



Eighty-sixth session
Astana, Kazakhstan, 3 October 2009
Provisional agenda item 2(b)

ADMINISTRATIVE AND FINANCIAL MATTERS

(b) Report of the Committee on Budget and Finance

Note by the Secretary-General

In the following document, the Secretary-General transmits to the Executive Council the Report of the Committee on Budget and Finance on the administrative and financial matters referred to it for examination at its fifty-first meeting, held at Astana, Kazakhstan, on 2 October 2009.

ADMINISTRATIVE AND FINANCIAL MATTERS

b) Report of the Committee on Budget and Finance

1. The Committee on Budget and Finance held its fifty-first meeting at Astana (Kazakhstan), on 2 October 2009, under the chairmanship of Argentina, represented by Mr. Carlos Gutierrez. Delegations of the following States participated in this meeting of the Committee: Bulgaria, Islamic Republic of Iran, Kenya, Lebanon, Malaysia and South Africa. The delegations of the following States not Members of the Committee also participated as observers: Brazil, Costa Rica, France, Germany, Kazakhstan, Tajikistan, Thailand and the Affiliate Member Asociación Mundial para la Formación Profesional Turística (AMFORT).
2. The UNWTO Secretariat was represented by the Secretary-General a.i., and the Director of the Administration Division. A list of participants is attached to this report (Annex I).
3. The Committee adopted the provisional agenda CBF/51/1 Prov. and proceeded to consider the following documents, which will be submitted to the Executive Council at its eighty-sixth session (3 October 2009).

Documents

ADOPTION OF THE AGENDA

CBF/51/1 prov.

Report of the Secretary-General on the financial situation

A/18/12(a)
A/18/12(a) Add.1

Updating of the Financial regulations

CE/86/2 c)

Suspension of membership in accordance with Article 34 of the Statutes and Requests for temporary exemption from the application of paragraph 13 of the Financial Rules

A/18/4(b)(c)
A/18/4(b)(c) Add.1

Assessment of Members' contributions to the Organization's budget for the period 2010-2011

A/18/16

Election of the Auditors for the period 2010-2011

A/18/12 c)

Place and dates of the fifty-second meeting of the Committee on Budget and Finance

n.a.

REPORT OF THE SECRETARY-GENERAL ON THE FINANCIAL SITUATION
(DOCUMENTS A/18/12(a) AND A/18/12(a) Add.1)

4. The Committee took note of document A/18/12(a) Add.1), which updates to 31 August 2009 the information contained in the main document A/18/12(a). It was also informed of a last update as of 30 September 2009. The Committee noted with satisfaction that at this date, the level of contributions collected for the current year had risen to EUR9,483,069,81. This represents 81 per cent of the total amount of contributions payable by Members in 2009 so that income targets are expected to be met by year end. After the addition of allocations from sundry income, publications account and the 2004-2005 surplus the total budgetary income received amounts to EUR10,775,069.81 representing 83% of the total budget.

5. The Committee noted that the contributions received for the current year would enable the Secretary-General to finalize implementation of the expenditure plan proposed for 2009 and maintain a balance between income and expenditure in accordance with the mandate recommendation of the seventeenth session of the General Assembly.

6. The Committee expressed its gratification at the excellent budgetary and financial situation of the Organization and of the criteria followed by the Secretariat in its financial management.

7. The Committee noted with satisfaction that arrears of Members' contributions collected so far in 2009 were 153% of the forecast amount, already exceeding 1.2 million euros. The Committee, on account of the projected financial result for the year, gave its concurrence to the Secretary-General so that the following transfers, provided financial balance is maintained, be implemented: a) increase the provisions for post-separation medical insurance and for the repatriation of staff members of the Organization, as provided for in Part IV of the Budget for 2010-2011, pursuant to the International Public Sector Accounting Standards (IPSAS) adopted by the United Nations system; and b) to increase the allocation already approved for implementation of IPSAS, for replacement of fixed assets, and also for security in UNWTO's headquarters building.

UPDATING OF THE FINANCIAL REGULATIONS (DOCUMENT CE/86/2(c))

8. The Committee examined the information contained in the document of reference and decided to raise it to the Executive Council with its favourable opinion.

