



Executive Council

106th session

Chengdu, China, 12 September 2017

Provisional agenda item 2(a)

CE/106/2(a)
Chengdu, 11 September 2017
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Administrative and statutory matters

(a) Report of the Programme and Budget Committee

I. Introduction

1. The Programme and Budget Committee (PBC) held its twelfth meeting in Chengdu, China, on 11 September 2017, under the chairmanship of Argentina. A list of participants is annexed to this report.
2. The Chair thanked all the members of the Committee as well as the UNWTO Secretariat for the support provided during the period in which Argentina chaired the Budget and Finance Committee and the subsequent merged PBC.
3. The PBC members approved the agenda and proceeded to consider the following points and corresponding documents to be submitted to the Executive Council at its 106th session (12 September 2017):

	Documents
Financial situation of the Organization	CE/106/2(b) [A/22/10(III)(b)]
Suspension of membership in accordance with Article 34 of the Statutes and requests for temporary exemption from the application of paragraph 13 of the Financing Rules	CE/106/2(c) [A/22/8(b)]
Election of the External Auditor for 2018-2019	CE/106/2(d) [A/22/10(III)(e)]
Report of the Joint Inspection Unit (JIU) in the context of the White Paper	CE/106/2(e)
Information and communication technologies at the Secretariat	CE/106/2(f)
Implementation of the General Programme of Work for 2016-2017	CE/106/3



II. Financial report of the Organization - A/22/10(III)(b)

4. The Committee took note of document A/2/10(III)(b) which provides financial information as at 30 June 2017.
5. The Committee took note that the budgetary income for the year 2017 has been estimated at EUR 13,180,000. The level of collection of contributions from Members for financial year 2017 as of 30 June 2017 amounts to EUR 9,800,066, and the collection of contributions in arrears to EUR 622,561. The income received to date represents 80% of the estimated plan of income for the current year.
6. The Committee also took note that the budgetary expenditures in this financial year have been initially planned to be EUR 13,180,000 which corresponds to the estimated income and amounts to 98% of the approved appropriations. The budgetary expenditure to date amounts to EUR 12,581,382 and represents 95% of the estimated plan of expenditure for the current year.
7. The Committee reviewed this point with special attention. The Chair of the Committee urged Members that have not yet complied with their financial obligations to take the necessary steps to pay their contributions for 2017, as well as any arrears and payment plans, thereby averting delays that could hamper programme execution.
8. The Committee took note with appreciation of the voluntary contributions, in-kind donations and Initiative projects and encouraged the Secretary-General to implement them seeking whenever possible to diversify the sources of financing UNWTO activities in support of the aims of the Organization.
9. The Committee noted favourably the use the Special Contingency Reserve (SCR) funding amounting to EUR 35,000 for the update of the CRM system within the Web project.
10. The Committee further took note that the United Nations will approve within 2017 a reviewed post adjustment index for staff in the Professional and higher categories with effect within 2017 and an updated salary scale for staff in the General Service (GS) category effective 1 October 2017, and also took note that the Secretary-General may apply both in accordance with Staff Rule 33(1).
11. The Committee noted the advances made in the IPSAS post-implementation phase project and of the pressure that these major business projects (sustainability of IPSAS and implementation of Athena II plan) put on the Secretariat, particularly in the Budget and Finance Programme.
12. The Committee encouraged the Secretary-General to continue to advance in the IPSAS post-implementation phase project and to continue reporting its progress to the EC.
13. Lastly, the Committee took note of the go-live of Athena II modules and processes is planned within the first semester of 2018.

III. Suspension of membership in accordance with Article 34 of the Statutes and requests for temporary exemption from the application of paragraph 13 of the Financing Rules - A/22/8(b)

14. The Committee observed that the Full Members Bolivia, Cambodia, Iraq, Kyrgyzstan, Lao People's Democratic Republic, Nicaragua, Republic of the Gambia and Sao Tome and Principe had scrupulously complied with the commitments acquired with regard to the payment of their contributions up to and including the current year.
15. The Committee expressed its satisfaction that the Full Member Ghana is no longer subject to the

provisions of paragraph 13 of the Financing Rules since it has partially reduced its contribution arrears.

16. The Committee noted that in view of their compliance with the agreed payment plans, the temporary exemption from the provisions of paragraph 13 of the Financing Rules will be renewed to Full Members Bolivia, Cambodia, Iraq, Lao People's Democratic Republic, Nicaragua, Republic of the Gambia and Sao Tome and Principe and granted to Full Members Guinea, Guinea-Bissau, Kyrgyzstan, and Mauritania.

17. The Committee further noted that the temporary exemption from the above mentioned provisions are to be maintained to Full Members Burkina Faso, Burundi, Democratic Republic of the Congo, Madagascar, Sudan and Uruguay, as well as that of Affiliate Members Camara de Turismo de Cabo Verde and Instituto de Turismo Responsable from the provisions of paragraph 13, albeit making it clear that these provisions will be reapplied to these Members if they are not up to date with their payment plans by 1 April 2018.

