to the budgeted amounts in 2012 and 2013, following a steady trend in sales of publications. Income from miscellaneous income reflects mainly anticipated remuneration of bank accounts.

22. As shown in Annex A, when assessing the Full Members' contributions, the proposed discount of 40 per cent was applied to the last group of countries with a population equal to or less than 200,000 inhabitants. Concerning the Affiliate Members' contributions, the Executive Council's decision on a fee deduction for specific Affiliate Members as outlined in document EC/95/6(c) will be taken into account.

23. The table below presents budgetary income and expenditure approved for 2012-2013 and proposed for 2014-2015. For purposes of Detailed Financial Provision 3.07, this table is seen to represent the budget by Part, financial year and financial period. Additional budget tables in this document are provided as required by Financial Regulations 4.3 and 4.4.

PROPOSED INCOME AND EXPENDITURE BUDGET 2014-2015 AND COMPARISON WITH 2012-2013							
IN EUROS							
	2012	2013	2012-2013	2014	2015	2014-2015	VAR %
BUDGETED INCOME							
- Contributions from Full and Associate Members	11.359.000	11.659.000	23.018.000	11.937.000	12.406.000	24.343.000	5,8
- Other income sources, of which :	1.074.000	1.108.000	2.182.000	1.187.000	1.086.000	2.273.000	4,2
- Sundry income	295.000	329.000	624.000	394.000	293.000	687.000	10,1
- Income from the sale of publications	250.000	250.000	500.000	250.000	250.000	500.000	0,0
- Affiliate Members	529.000	529.000	1.058.000	543.000	543.000	1.086.000	2,6
TOTAL BUDGETED INCOME	12.433.000	12.767.000	25.200.000	13.124.000	13.492.000	26.616.000	5,6
BUDGETED EXPENSES							
NON STAFF COSTS	3.830.000	3.899.000	7.729.000	4.039.000	4.190.000	8.229.000	6,5
PART A - Regional Programmes	570.000	570.000	1.140.000	616.000	632.000	1.248.000	9,5
PART B - Operational Programmes	1.175.000	1.175.000	2.350.000	1.271.000	1.301.000	2.572.000	9,4
PART C - Support-Direct to Members Programmes	514.000	583.000	1.097.000	556.000	636.000	1.192.000	8,7
PART D - Support-Indirect to Members Programmes and Provisions	1.571.000	1.571.000	3.142.000	1.596.000	1.621.000	3.217.000	2,4
STAFF COSTS	8.603.000	8.868.000	17.471.000	9.085.000	9.302.000	18.387.000	5,2
TOTAL BUDGETED EXPENSES	12.433.000	12.767.000	25.200.000	13.124.000	13.492.000	26.616.000	5,6
BALANCE (INCOME LESS EXPENSES)	0	0	0	0	0	0	

E. Expenditure budget

24. The following table shows the proposed budget for 2014-2015 in relation to the approved budget for 2012-2013, total variation and its split between price and volume changes. As in previous biennia, expenditures are kept in balance with budgeted income, hence avoiding the Organization having to incur a deficit or presenting unused resources. Concerning price changes, the average inter-biennial inflation rate is adopted (i.e., 2.8% per year, for two years), resulting in a combined price change of 5.6%. Volume changes in staff costs internalize the new structure of the Organization's Management and the growing vacancy rate which needs to be embedded in the budgetary estimates (approx. 10%). The higher priority attached to operational and regional programmes with respect to the Secretariat's fixed cost structure (salaries, indirect support costs) is highlighted. The following table shows the budget for each year 2014 and 2015 by programme.

**APPROPRIATIONS PROPOSED FOR 2014-2015 AND APPROVED FOR 2012-2013
BUDGET ESTIMATES AND ANALYSIS OF INCREASES BY PART AND PROGRAMME**

(In euro)

