



WORLD TOURISM ORGANIZATION

**EXECUTIVE  
COUNCIL**



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**ADMINISTRATIVE, FINANCIAL, AND STATUTORY MATTERS**

**(c) Updating of the Financial Regulations**

**Note by the Secretary-General**

The Secretary-General submits to the Members of the Executive Council the updated version of the Financial Regulations of the Organization.

**ADMINISTRATIVE, FINANCIAL, AND STATUTORY MATTERS****(c) Updating of the Financial Regulations**

1. The Secretariat has carried out an update of the Financial Regulations consisting of merging them with the corresponding Detailed Financial Provisions into a single text and bringing the merged text up to date based on the resolutions of the General Assembly and the decisions of the Executive Council that have been taken regarding its subject matter, which are indicated in the footnotes.

2. In this revision process, the following points have been taken into account:

- Updating of terms in light of the developments that have occurred in the life of the Organization since its creation, such as:
  - (i) the change of the words "United States dollars" to "euros", pursuant to the amendment to paragraph 4 of the Financing Rules adopted by the fourteenth session of the General Assembly (resolution 422(XIV)). This modification is only reflected when referring to the currency. On the other hand, amounts specified in United States dollars remain unchanged;
  - (ii) the change in the Organization's former acronym to the new versions in English and Russian (UNWTO and ЮНВТО), pursuant to resolution 490(XVI) of the General Assembly;
  - (iii) the change of the term "Chief of Administration Division" to "Director of Administration", in accordance with the organizational chart of the Secretariat currently in force.
- Inclusion of the Detailed Financial Provisions within each of the corresponding chapters of the Financial Regulations where applicable. The Detailed Financial Provisions, which were adopted at the tenth session of the General Assembly (resolution 320(X)), were approved by the Executive Council at its fifty-fifth session (decision 5(LV)).
- The replacement of the former formula for the fixing of the contributions of the Member States to the UNWTO with that approved at the thirteenth session of the General Assembly, pursuant to resolution 404(XIII).

3. The Secretary-General wishes to transmit to the Members of the Committee on Budget and Finance the annexed document for information. Moreover, this document will also be submitted for information to the Members of the Executive Council at its eighty-sixth session.

## **FINANCIAL REGULATIONS**<sup>1</sup>

### **CHAPTER I**

#### **APPLICATION**

##### **Regulation 1**

The present Regulations shall govern the financial administration of the World Tourism Organization, hereinafter referred to as the Organization. They may be amended only by the General Assembly on the recommendation of the Executive Council. In the event of a conflict between any of these Regulations and the Statutes, the latter shall govern.

##### **Detailed Financial Provision I**

###### **Application**

- 1.01 These Provisions are established in accordance with Financial Regulation 13(1)(a) and pursuant to the provisions of said Regulations<sup>2</sup>.
- 1.02 The Detailed Financial Provisions are applicable to all officials and, irrespective of the source of funds, to all financial transactions of the Organization.
- 1.03 These Provisions shall be effective as from the date of issue. Any amendments that may be made shall take effect on the date of their publication.
- 1.04 In case of doubt, as to the interpretation of any of these Provisions, the Secretary-General shall make a ruling thereon.
- 1.05 The Secretary-General is responsible to the UNWTO General Assembly and Executive Council for the implementation of the Detailed Financial Provisions.
- 1.06 The Secretary-General may delegate, together with authorization for re-delegation, such of his powers as he deems necessary to secure effective administration of these Provisions.

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<sup>1</sup> Text adopted by the first General Assembly on 23 May 1975, and amended by the tenth General Assembly on 8 October 1993 (resolution A/RES/320(X)).

<sup>2</sup> These Provisions were adopted by the Executive Council at its 55<sup>th</sup> session (decision CE/DEC/5(LV)) (Manila, Philippines, 20-21 May 1997).

## **CHAPTER II**

### **FINANCIAL PERIOD**

#### **Regulation 2**

The financial period of the Organization shall be two years.

#### **Regulation 3**

The financial year shall be from 1 January to 31 December.