18. The Committee approved the payment plans submitted to the 106th session of the Executive Council by Bahrain, Djibouti, Equatorial Guinea, Niger, Pakistan, Papua New Guinea, Syrian Arab Republic and Yemen for the settlement of their arrears as well as the revision proposal made by Uruguay for its payment plan. Likewise the Committee approved the two-year payment plan submitted by the Affiliate Member Russian Travel Guide RTG.

IV. Election of the External Auditor for 2018-2019 - A/22/10(III)(e)

19. The Committee considered favourably the designation of Spain as the External Auditor to carry out the external auditing of the Organization for the period 2018-2019 for the external audit of the UNWTO Financial Statements for the years ended 31 December 2017 and 2018.

V. Report of the Joint Inspection Unit (JIU) in the context of the White Paper - CE/106/2(e)

20. The Committee took note of the reports and the management letter issued by the Joint Inspection Unit in 2016 referenced in this document and thanked the Unit for its insights.

21. The Committee endorsed decision CE/DEC/7(XCIV) approving the White Paper Implementation Plan as the main instrument to drive the reform process at the UNWTO, also in line with the JIU Management Letter of 2016.

22. The Committee welcomed with appreciation the constructive approach started by the JIU in 2013 in relation to their differentiating recommendations addressed to smaller agencies into recommendations for information and recommendations for action according to their relevance to these agencies.

23. The Committee further took note of the relevant recommendations presented by the JIU reports in 2016 and agreed with the actions to be taken on each one of them as proposed in the annex to document CE/106/2(e) as well as to report accordingly to the JIU on them.

VI. Information and communication technologies at the Secretariat - CE/106/2(f)

24. The Committee took note of the audit reports on the status of ICT activities mentioned in the document and of the progress in the technology infrastructure already implemented by the Organization

while acknowledging that a rapidly evolving technology environment and budgetary constraints represent a set of unique challenges in the near future.

VII. Implementation of the General Programme of Work for 2016-2017 - CE/106/3

25. The Executive Director for Programme and Coordination presented an update of the activities carried out by the Secretariat since the last PBC meeting (May 2017), based on the documents of the Executive Council. The PBC took note of all activities presented, including those in the annexed reports of the Committee on Tourism and Competitiveness and the Committee on Tourism and Sustainability, and recommended the Executive Council to approve them.

VIII. Place and dates of the 13th meeting of the PBC

26. The Committee agreed that its thirteenth meeting would be held in the framework of the 22nd General Assembly immediately after the 107th session of the Executive Council, to be held in Chengdu, China, in order to carry out the election of its Chair and Vice-Chair.

IX. Actions to be taken by the Executive Council

27. The Executive Council is invited to approve the recommendations presented in the present report and corresponding documents.

Annex I: List of participants

I. Chair	
Argentina	<p>Mr. José Gustavo Santos Minister Ministry of Tourism</p> <p>Ms. Romina Inés Nardi Director Ministry of Tourism</p> <p>Mr. Leandro Damian Compagnucci Head of Economic and Trade Section Argentinean Embassy in The People's Republic of China</p> <p>Ms. Ana Garcia Allievi Technical Assistant Ministry of Tourism</p> <p>Ms. Georgina Visintin Foreign Affairs Technical Assistant Ministry of Tourism</p>
II. Members of the Committee	
Angola	<p>Ms. Rosa António Gomes Cruz Director Ministry of Hospitality and Tourism</p>
France	<p>Ms. Amandine Southon Section Chief, International Affairs and Representations Ministry of Foreign Affairs</p>
Hungary	<p>Mr. Oliver Fodor Deputy-Director General Ministry of Foreign Affairs and Trade</p>
India	<p>Mr. Suman Billa Joint Secretary Ministry of Tourism</p> <p>Mr. Sailas Thangal Yangdenglungtu Kahum Consul General Consulate General Of India, Guangzhou, China</p>
Japan	<p>Mr. Yasuto Kawarabayashi Vice Commissioner Ministry of Land, Infrastructure, Transport and Tourism</p>
Mexico	<p>Mr. Javier Guillermo Molina Head of the Unit of International Affairs and Cooperation Ministry of Tourism</p>

Saudi Arabia	Ms. Basmah Al-Mayman Manager of International Organizations & Committees Department Saudi Commission for Tourism & National Heritage
III. Observers	
Spain	Mr. Antonio Nieto Magro General Sub-director for Tourism Cooperation and Competitiveness State Secretariat for Tourism Mr. Javier Gutiérrez Deputy Director General for Technical International Organisms Ministry of Foreign Affairs and Cooperation
UNWTO Secretariat	
Mr. Taleb Rifai, Secretary-General Mr. Zoltan Somogyi, Executive Director, Programme and Coordination Mr. José García Blanch, Director, Administration and Finance Mr. Philippe Lemaistre, Chief, Programme and Coordination Ms. Mary Melgarejo, Senior Assistant to the Director of Administration and Finance	