APPROPRIATION LINE	POSTS		A			B		C		D		E			POSTS		F % OF TOTAL BUDGET 2014-2015
			REVISED 2012-2013 APPROPRIATIONS			INCREASE/ DECREASE ACCORDING TO NEEDS		COSTS INCREASE/ DECREASE		NET INCREASE (B + C)		PROPOSED 2014-2015 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 A - REGIONAL																	
A01 Regional Programme, Africa	2	2	635.000	280.000	915.000	3.000	10.000	36.000	12.000	39.000	22.000	674.000	302.000	976.000	2	2	
A02 Regional Programme, Americas	2	2	635.000	280.000	915.000	3.000	10.000	36.000	12.000	39.000	22.000	674.000	302.000	976.000	2	2	
A03 Regional Programme, Asia and the Pacific	2	2	635.000	280.000	915.000	3.000	10.000	36.000	12.000	39.000	22.000	674.000	302.000	976.000	2	2	
A04 Regional Programme, Europe	2	2	635.000	150.000	785.000	2.000	15.000	37.000	6.000	39.000	21.000	674.000	171.000	845.000	2	2	
A05 Regional Programme, Middle East	1	2	417.000	150.000	567.000	1.000	15.000	25.000	6.000	26.000	21.000	443.000	171.000	614.000	1	2	
TOTAL PART A.....	9	10	2.957.000	1.140.000	4.097.000	12.000	60.000	170.000	48.000	182.000	108.000	3.139.000	1.248.000	4.387.000	9	10	16,48
PART B - OPERATIONAL																	
B01 Sustainable Development of Tourism	3	2	854.000	250.000	1.104.000	1.000	10.000	49.000	10.000	50.000	20.000	904.000	270.000	1.174.000	3	2	
B02 Technical Cooperation and Services	3	3	834.000	170.000	1.004.000	129.000	23.000	48.000	7.000	177.000	30.000	1.011.000	200.000	1.211.000	3	3	
B03 Statistics and Tourism Satellite Account	2	3	735.000	280.000	1.015.000	3.000	28.000	43.000	12.000	46.000	40.000	781.000	320.000	1.101.000	2	3	
B04 Affiliate Members	0	2	200.000	40.000	240.000	0	-2.000	13.000	2.000	13.000	0	213.000	40.000	253.000	0	2	
B05 Knowledge Network	0	1	100.000	40.000	140.000	0	38.000	6.000	2.000	6.000	40.000	106.000	80.000	186.000	0	1	
B06 Tourism Trends and Marketing Strategies	3	2	853.000	280.000	1.133.000	2.000	28.000	50.000	12.000	52.000	40.000	905.000	320.000	1.225.000	3	2	
B07 Institutional and Corporate Relations	2	1	536.000	520.000	1.056.000	1.000	0	31.000	22.000	32.000	22.000	568.000	542.000	1.110.000	2	1	
B08 Destination Management and Quality	1	1	316.000	90.000	406.000	4.000	11.000	17.000	4.000	21.000	15.000	337.000	105.000	442.000	1	1	
B09 Ethics and Social Dimension of Tourism	1	1	316.000	80.000	396.000	4.000	22.000	17.000	3.000	21.000	25.000	337.000	105.000	442.000	1	1	
B10 Fairs and Special Field Projects	1	2	417.000	310.000	727.000	1.000	-38.000	25.000	13.000	26.000	-25.000	443.000	285.000	728.000	1	2	
B11 Themis	0	0	0	300.000	300.000	0	-8.000	0	13.000	0	5.000	0	305.000	305.000	0	0	
TOTAL PART B.....	16	18	5.161.000	2.360.000	7.521.000	145.000	112.000	299.000	100.000	444.000	212.000	5.605.000	2.572.000	8.177.000	16	18	30,72
PART C - SUPPORT - DIRECT TO MEMBERS																	
C01 Communications and Publications	2	4	835.000	260.000	1.095.000	3.000	-21.000	49.000	11.000	52.000	-10.000	887.000	250.000	1.137.000	2	4	
C02 Conference Services	5	2	1.289.000	309.000	1.598.000	4.000	-84.000	74.000	85.000	78.000	1.000	1.367.000	310.000	1.677.000	5	2	
C03 Management	9	8	3.988.000	518.000	4.506.000	-277.000	92.000	236.000	22.000	-41.000	114.000	3.947.000	632.000	4.579.000	9	8	
TOTAL PART C.....	16	14	6.112.000	1.087.000	7.199.000	-270.000	-13.000	359.000	118.000	89.000	105.000	6.201.000	1.192.000	7.393.000	16	14	27,78
PART D - SUPPORT - INDIRECT TO MEMBERS																	
D01 Budget and Finance	3	3	954.000	262.000	1.216.000	2.000	-4.000	55.000	11.000	57.000	7.000	1.011.000	269.000	1.280.000	3	3	
D02 Human Resources	3	2	853.000	264.000	1.117.000	2.000	-3.000	50.000	11.000	52.000	8.000	905.000	272.000	1.177.000	3	2	
D03 Information and Communication Technology	2	3	735.000	820.000	1.555.000	2.000	-11.000	43.000	35.000	45.000	24.000	780.000	844.000	1.624.000	2	3	
D04 General Services	0	7	699.000	1.196.000	1.895.000	6.000	-15.000	41.000	51.000	47.000	36.000	746.000	1.232.000	1.978.000	0	7	
D05 Provisions	0	0	0	600.000	600.000	0	-25.000	0	25.000	0	0	0	600.000	600.000	0	0	
TOTAL PART D.....	8	15	3.241.000	3.142.000	6.383.000	12.000	-58.000	189.000	133.000	201.000	75.000	3.442.000	3.217.000	6.659.000	8	15	25,02
SUBTOTALS.....	49	57	17.471.000	7.729.000	25.200.000	-101.000	101.000	1.017.000	399.000	916.000	500.000	18.387.000	8.229.000	26.616.000	49	57	100,00
TOTAL.....	106		25.200.000			0		1.416.000		1.416.000		26.616.000			106		
						0,0%		5,6%		5,6%							