SUSPENSION OF MEMBERSHIP IN ACCORDANCE WITH ARTICLE 34 OF THE STATUTES. REQUESTS FOR TEMPORARY EXEMPTION FROM THE APPLICATION OF PARAGRAPH 13 OF THE FINANCING RULES (DOCUMENTS A/18/4(b)(c), A/18/4(b)(c) Add.1))

9. The Committee noted with satisfaction that the United Republic of Tanzania is no longer subject to the provisions of paragraph 13 of the Financing Rules, since it has reduced its contribution arrears. This update has been received after Addendum 1 was closed.

10. The Committee examined the above documents concerning the application of the provisions of paragraph 13 of the Financing Rules and/or Article 34 of the Statutes, and noted the discussions held between the Secretariat and Iraq about establishing a payment plan.

11. It also noted with satisfaction that Full Members Niger, Togo and Congo had each submitted a payment plan to the Executive Council at its 83th, 84th and 85th sessions, and that both Niger and Togo have partially complied with the terms proposed in their plans.

12. The Committee also noted that the provisions of Article 34 of the Statutes will be applicable within a period of one year to Full Members Gabon and Central African Republic, if by that time they have failed to cancel arrears or to agree with the Secretary-General on a payment plan to settle their arrears in instalments.

13. The Committee welcomed the fact that El Salvador is fully complying with the terms established in its payment plan approved by the thirteenth General Assembly, and that it has reduced the sum to an amount lower than its contributions for the past two years, thus continuing to be free from the application of the provisions of paragraph 13.

14. It also welcomed the fact that Bolivia, Burkina Faso, Cambodia, Lao People's Democratic Republic and Togo have complied with the terms established in their respective payment plans during the two-year period 2008-2009. It is noted that a payment from Burkina Faso was made after Addendum 1 was closed.

15. In view of the above, the Committee recommends the Executive Council:

a) to propose to the General Assembly that it renews the temporary exemption from the provisions of paragraph 13 of the Financing Rules to the Full Members Bolivia, Burkina Faso, Cambodia, Lao People's Democratic Republic and Togo.

b) to propose, in the case of Members Congo, Gambia, Mali Mauritania, Mongolia, Nicaragua, Niger, Peru, Democratic Republic of the Congo, Uruguay and Yemen that it renews the temporary exemption from the provisions of paragraph 13, albeit making it clear that these provisions will, once again, be applied to these Members if they are not up to date in their payment plans by 1 April 2010.

c) to propose to the General Assembly to apply again suspension of membership rights to Iraq in accordance with article 34 of the Statutes, if no payment plan has been presented during the grace period granted by the seventeenth General Assembly (A/RES/523/XVII) unless such plan is presented by Iraq before this point is taken up by the General Assembly.

16. The Committee took note of the Secretary General's suggestion to produce standards to deal with payment plans of arrears of Member States, and requested the Secretariat to prepare a proposal to be discussed at the next meeting of the Committee on Budget and Finance.

ASSESSMENT OF MEMBERS' CONTRIBUTIONS TO THE ORGANIZATION'S BUDGET FOR THE PERIOD 2010-2011 (DOCUMENT A/18/16)

17. The Committee recalled that the draft budget for the period 2010-2011, which it considered at its fiftieth meeting, had been established in euros on the basis of the 2008-2009 budget.

18. The Committee noted the fact that, in accordance with the established formula for calculating the contributions of Member States, in order to establish the capacity of each country to contribute, data provided by the United Nations regarding Gross National Product and population for the period 2002-2007 were used, as used by the United Nations to calculate the contributions of its Members.

19. The same period was used for the data corresponding to international tourism receipts.

20. The Committee also noted that, in accordance with the decision CE/DEC/13(LXXXV) of the Executive Council, the contribution scale for 2010-2011 has been calculated with zero nominal growth in individual country contributions with respect to 2009, except when required by technical changes in the class situation of individual country cases.

21. The Committee took note of the contribution scale of the Full, Associate and Affiliate Members proposed for 2010-2011 and recomends its approval to the Executive Council.

ELECTION OF THE AUDITORS FOR THE PERIOD 2010-2011 (DOCUMENT A/18/12 c))

22. The Committee, having studied with interest the Secretary-General's observations and recommendations on this subject, agreed to his proposal that, Article 26 of the Statutes and 15 of the Financing Rules be strictly complied with in relation to the number of Member States engaged as auditors, until the General Assembly decides not modify these articles. The Committee noted that no Member State had presented its candidature for this function. The Committee considered desirable to have information on the election, operation, number and mandate of auditors in other United Nations bodies, requesting the Secretariat to prepare specific information on this issue for the next meeting of the Committee on Budget and Finance. It recommended the Council to approve the proposal by the Secretary General to consider current auditors, India and Spain, to continue with their audit mandate for the period 2010-2011.