## **CHAPTER III**

### **BUDGET**

#### **Regulation 4**

1. The Secretary-General shall prepare the programme budget estimates and submit them to the Members of the Council at least three months before the corresponding session of the Council, together with an explanatory note.
2. The programme budget shall be expressed in euros.
3. The budget estimates shall relate to receipts and expenditure for each financial year and shall be divided, according to their nature, into separate parts and into sections; the parts and sections shall be divided, according to the various types of receipts and expenditure, into headings and into items.
4. The budget estimates shall cover the proposed programme of work for each financial year of the following financial period and shall include any information, annexes or explanatory statements requested by or on behalf of the Assembly or Council and any further statements or annexes which the Secretary-General considers appropriate.
5. The financial implications of any decisions taken by the organs of the Organization shall remain within the limits of the approved budget. The Secretary-General shall report to the Assembly on the financial implications of any proposals concerning the Organization's activities before such proposals are adopted.
6. Technical cooperation projects shall be financed by means of resources other than the statutory contributions of Members of the Organization.

#### **Regulation 5**

1. (a) The appropriations approved by the Assembly for a financial period shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted, and up to the amounts so voted.

- (b) The Secretary-General may also incur, subject to a subsequent budgetary authority, obligations for administrative expenses against a future year before appropriations are voted, when such obligations are necessary for the continued effective functioning of the Organization, provided such obligations do not exceed 50 per cent of the appropriations of the current financial period for the same administrative expenditure. The Secretary-General shall report thereon to the Council and the Assembly.
2. (a) Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligations of the financial period. The balance of the appropriations remaining unobligated at the close of a financial period, after deducting therefrom any contributions from member States relating to that financial period which remain unpaid, shall be apportioned among member States in proportion to their assessed contributions, paid in full for that financial period. The amount so apportioned to a member State shall be applied as in regulation 10(1) (c). Nevertheless<sup>3</sup>, upon recommendation of the Executive Council, the General Assembly may decide to allocate unobligated balances to the Working Capital Fund or the General Fund<sup>4</sup>.
- (b) Unless the General Assembly decides to allocate unobligated balances to the General Fund or the Working Capital Fund, at the end of the twelve-month period provided for in regulation 5(2) (a), the then remaining unspent balance of appropriations retained after deducting therefrom any contributions from member States relating to the financial period of the appropriations which remain unpaid, shall be apportioned among member States in proportion to their assessed contributions, paid in full, for that financial period. The amount so apportioned to a member State shall be applied in regulation 10(1) (c)<sup>5</sup>.
3. (a) Transfers between sections of the same part of the budget may be made by the Secretary-General with the concurrence of the Committee on Budget and Finance. That concurrence shall not be necessary for transfers between headings or between items of the same section. The Secretary-General shall report to the Council on all such transfers at its next ordinary session.
- (b) Transfers from one part of the budget to another shall be authorized by the Council on the recommendation of the Committee on Budget and Finance.
- (c) With the concurrence of the Committee on Budget and Finance, the Secretary-General may carry forward appropriations from the first to the second financial year of each financial period. All appropriations carried forward shall be used in accordance with the approved programme for that financial period.

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<sup>3</sup> Resolution A/RES/400(XIII) (Santiago, Chile, 27 September – 1 October 1999)

<sup>4</sup> The amendments to items (a) and (b) of Regulation 5(2) were adopted by the tenth session of the General Assembly (Resolution A/RES/320(X)) (Bali, Indonesia, 4 - 8 October 1993).

<sup>5</sup> The amendments to items (a) and (b) of Regulation 5(2) were adopted by the tenth session of the General Assembly (Resolution A/RES/320(X)) (Bali, Indonesia, 4-8 October 1993).

4. The Secretary-General shall so manage appropriations made for the financial period as to ensure that adequate funds will be available to meet expenditures during that period and that the obligations and expenditures correspond to the programme budget approved by the Assembly, subject to subparagraphs 3(a) and (b) above.

### **Detailed Financial Provision III**

#### **Budget**

- 3.01 The estimates, both for expenditure and income, shall be prepared on a gross basis.
- 3.02 Appropriate officials shall submit annual programmes of work and necessary estimates to the Secretary-General in such manner and at such time as may be requested.
- 3.03 The programme of work and necessary estimates shall consolidate into a single presentation, as required by Regulation 4 of the Financial Regulations.