DRAFT BUDGET 2014-2015
SUMMARY OF 2014-2015 PROPOSALS
(in euros)

MAJOR PARTS AND PROGRAMMES APPROPRIATION LINES	POSTS		2014			2015			2014 - 2015		
	P	G	STAFF	NON STAFF	TOTAL	STAFF	NON STAFF	TOTAL	STAFF	NON STAFF	TOTAL
A REGIONAL											
A01 Regional Programme, Africa	2	2	333.000	150.000	483.000	341.000	152.000	493.000	674.000	302.000	976.000
A02 Regional Programme, Americas	2	2	333.000	150.000	483.000	341.000	152.000	493.000	674.000	302.000	976.000
A03 Regional Programme, Asia and the Pacific	2	2	333.000	150.000	483.000	341.000	152.000	493.000	674.000	302.000	976.000
A04 Regional Programme, Europe	2	2	333.000	83.000	416.000	341.000	88.000	429.000	674.000	171.000	845.000
A05 Regional Programme, Middle East	1	2	219.000	83.000	302.000	224.000	88.000	312.000	443.000	171.000	614.000
TOTAL REGIONAL PROGRAMMES	9	10	1.551.000	616.000	2.167.000	1.588.000	632.000	2.220.000	3.139.000	1.248.000	4.387.000
B OPERATIONAL											
B01 Sustainable Development of Tourism	3	2	447.000	130.000	577.000	457.000	140.000	597.000	904.000	270.000	1.174.000
B02 Technical Cooperation and Services	3	3	499.000	100.000	599.000	512.000	100.000	612.000	1.011.000	200.000	1.211.000
B03 Statistics and Tourism Satellite Account	2	3	386.000	160.000	546.000	395.000	160.000	555.000	781.000	320.000	1.101.000
B04 Affiliate Members	0	2	105.000	20.000	125.000	108.000	20.000	128.000	213.000	40.000	253.000
B05 Knowledge Network	0	1	53.000	40.000	93.000	53.000	40.000	93.000	106.000	80.000	186.000
B06 Tourism Trends and Marketing Strategies	3	2	447.000	160.000	607.000	458.000	160.000	618.000	905.000	320.000	1.225.000
B07 Institutional and Corporate Relations	2	1	280.000	271.000	551.000	288.000	271.000	559.000	568.000	542.000	1.110.000
B08 Destination Management and Quality	1	1	166.000	50.000	216.000	171.000	55.000	226.000	337.000	105.000	442.000
B09 Ethics and Social Dimension of Tourism	1	1	166.000	50.000	216.000	171.000	55.000	226.000	337.000	105.000	442.000
B10 Fairs and Special Field Projects	1	2	219.000	140.000	359.000	224.000	145.000	369.000	443.000	285.000	728.000
B11 Themis	0	0	0	150.000	150.000	0	155.000	155.000	0	305.000	305.000
TOTAL OPERATIONAL PROGRAMME	16	18	2.768.000	1.271.000	4.039.000	2.837.000	1.301.000	4.138.000	5.605.000	2.572.000	8.177.000
C SUPPORT - DIRECT TO MEMBERS											
C01 Communications and Publications	2	4	438.000	120.000	558.000	449.000	130.000	579.000	887.000	250.000	1.137.000
C02 Conference Services	5	2	675.000	120.000	795.000	692.000	190.000	882.000	1.367.000	310.000	1.677.000
C03 Management	9	8	1.953.000	316.000	2.269.000	1.994.000	316.000	2.310.000	3.947.000	632.000	4.579.000
TOTAL SUPPORT-DIRECT TO MEMBERS PROGRAMME	16	14	3.066.000	556.000	3.622.000	3.135.000	636.000	3.771.000	6.201.000	1.192.000	7.393.000
D SUPPORT - INDIRECT TO MEMBERS											
D01 Budget and Finance	3	3	499.000	133.000	632.000	512.000	136.000	648.000	1.011.000	269.000	1.280.000
D02 Human Resources	3	2	447.000	135.000	582.000	458.000	137.000	595.000	905.000	272.000	1.177.000
D03 Information and Communication Technology	2	3	385.000	418.000	803.000	395.000	426.000	821.000	780.000	844.000	1.624.000
D04 General Services	0	7	369.000	610.000	979.000	377.000	622.000	999.000	746.000	1.232.000	1.978.000
D05 Provisions	0	0	0	300.000	300.000	0	300.000	300.000	0	600.000	600.000
TOTAL SUPPORT-INDIRECT TO MEMBERS PROGRAMME	8	15	1.700.000	1.596.000	3.296.000	1.742.000	1.621.000	3.363.000	3.442.000	3.217.000	6.659.000
TOTAL	49	57	9.085.000	4.039.000	13.124.000	9.302.000	4.190.000	13.492.000	18.387.000	8.229.000	26.616.000

