

WORLD TOURISM ORGANIZATION

**EXECUTIVE
COUNCIL**



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Provisional agenda item 8(b)

RELATIONS WITH THE UNITED NATIONS SYSTEM

(b) Report of the Joint Inspection Unit

Note by the Secretary-General

In this document the Secretary-General transmits to the Executive Council the Executive Summary of the report by the Joint Inspection Unit entitled "Review of management and administration in the World Tourism Organization (UNWTO)" as well as UNWTO's comments. The full report is annexed under separate cover.

RELATIONS WITH THE UNITED NATIONS SYSTEM

(b) Report of the Joint Inspection Unit

The World Tourism Organization (WTO) was established following the transformation of the International Union of Official Travel Organizations (IUOTO) in 1975 and moved to its Headquarters in Madrid, Spain, in 1976. The WTO became a specialized agency of the United Nations in 2003 and changed its acronym to UNWTO. It could be noted that it is the most junior Specialized Agency of the UN and the one staffed by the smallest Secretariat.

In the 2008-2009 financial period, the Secretariat has 106 budgeted staff posts and a biennial budget of 25.1 million Euros, mainly financed through contributions from its Members. Since the Organization was settled in its current Headquarters some 30 years ago, its main budgetary parameters have remained within its present range, although some fluctuations have occurred upwards or downwards owing to variations in available income. In this sense, the Secretariat has not witnessed major changes in its staffing and working procedures during all this time.

Against this background, a Joint Inspection Unit (JIU) audit team conducted a one-week mission to the Secretariat in April 2008, during which Secretariat staff and host country representatives were interviewed. Neither Chairs of the different organs (with the exception of the Chair of the Affiliate Members) nor representatives from Members were interviewed by the audit team.

The audit conducted by the JIU team constitutes the first time the Organization has been subjected to a benchmarking exercise against the specific standards of the United Nations System. This benchmarking process could be considered a milestone by itself in the life of an Organization which had already celebrated the 60th anniversary of the foundation of IUOTO. The report clearly indicates that the Organization was not yet prepared to meet such standards, notwithstanding its established record of successful services to its Members.

In his reply to the JIU, the Secretary-General a.i. welcomes the opportunities for introducing the improvements identified in the report. Some of these improvements, namely those referring to governance issues, can be implemented without financial implications. Another group of recommended improvements, on the contrary, will entail the allocation of resources not currently available at the Secretariat and will, therefore, require more time for implementation.

To conclude, the Secretary-General ad interim considers that it is indeed the duty of the UNWTO to take firm and positive steps to align the Organization with UN standards as recommended by the JIU. But at the same time, he suggests that the scoping and timing of remedial actions take fully into account the size and resources of the Secretariat.

The Members are requested to note the content of the report and to comment on it.



JOINT INSPECTION UNIT
of the United Nations System
CORPS COMMUN d'INSPECTION
du Système des Nations Unies

The Chairman
Le Président

18 March 2009

Ref.: JIU/REP/2009/1

Dear Mr. Rifai,

I am pleased to send you herewith a copy of the officially edited original English version of the report entitled "Review of management and administration in the United Nations World Tourism Organization (UNWTO)" (JIU/REP/2009/1), prepared by Inspector Even Fontaine Ortiz. An electronic copy of this report is being forwarded to the JIU focal point in your Organization.

In accordance with the provisions of article 11.4 of the statute of the Joint Inspection Unit (JIU), the report is addressed to your Organization for action.

As provided for in article 11, paragraph 4 (b) of the JIU statute, the United Nations World Tourism Organization should itself undertake the translation of this report into the other official languages of the Organization. As soon as the translations are completed, the final electronic versions, preferably in Word, using the original A4 formatted version as a model, should be transmitted to the JIU secretariat (cokallo@unog.ch) for printing and posting on the JIU website (www.unjiu.org). The English version will be posted on the website as soon as it is printed.

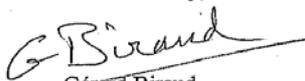
Annex II of the report, entitled "Overview of action to be taken by participating organizations on JIU recommendations", indicates the intended impact of the recommendations and specifies whether a recommendation, in the view of the Inspector, is for action by the Executive Head or requires a decision by the legislative organ.

In this regard, I would like to call your attention to the fact that recommendations 1, 3, 4, 5, 7, 8, 11, 14, 19, 22 and 23 in the above-mentioned annex require legislative action. Therefore, I would appreciate it if, when submitting the report for the consideration of the competent organ concerned, you suggest a course of action to either accept, reject or modify these recommendations.

The report will be transmitted for information to the remaining participating organizations of the Joint Inspection Unit.

In accordance with article 11, paragraph 4 (d) of the JIU statute, we would appreciate receiving your formal comments on the report's recommendations, as well as any decisions or resolutions taken thereon.

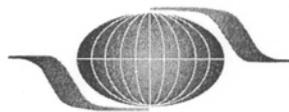
Yours sincerely,


Gérard Biraud
Acting Chairman

Mr. Taleb Rifai
Secretary-General a.i.
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ORGANISATION MONDIALE DU TOURISME
WORLD TOURISM ORGANIZATION
ORGANIZACIÓN MUNDIAL DEL TURISMO
ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ
منظمة السياحة العالمية

The Secretary-General a.i.