PLACE AND DATE OF THE NEXT MEETING OF THE COMMITTEE ON BUDGET AND FINANCE

23. It was decided to hold the 52nd meeting of the Committee on Budget and Finance at the Organization's Headquarters in Madrid in the Spring of 2010 jointly with the Programme Committee's meeting and prior to the 88th session of the Executive Council.

ANNEX I

**CBF/51/LIST.PART.PROV
ASTANA, October 2009**

**COMMITTEE ON BUDGET AND FINANCE
COMITÉ DE PRESUPUESTO Y FINANZAS
COMITÉ DU BUDGET ET DES FINANCES**

Fifty-first meeting / Quincuagésimo-primer reunión / Cinquante-et-unième réunion

**LIST OF PARTICIPANTS
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LISTE DES PARTICIPANTS**

I. CHAIRMAN/ PRESIDENTE/ PRÉSIDENT

ARGENTINA
ARGENTINE

Sr. D. Carlos Gutiérrez
Coordinador General de la Unidad
Subsecretario
Secretaría de Turismo

II. MEMBERS/ MIEMBROS/ MEMBRES

BULGARIA
BULGARIE

Mr. Novakov Stanislav
Deputy Chairman
State Agency for Tourism

Ms. Dimitrova Tsvetelina
Head of Unit
Ministry of Economy, Energy and Tourism

IRAN, ISLAMIC REPUBLIC OF
IRAN, REPÚBLICA ISLÁMICA DEL
IRAN, RÉPUBLIQUE ISLAMIC D'

Ms. Firouzeh Khoshnoudiparast
Tourism Specialized Organizations
Iran Cultural Heritage, Handicrafts and Tourism
Organization

Mr. Iraj Babazadeh
Protocol Officer
Iran Cultural Heritage, Handicrafts and Tourism
Organization

Mr. Wali Teymouri
International Relations
Iran Cultural Heritage, Handicrafts and Tourism
Organization

KENYA

Ms. Stella Amadi
Principal Tourism Officer
Ministry of Tourism

Mr. Simon Wathigo Kiarie
Chief Tourist Officer
Ministry of Tourism

LEBANON
LÍBANO
LIBAN

Mr. Joseph Haimari
Advisor Minister of Tourism
Permanent Representative of Lebanon to
UNWTO
Ministry of Tourism

MALAYSIA
MALASIA
MALAISIE

H.E. Dato' Ong Hong Peng
Secretary-General
Ministry of Tourism

Mr. Saad Khaironizam
Senior Assistant Director
Ministry of Tourism

Dr. Victor Wee
Chairman
Malaysia Tourism Promotion Board

SOUTH AFRICA
SUDÁFRICA
AFRIQUE DU SUD

Dr. Shaun Vorster
Advisor to the Minister of Tourism
Ministry of Environmental Affairs and Tourism

Mr. Johann Durand
Director, Parliamentary Services
Department of Tourism
Ministry of Environmental Affairs and Tourism

Ms. Leonore Beukes
Director Department of Tourism
Ministry of Environmental Affairs and Tourism

Mr. Ntobeko Buso
Deputy Director: ITR
Ministry of Environmental Affairs and Tourism

Mr. Sindiswa Nhlumayo
Deputy Director General
Ministry of Environmental Affairs and Tourism

**III. OBSERVERS NON MEMBERS/
OBSERVATEURS NON MEMBRES/
OBSERVADORES NO MIEMBROS**

BRAZIL BRÉSIL BRASIL	H.E. Mr. Marcio Favilla Vice Minister Secretariat of Institutional Relations from the Presidency
COSTA RICA COSTA RICA COSTA RICA	Sr. Hermés Navarro del Valle Asesor del Ministro de Turismo Instituto Costarricense de Turismo
FRANCE FRANCE FRANCIA	M. Frédéric Pierret Conseiller du Gouvernement français Ministère de l'économie, de l'industrie et de L'emploi des PME, du tourisme et des services
GERMANY ALLEMAGNE ALEMANIA	Mr. Ralf Zeppernick Deputy Director General Ministry of Economics
KAZAKHSTAN KAZAKHSTAN KAZAJSTÁN	Mr. Abuov Kenzhekhan Director for Tourism Development Ministry of Tourism and Sports
TAJIKISTAN TADJIKISTAN TAYIKISTÁN	Mr. Lochin N. Faizulloev Vice-Chairman Committee for Youth Affairs, Sports and Tourism
	Mr. Ilkhom Nakhkambaev Enterprise & Tourism Development Manager
THAILAND THAÏLANDE TAILANDIA	Ms. Prapa Tantasuparuk Chief International Cooperation Section Ministry of Tourism and Sports
	Ms. Sirinart Theenanondh International Relations Officer Ministry of Tourism and Sports
AFFILIATE MEMBERS MEMBRES AFFILIÉS MIEMBROS AFILIADOS	Sr. D. Joan Passolas Secretario General Asociación Mundial para la Formación Profesional Turística (AMFORT)