106

IV. Actions to be taken by the General Assembly

25. The General Assembly is requested:
- (a) To adopt the draft general programme of work and budget of the Organization for the period 2014-2015, for a total amount of 26,616,000 euros, prepared by the Secretary-General in accordance with Article 23(2) of the Statutes; and to authorize the Secretary-General to execute the programme of work and budget for 2014-2015 in accordance with the amounts collected, establishing a plan of expenditure for that purpose and keeping with the satisfactory budgetary practice established in the previous financial years;
 - (b) To take note of the changes made in the structure of the revised Programme Budget for 2012-2013 and to note with appreciation the Secretary-General's proposal to present a balanced budget for the biennium 2014-2015 with zero real growth, incorporating expected inflation for the period, with respect to the budget of the previous biennium;
 - (c) To approve the proposed scale of contributions for 2014-2015 as modified to reflect the changes in membership and that in the budget, as foreseen in resolution 404(XIII), and which represents 2.8% annual growth in individual country contributions with respect to 2013, except when required by technical changes in the class situation of individual country cases, which reflects the expected inflation as indicated in Annex B of document CE/95/5(b);
 - (d) To further approve the proposed amendment of Annex II of the Financial Regulations, paragraph 4(c) of the formula for fixing the contributions on the supplementary schedule of direct deductions in the last group for those countries with small population, with the current deductions of 25 per cent for countries with a population equal to or less than 100,000 to be replaced by a deduction of 40 per cent for countries with a population equal to or less than 200,000, with such deduction also applying to all those countries that have island status and are in the last group of the scale, regardless of whether they are located in a higher group before applying the additional deduction for small population in economic and technical factors, and with this deduction to be applied as appropriate on the scale of contributions for the period 2014-2015 after approval by the General Assembly;
 - (e) To take into account that the level of the budget for 2014 and 2015 will be of 26,616,000 euros, and to endorse that the budgetary income approved for the next period should be provided by the contributions of the Full and Associate Members in the amounts of 11,937,200 euros for 2014, and 12,406,083 euros for 2015, and that the balance to be financed should be covered by the contributions of the Affiliate Members and the other sources of funding referred to in the corresponding document taking into account there might be adjustments necessary in case of new Members' joining or withdrawing from the Organization; and to agree that, in accordance with resolution 526(XVII), the contributions of the Associate Members be divided into two separate categories, each being 10% lower than the contribution of the Full Members in groups 13 and 9 respectively;
 - (f) To adopt the recommendation of the Executive Council to maintain the contribution of the Affiliate Members at 2,400 euros per year for the period 2014-2015 and to support the decision CE/DEC/20(XCV) taken by the Executive Council on proposed deductions for specific members as outlined in document CE/95/6(c);
 - (g) To support the PBC Members' suggestion for the Secretariat to further continue with its efforts in cost savings and control of expenditures; and to take note that the Programme and Budget does

not include extrabudgetary funds, which will be added to the Organization's output as they reinforce the resources and thus the activities of the Organization, especially on the subject of technical cooperation; and

- (h) To commend the Programme and Budget Committee and their Chairpersons for their valuable contributions to the preparation of the Organization's draft programme of work for 2014-2015.

Annex A. Contributions of the Full, Associate and Affiliate Members

1. With regard to the financing of the Organization's budget, Article 25.1 of the Statutes stipulates that:

"1. The budget of the Organization, covering its administrative functions and the general programme of work, shall be financed by contributions of the Full, Associate and Affiliate Members, according to a scale of assessment accepted by the Assembly and from other possible sources of receipts for the Organization in accordance with the Financing Rules which are attached to these Statutes and form an integral part thereof."

2. It can be seen in the following table that the part of the budget to be financed with the contributions of the Full Members is 11,764,802 euros for 2014 and 12,224,064 euros for 2015. The above-mentioned amounts have been apportioned among 155 Full Members by applying the formula for calculating the contributions of the Member States. The estimates of contributions have been made in accordance with the statistical data provided by the United Nations, concerning Gross National Income and population, available to the UNWTO as of July 2012, and which were used by the UN to calculate the contributions of its members. It is noted that the statistical data previously used for the 2012-2013 biennium corresponded to the period 2002-2007, and that in the case of the biennium 2014-2015 the period of reference was 2005-2010. In consequence, this update has produced some changes in the groups among the Members in the scale.

3. The total number of Full Members included in the scale of contributions for the period 2014-2015 has changed with respect to the period 2012-2013. The entry of Myanmar, Liberia and the United Arab Emirates¹ as new Members has been taken into account as well as the withdrawal of Canada and Latvia. As a result of this modification in the composition of the Full Members, and of the change in the scale position of some of them due to the update in the statistical data provided by UN, steps have been taken to adjust the scale of contributions in accordance with the recommendation made by the General Assembly in its resolution 404(XIII). New stretches have been established by groups taking into account the weight of each Member in the scale. The number of groups remains at thirteen.