Mr. Gerard Biraud
Acting Chairman
Joint Inspection Unit of the United Nations System
Palais des Nations
CH 1211 GENEVA 10
Switzerland
Geneva

Madrid, 23th March 2009

Dear Mr. Biraud,

Please refer to your letter of March 18, 2009 (ref. JIU/REP/2009/1) by which you transmit to me the report on the "Review of management and administration in the United Nations World Tourism Organization (UNWTO)." As requested and in accordance with article 11, paragraph 4(d) of the JIU statute I am pleased to send you the comments from the UNWTO about this report.

First of all, I would like to thank the JIU inspectors for their work and insight on the Organization, which are reflected in the findings and suggestions made through the report. I welcome the opportunities for improvement this report offers, and I believe the report is of particular interest as it follows on the accession of the UNWTO into the family of United Nations Organizations: being the first report made by the JIU without any prior benchmark with which to compare the Organization's practices, it sets a comparator against which to evaluate future evolution on managerial and administrative practices of the Organization.

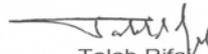
I am convinced that implementation of JIU's report recommendations will substantially improve the functioning of the UNWTO and the services it provides to its Members, and on this account I intend to translate your recommendations into a proposed course of action to be proposed to UNWTO Members for their consideration.

The preparation of this proposed course of action raises a number of challenges for an Organization of a size and budget such as the UNWTO. While the report states that "...contributions, from a United Nations system perspective, are very low" and hence it recognizes the resources the Organization has to manage and administer its activities are very low, it is not apparent allowances are made on the breath and scope of the recommendations owing to this factor.

In order to close this potential gap between goals and resources, and while the issues identified on each recommendation need to be thoroughly addressed, I trust I can count on your understanding that the scoping of the recommendations for this course of action, and the timing of the actions themselves have to take fully into account size and resources of the Organization.

Finally, I would like to attach one specific observation on the report provided by the former Secretary General, as I understand they will be very useful for the report. Mr. Frangialli may wish to come back to you on other topics at a later stage.

Yours sincerely,



Taleb Rifai

EXECUTIVE SUMMARY

Review of management and administration in the United Nations World Tourism Organization (UNWTO) JIU/REP/2009/1

This “Review of management and administration in the United Nations World Tourism Organization (UNWTO)” is one of a series of reviews of management and administration of participating organizations undertaken by the Joint Inspection Unit (JIU). The objective of the review is to identify areas for the improvement in the management and administration practices in UNWTO. Its focus is on structure and governance, strategic planning and budgeting, human resources management, central support services, oversight and cooperation with other United Nations entities and private sector entities. Recommendations 2, 6, 9, 10, 12, 13, 15-18, 20, 21 and 24 are addressed to the Secretary-General for his action. Recommendations for consideration by the UNWTO General Assembly and Executive Council are listed below.

As UNWTO joined the United Nations system in 2003, the Organization is still in the process of harmonizing its rules and procedures to comply with those of the United Nations. While undertaking this review, the Inspector is of the view that future requests for admittance in the United Nations system should be subject to, inter-alia, an external and independent qualification process. Hence, recommendation 25 is directed to the Secretary-General of the United Nations.

Recommendations for consideration by legislative bodies

Recommendation 1

The practice of appointing the Executive Director of Affiliate Members by a single Member State should be discontinued. The position may be financed from extra-budgetary sources, but the selection process has to be done according to an open, competitive and transparent recruitment process.

Recommendation 3

The Executive Council may wish to revisit its practice of holding its meetings outside Headquarters, in the light of the potential associated benefits and drawbacks.

Recommendation 4

The UNWTO General Assembly may wish to revisit its practice of holding its meetings outside Headquarters in the light of the potential associated benefits and drawbacks, and establish, as part of the Statutes of the Organization, an article regulating the conditions for exceptions.

Recommendation 5

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

Recommendation 7

The UNWTO General Assembly should call for a greater Member State participation and leadership in the planning, programming and budgeting process.

Recommendation 8

The UNWTO General Assembly should endorse the results-based management (RBM) framework developed by the JIU and request the secretariat to use it in the implementation of RBM.

Recommendation 11

The UNWTO General Assembly should call for the members to pay their arrears within the period stated in the Statutes and Financing Rules.

Recommendation 14

The UNWTO General Assembly should adopt the statutes, basic rights and duties of United Nations staff members (ST/SGB/2002/13) and the corresponding financial disclosures policy, while promoting ethics and integrity at work, and allocate resources for relevant training of staff on these issues.

Recommendation 19

The UNWTO General Assembly should provide the required resources to permit the use of the Chinese language as an official language of the Organization in accordance with UNWTO General Assembly resolution 521 (XVII).

Recommendation 22

The UNWTO General Assembly should in-source the internal audit, inspection, evaluation, investigation and monitoring functions to any other organization in the United Nations system that has the capacity to respond.

Alternatively, The UNWTO General Assembly should provide the necessary

resources, three positions, for the above-mentioned functions for the 2010-2011 biennium.

Recommendation 23

The UNWTO General Assembly should modify the Statutes of the Organization in order to provide for the selection of a single external auditor with a specified term limitation and country rotation.