ANNEX II

LIST OF FULL AND AFFILIATE MEMBERS SUBJECT TO THE PROVISIONS OF ARTICLE 34 OF THE STATUTES AND PARAGRAPH 13 OF THE FINANCING RULES, ATTACHED TO THE STATUTES

FULL MEMBERS

1. AFGHANISTAN
2. BAHRAIN
3. BURUNDI
4. CAPE VERDE
5. CENTRAL AFRICAN REPUBLIC
6. CHAD
7. CÔTE D'IVOIRE
8. DJIBOUTI
9. GABON
10. GUINEA
11. GUINEA BISSAU
12. KYRGYZSTAN
13. LIBYAN ARAB JAMAHIRIYA
14. MALAWI
15. SAO TOME AND PRINCIPE
16. SIERRA LEONE
17. SUDAN
18. TURKMENISTAN
19. UGANDA

ASSOCIATE MEMBERS

1. NETHERLANDS ANTILLES

AFFILIATE MEMBERS

1. ACCENTURE (Spain)
2. ADM & TEC (Brazil)
3. AGENCE DE TOURISME GIC MIEUX-VIVRE (Cameroun)
4. ALRAWDA TRAVEL AND TOURISM AGENCY (Soudan)
5. ARAB TOURISM ORGANIZATION (Saudi Arabia)
6. CENTRAL COUNCIL FOR TOURISM & EXCURSIONS S.A. (CCTE)
(Russian Federation)
7. CHARISMA PUBLIC RELATIONS (UK)
8. CONFEDERACION DE ORG. TURISTICAS DE LA AMERICA LATINA
(COTAL) (Argentina)
9. DELOITTE & TOUCHE S.A. (Spain)
10. DEPT. OF TOURISM MANAGEMENT – UNIVERSITY OF PRETORIA
11. EDICIONES CABRER S.A. (Dominican Republic)
12. EMPRESA DE TURISMO DE BAHIA - BAHIA TURSA
13. FEDERATION NAT. DES AGENCES DE VOYAGES DU MAROC
14. GRUPO CUBANACAN S.A. (Cuba)
15. HOHOE DISTRICT ASSEMBLY (Ghana)
16. HOTEL SUPPORT SERVICES LTD. (Nigeria)

17. INDIAN AIRLINES
18. INTELLIGENT LEISURE SOLUTIONS & THE DISCOVER GROUP
(Brazil)
19. INTERN. HOTEL AND RESTAURANT ASSOCIATION (IH&RA)
(France)
20. INTERN. HOTEL AND TOURISM INDUSTRY MANAGEMENT
SCHOOL (I-TIM) (Thailand)
21. MIDDLE EAST AIRLINES AIRLIBAN
22. NATIONAL TOURISM BOARD OF SIERRA LEONE
23. NIGERIAN TOURISM DEVELOPMENT CORPORATION
24. PAKISTAN INTERNATIONAL AIRLINES CORP. (PIA)
25. PALESTINIAN NATIONAL TOURISM AUTHORITY (Palestinian
National Authority)
26. PAPUA NEW GUINEA NATIONAL CULTURAL TRUST
27. PKF (UK)
28. ROJENNY TOURIST/GAMES VILLAGE OBA (Nigeria)
29. STRATEGIC BUSINESS MEETING S.A. – TOURISMAFRICA
(Switzerland)
30. TABASHEER TRAVEL & TOURISM AGENCY (Sudan)
31. TARSUS TRAVEL EXHIBITIONS LTD (UK)
32. THE UNIVERSITY OF ECONOMICS IN WARSAW
33. TURKISH AIRLINES (Turkey)
34. UNIVERSITY OF TOURISM, ECONOMICS AND LAW “KUTEL”
(Ukraine)
35. VOKRUG SVETA LTD. (Belarus)