4. A slight modification has also been introduced in Annex II of the Financial Regulations, paragraph 4(c) of the formula for fixing the contributions made on the supplementary schedule of direct deductions in the last group for those countries with small populations. Taking into consideration that some of these countries which include very lowly populated small islands with limited economic potential which have shown an interest in joining UNWTO but are prevented from doing so because of their small capacity to pay, the current deduction of 25 per cent for countries with a population equal to or less than 100,000 is proposed to be replaced by a deduction of 40 per cent for countries with a population equal to or less than 200,000 inhabitants. This deduction shall also apply to all those countries that have the status of island and who are in the last group of the scale, regardless of whether they are located in a higher group before applying the additional deduction for small population in economic and technical factors. This deduction will be applied as appropriate on the scale of contributions for the period 2014-2015 after approval by the General Assembly.

5. It should also be noted that on the recommendation of the Assembly, by virtue of the resolution cited in the previous paragraph, a limit of 7.5 per cent for 2014 and of 7.5 per cent for 2015 has been applied to increases in contributions in the case of those Members whose contributions would rise beyond this percentage as a result of moving to a higher group in the scale of contributions. Likewise, similar operations have also been made to limit the reduction in contributions as a result of Members

¹ Pending deposit of instrument with Host Country

moving to a lower group, in order to balance the income from contributions.

6. After the application of the above-mentioned limits, the Secretary-General proposes that contributions for 2014 and 2015, increase by 2.8 per cent annually in relation to the contributions approved for 2013 for those Members that do not change group, in accordance with inflation forecasts contained in Annex B of this document and subsequent budget proposals. According to the measures established at the seventeenth General Assembly in resolution A/RES/526(XVII), the Members Flemish Community of Belgium; Hong Kong, China; and Macau, China, were included in a separate category from other Associate Members based on 90% of the contribution due for Full Members in Group 9. The contribution of the rest of the Associate Members is maintained at 90% of the minimum contribution of the Full Members. The total amount to be financed by the Associate Members is 172,398 euros for 2014 and 182,019 euros for 2015. It should be noted that Netherlands Antilles is no longer an Associate Member of the Organization following its dissolution on 10 October 2010.

7. Concerning Affiliate Members, the Secretary-General proposes to the General Assembly that the contribution fee of the Affiliate Members remain at the same level as during the period 2012-2013, amounting to 2,400 euros per year. Of this amount, 1,400 euros will be allocated as a contribution to the Organization's budget, 400 euros for free annual access to UNWTO's E-library and 600 euros assigned to their own activities. The total budgeted income to be financed by these Members is 543,000 euros for each year of the next period. It is also noted that a deduction on this fee is proposed to be introduced for specific Members as outlined in document EC/95/6(c).

8. The annex shows the scale of contributions of the Full and Associate Members for 2014 and 2015, expressed in euros, in accordance with decision CE/DEC/10(LXIII-LXIV) of the Executive Council.

SCALE OF CONTRIBUTIONS FOR THE PERIOD 2014 - 2015
DISCRETE DISTRIBUTION METHOD

Member States	Comparative Scale in Euros				
	(A) Assessed Contribution	2014		2015	
		(B) Final Contribution	(C) Diference in %	(D) Final Contribution	(E) Diference in %
1 Japan	324.348	333.430	2,80	342.766	2,80
2 Germany	324.348	333.430	2,80	342.766	2,80
3 France	324.348	333.430	2,80	342.766	2,80
4 China, Total	310.846	333.430	7,27	342.766	2,80
5 Italy	324.348	333.430	2,80	342.766	2,80
6 Spain	324.348	333.430	2,80	342.766	2,80
7 Australia	267.244	287.287	7,50	308.834	7,50
8 Brazil	192.582	207.026	7,50	222.553	7,50
9 Russian Federation	192.582	207.026	7,50	222.553	7,50
10 Netherlands	252.020	270.922	7,50	291.241	7,50
11 Switzerland	218.247	208.394	-4,51	214.229	2,80
12 Mexico	202.718	208.394	2,80	214.229	2,80
13 Republic of Korea	202.718	208.394	2,80	214.229	2,80
14 Turkey	192.582	207.026	7,50	214.229	3,48
15 Austria	202.718	208.394	2,80	214.229	2,80
16 Norway	202.718	208.394	2,80	214.229	2,80
17 Greece	192.582	197.974	2,80	203.518	2,80
18 United Arab Emirates		197.974		203.518	2,80
19 Poland	189.015	197.974	4,74	203.518	2,80
20 Qatar	116.020	124.722	7,50	134.076	7,50
21 Saudi Arabia	152.038	163.441	7,50	175.699	7,50
22 India	151.212	162.553	7,50	174.744	7,50
23 Portugal	192.582	197.974	2,80	203.518	2,80
24 Malaysia	152.038	156.295	2,80	160.671	2,80
25 Thailand	152.038	156.295	2,80	160.671	2,80
26 Kuwait	152.038	156.295	2,80	160.671	2,80
27 Israel	121.631	130.753	7,50	140.560	7,50
28 Czech Republic	121.631	130.753	7,50	140.560	7,50
29 South Africa	152.038	156.295	2,80	160.671	2,80
30 Argentina	101.358	108.960	7,50	117.132	7,50
31 Venezuela (Bolivarian Republic of)	68.924	74.093	7,50	79.650	7,50
32 Croatia	121.631	125.037	2,80	128.538	2,80
33 Indonesia	101.358	108.960	7,50	117.132	7,50
34 Egypt	121.631	125.037	2,80	128.538	2,80
35 Hungary	121.631	125.037	2,80	128.538	2,80
36 Slovenia	121.631	112.509	-7,50	107.114	-4,79
37 Chile	101.358	104.196	2,80	107.114	2,80
38 Iran (Islamic Republic of)	60.815	65.376	7,50	70.279	7,50
39 Monaco	32.737	35.192	7,50	37.832	7,50
40 Slovakia	68.924	74.093	7,50	79.650	7,50
41 Lebanon	84.393	90.722	7,50	97.527	7,50
42 Romania	60.815	65.376	7,50	70.279	7,50
43 Colombia	60.815	65.376	7,50	70.279	7,50
44 Morocco	97.959	90.612	-7,50	83.816	-7,50
45 Oman	68.924	70.854	2,80	72.838	2,80
46 Ukraine	68.924	70.854	2,80	72.838	2,80
47 Bahrain	49.722	53.451	7,50	57.460	7,50
48 Philippines	68.924	70.854	2,80	72.838	2,80
49 Bulgaria	60.815	62.518	2,80	64.268	2,80

50 Dominican Republic	68.924	63.755	-7,50	64.268	0,81
51 Kazakhstan	56.260	60.480	7,50	64.268	6,26
52 Lithuania	60.815	62.518	2,80	64.268	2,80
53 Libya	60.815	62.518	2,80	64.268	2,80
54 Cyprus	68.924	63.755	-7,50	64.268	0,81
55 Peru	60.815	62.518	2,80	64.268	2,80
56 San Marino	45.611	49.032	7,50	52.709	7,50
57 Syrian Arab Republic	60.815	62.518	2,80	64.268	2,80
58 Cuba	60.815	62.518	2,80	64.268	2,80
59 Uruguay	50.680	54.481	7,50	58.567	7,50
60 Costa Rica	60.815	62.518	2,80	64.268	2,80
61 Viet Nam	35.165	37.802	7,50	40.638	7,50
62 Tunisia	60.815	62.518	2,80	64.268	2,80
63 Jordan	60.815	62.518	2,80	64.268	2,80
64 Algeria	50.680	54.481	7,50	58.567	7,50
65 Panama	60.815	56.254	-7,50	53.558	-4,79
66 Mauritius	60.815	56.254	-7,50	53.558	-4,79
67 Jamaica	60.815	56.254	-7,50	53.558	-4,79
68 Serbia	42.198	45.363	7,50	48.765	7,50
69 Iraq	30.407	32.688	7,50	35.139	7,50
70 Belarus	37.803	40.638	7,50	43.686	7,50
71 Gabon	50.680	52.099	2,80	53.558	2,80
72 Albania	44.802	48.162	7,50	51.774	7,50
73 Ecuador	50.680	52.099	2,80	53.558	2,80
74 Brunei Darussalam	50.680	52.099	2,80	53.558	2,80
75 Botswana	50.680	52.099	2,80	53.558	2,80
76 Nigeria	30.407	32.688	7,50	35.139	7,50
77 Angola	30.407	32.688	7,50	35.139	7,50
78 Azerbaijan	30.407	32.688	7,50	35.139	7,50
79 Guatemala	50.680	46.888	-7,48	48.201	2,80
80 Bahamas	50.680	46.888	-7,48	48.201	2,80
81 Bosnia and Herzegovina	35.165	37.802	7,50	40.638	7,50
82 Pakistan	30.407	32.688	7,50	35.139	7,50
83 Andorra	45.611	46.888	2,80	48.201	2,80
84 Namibia	45.611	46.888	2,80	48.201	2,80
85 Equatorial Guinea	25.202	27.092	7,50	29.124	7,50
86 El Salvador	45.611	46.888	2,80	48.201	2,80
87 Malta	32.737	35.192	7,50	37.832	7,50
88 The former Yug.Rep.of Macedonia	30.407	32.688	7,50	35.139	7,50
89 Turkmenistan	30.407	32.688	7,50	35.139	7,50
90 Sri Lanka	30.407	31.258	2,80	32.134	2,80
91 United Rep.of Tanzania (incl.Zanzibar)	30.407	31.258	2,80	32.134	2,80
92 Armenia	30.407	31.258	2,80	32.134	2,80
93 Sudan	25.340	27.241	7,50	29.284	7,50
94 Yemen	25.340	27.241	7,50	29.284	7,50
95 Ghana	30.407	31.258	2,80	32.134	2,80
96 Georgia	30.407	31.258	2,80	32.134	2,80
97 Montenegro	30.407	31.258	2,80	32.134	2,80
98 Cambodia	30.407	31.258	2,80	32.134	2,80
99 Honduras	30.407	31.258	2,80	32.134	2,80
100 Kenya	30.407	31.258	2,80	32.134	2,80
101 Bangladesh	25.340	27.241	7,50	29.284	7,50
102 Paraguay	25.340	27.241	7,50	29.284	7,50
103 Swaziland	25.340	27.241	7,50	29.284	7,50
104 Bolivia	25.340	27.241	7,50	29.284	7,50
105 Senegal	25.340	27.241	7,50	29.284	7,50
106 Fiji	25.340	27.241	7,50	29.284	7,50
107 Mongolia	25.340	27.241	7,50	29.284	7,50
108 Uganda	25.340	27.241	7,50	29.284	7,50
109 Congo	25.340	27.241	7,50	29.284	7,50
110 Cameroon	25.340	27.241	7,50	29.284	7,50

111	Côte d'Ivoire	25.340	26.050	2,80	26.779	2,80
112	Uzbekistan	25.340	26.050	2,80	26.779	2,80
113	Moldova, Republic of	25.340	26.050	2,80	26.779	2,80
114	Timor-Leste	22.806	24.516	7,50	26.354	7,50
115	Nicaragua	25.340	26.050	2,80	26.779	2,80
116	Ethiopia	25.340	26.050	2,80	26.779	2,80
117	Kyrgyzstan	25.340	26.050	2,80	26.779	2,80
118	Maldives	25.340	26.050	2,80	26.779	2,80
119	Zimbabwe	25.340	26.050	2,80	26.779	2,80
120	Lao People's Democ.Republic	25.340	26.050	2,80	26.779	2,80
121	Nepal	25.340	26.050	2,80	26.779	2,80
122	Zambia	25.340	26.050	2,80	26.779	2,80
123	Democratic People's Rep.of Korea	25.340	26.050	2,80	26.779	2,80
124	Myanmar		26.050		26.779	2,80
125	Mali	25.340	26.050	2,80	26.779	2,80
126	Madagascar	25.340	26.050	2,80	26.779	2,80
127	Mauritania	25.340	26.050	2,80	26.779	2,80
128	Haiti	25.340	26.050	2,80	26.779	2,80
129	Benin	25.340	26.050	2,80	26.779	2,80
130	Seychelles	25.340	26.050	2,80	26.779	2,80
131	Papua New Guinea	25.340	26.050	2,80	26.779	2,80
132	Lesotho	25.340	26.050	2,80	26.779	2,80
133	Mozambique	25.340	26.050	2,80	26.779	2,80
134	Tajikistan	25.340	26.050	2,80	26.779	2,80
135	Rwanda	25.340	26.050	2,80	26.779	2,80
136	Cape Verde	20.271	20.839	2,80	21.422	2,80
137	Burkina Faso	25.340	26.050	2,80	26.779	2,80
138	Bhutan	22.806	23.445	2,80	24.101	2,80
139	Chad	25.340	26.050	2,80	26.779	2,80
140	Togo	25.340	26.050	2,80	26.779	2,80
141	Vanuatu	20.271	20.839	2,80	21.422	2,80
142	Afghanistan	25.340	26.050	2,80	26.779	2,80
143	Gambia	25.340	26.050	2,80	26.779	2,80
144	Niger	25.340	26.050	2,80	26.779	2,80
145	Djibouti	22.806	23.445	2,80	24.101	2,80
146	Guinea-Bissau	25.340	26.050	2,80	26.779	2,80
147	Eritrea	25.340	26.050	2,80	26.779	2,80
148	Malawi	25.340	26.050	2,80	26.779	2,80
149	Guinea	25.340	26.050	2,80	26.779	2,80
150	Central African Republic	25.340	26.050	2,80	26.779	2,80
151	Sierra Leone	25.340	26.050	2,80	26.779	2,80
152	Liberia		26.050		26.779	2,80
153	Democratic Republic of the Congo	25.340	26.050	2,80	26.779	2,80
154	Sao Tome and Principe	20.271	18.751	-7,50	17.344	-7,50
155	Burundi	25.340	26.050	2,80	26.779	2,80

Subtotal Full Members	11.764.802	12.224.064
-----------------------	------------	------------

Associate Members

1	Flemish Community of Belgium	31.647	34.021	7,50	36.572	7,50
2	HongKong	31.647	34.021	7,50	36.572	7,50
3	Macao	31.647	34.021	7,50	36.572	7,50
4	Aruba	22.806	23.445	2,80	24.101	2,80
5	Puerto Rico	22.806	23.445	2,80	24.101	2,80
6	Madeira	22.806	23.445	2,80	24.101	2,80

Subtotal Associate Members	172.398	182.019
----------------------------	---------	---------

Total Full and Associate Members	11.937.200	12.406.083
---	-------------------	-------------------

Annex B. Evolution of Consumer Price Index and Statutory Cost Adjustments

1. This annex is provided for information on price adjustments. Due to the nature of these adjustments prices have an impact on the expenses incurred by the Secretariat, irrespective as to whether an additional budget provision is made for them or not.

2. Inflation: As most of UNWTO expenses are incurred at Headquarters, the relevant inflation indicator is the Consumer Price Index for Spain (General), as provided by the “Instituto Nacional de Estadística (INE)” <http://www.ine.es/>.

3. For the years 2013 and beyond, the “INE” does not provide inflation forecasts. By contrast, IMF does indicate relevant inflation forecasts (WEO October 2012) (please refer to: <http://www.imf.org/external/pubs/ft/weo/2012/update/02/index.htm>) showing for Spain an inflation rate of 2.4% in 2012 and the same rate for 2013. Inflation rate in Spain in 2012 has been effectively 2.9% in accordance to INE. However, the Secretary-General has chosen to use as a reference for the budget 2014-2015 the latest consumers price index (CPI) for Spain (general) published by the Spanish National Statistics Institute (INE), i.e., the corresponding index for the period February 2012 to February 2013, which was slightly lower at 2.8%. Hence, inflation forecasts of 2.8% for both 2014 and 2015 could be seen as reasonable estimates for the biennium.

4. For the purpose of assessing the evolution of prices in Spain and the cumulative inflation for the last three biennia (2008-2009, 2010-2011 and 2012-2013) the annual consumer price index for Spain (source INE) with base 100 for 2008 has been taken. See table below:

Evolution of CPI and Cumulative Inflation 2008-2015 ²

Year	2008	2009	2010	2011	2012	2013	2014	2015
						Estimated	Estimated	
Annual CPI (%)	1.4	0.8	3.0	2.4	2.9	2.8	2.8	2.8
Base	100.00	101.40	102.21	105.28	107.80	110.93	114.04	117.23

As shown in the table above, the cumulative inflation for the period 2008-2013 is 14 per cent which for budgetary purposes means an equivalent loss of purchasing power for the period due to the zero nominal growth applied.

5. 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 September 2010. The survey resulted in a 0,92 per cent increase in the post adjustment for Madrid. A new survey would normally be conducted in 2015. The cost estimates for this staff category in 2014-2015 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 2012, statutory increments due plus a provision for growth of 2.8% for the possible annual increase in the cost of living. However, due to budgetary restrictions, staff costs in this category have been adjusted for 2014-2015 almost to the budgetary level of 2008-2009. The estimated costs for General Service staff for

² Annual base incorporates previous year CPI

2014-2015 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. The salary scale effective 1 April 2012 has been used to determine staff costs in this category, after making allowance for statutory increments and the 2.8 % annual increase in the cost of living for Madrid. Nevertheless, as mentioned before, the staff cost in this category had to be adjusted to the level of the budgeted cost in 2008-2009. The combined effect of these budgetary adjustments is estimated to 10%, and this would have to be compensated through the non-filling of vacant positions by some 10 per cent resulting in an effective decline in the staff strength from over 100 positions filled in 2008-2009 to 95 in 2012-2013 and beyond, out of 106 established posts.

6. The basis for calculating contributions to the United Nations Joint Staff Pension Fund (UNJSPF) is unchanged with respect to the period 2012-2013. In effect, of the total contribution rate of 23.7 per cent (the rate currently applicable in the UNJSPF), the two-thirds financed by the Organization will amount in this case to 15.8 per cent of pensionable remuneration for the financial years 2014 and 2015.

7. For the purpose of the 2014-2015 budget, a 2.8 % increase of the staff health and accident insurance premium rates over the premium rate fixed for 2008 is expected in 2014-2015. It is planned to revise the policy provisions of the medical insurance scheme in late 2013 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 7.88 per cent for 2014 and 2015 of gross staff remuneration.

8. The International Civil Service Commission (ICSC) in New York provides a monthly schedule of daily subsistence allowance (DSA) rates for those places where the United Nations has ongoing project activity or where officials of the organization are obliged to visit. This allowance is intended to account for lodging, meals, gratuities and other expenses of United Nations travellers. The circular is revised monthly, by the 5th of the month, in response to exchange rate fluctuations, as well as on the basis of up-to-date hotel and restaurant data. No increase cost has been estimated for the 2014-2015 budget.

Annex C. Schedule of established posts

UNWTO proposes to continue with the approved 106 positions. The distribution for 2014-2015 maintains the total number of posts but with a variation of one more position in the Professional and Higher category and one less in the General Service category. As explained in the budget proposal, it will be necessary to maintain a number of vacancies unfilled in the range of 10% due to budgetary restrictions.

	Number of Posts			
	2008-2009	2010/2011	2012/2013	2014-2015
Secretary General	1	1	1	1
Deputy Secretary General/ Executive Directors	1	1	3	3
Assistant Secretary General	1	1	0	0
P-level and higher categories	45	45	44	45
General Service	58	58	58	57
Total	106	106	106	106