#### **Plan of Expenditure**

- 3.04 In a concern for cautious management, the Plan of Expenditure of each calendar year is prepared by the Secretary-General, in the light of expected receipts, the situation for the year and the experience of previous budgetary periods. The Plan of Expenditure shall be submitted to the first session of the Executive Council of the calendar year in question.

#### **Appropriations**

- 3.05 The appropriations voted by the Assembly constitute an authority to incur obligations and make payments for the purposes for which the appropriations were voted, and up to the amounts so voted, but no obligations may be incurred or payments made, until allotments have been issued in writing by the Secretary-General within the limits of the annual Plan of Expenditure prepared by him.
- 3.06 Officials to whom allotments are issued are responsible to the Secretary-General for the correct use of such allotments.

#### **Transfers of credits between sections of the same part and transfers of credits between parts of the approved budget<sup>6</sup>**

- 3.07 The Secretary-General is authorized to make such transfers between Sections of the same Part before closing the accounts for the financial year, after obtaining the authorization of the Chairman of the Committee on Budget and Finance. For transfers between various Parts of the budget the authorization of the Chairman of the Executive Council should be sought after consultation with the Chairman of the Committee on Budget and Finance. Any such transfers will be subject to confirmation by the Committee on Budget and Finance and by the Executive Council at their next meeting and session, respectively.

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<sup>6</sup> Decision CE/DEC/6(LIII) (Madrid, Spain, 20-21 May 1996).

- 3.08 The Secretary-General is authorized, on a provisional basis, to use funds from the regular budget to cofinance and help to secure external contributions for technical cooperation projects, in accordance with the terms of reference and priorities of UNWTO's programme of work. The amounts that are used should be limited to a maximum of 20,000 US dollars a project, on the understanding that UNWTO's share in any such cofinancing shall not exceed the amount received from the external source. Any cofinancing project should be reported to the Executive Council through the Programme Committee immediately after the project is signed.<sup>7</sup>

## CHAPTER IV

### COLLECTION OF CONTRIBUTIONS

#### Regulation 6

1. The contributions of Members of the Organization shall be determined according to the scale of assessments adopted by the Assembly.
2. In calculating the assessments for Associate Members, the Assembly shall take into account the special nature of their membership and limited rights they enjoy within the Organization.
3. The contributions payable by Affiliate Members shall be fixed by the Assembly at an amount corresponding to the administrative expenses incurred for the services to be supplied and the execution of their programme of work, established in consultation with the Chairman of the Committee of Affiliate Members.

#### Regulation 7

1. The amount of Members' contributions and advances to the Working Capital Fund, as decided by the Assembly pursuant to regulations 6 and 10(2)(c), shall be communicated to Members six months before the beginning of the financial year for which they are due.
2. Contributions and advances shall be due and payable in full within the first month of the financial year to which they relate. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.
3. The Secretary-General shall inform the Council of cases of justified arrears resulting from the budgetary systems existing in the various countries and dates of different financial years.
4. The Council may accept cases of justified arrears resulting from the budgetary systems existing in the various countries and the dates of different financial years.

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<sup>7</sup> Decision CE/DEC/9(LXI) (Santiago, Chile, 25 September 1999)

**Regulation 8**

1. If a Full, Associate or Affiliate Member is one or more years in arrears in the payment of its contributions, the Secretary-General shall send it a communication reminding it of the provisions of paragraph 2 of this regulation.
2. When the amount of the arrears due by a Full, Associate or Affiliate Member equals or exceeds the contributions due by it for two financial years, the Secretary-General shall, at the end of those two years, inform the Member accordingly and notify it that in accordance with paragraph 13 of the Financing Rules attached to the Organization's Statutes, it is deprived of the privileges enjoyed by Members in form of services and, in the case of a Full Member, of the right to vote.
3. This notification shall be brought by the Secretary-General to the attention of all organs of the Organization in which the Members concerned would normally be entitled to vote.
4. In each case provided for in paragraphs 1, 2 and 3 above, due account shall be taken of the acceptance by the Council of justified arrears as provided for in regulation 7(4) of these Regulations.
5. On the recommendation of the Council, the Assembly may nevertheless permit a Member to which the provisions of paragraph 2 of this regulation apply to continue to enjoy the services of the Organization and, in the case of a Full Member, to participate in the voting of the organs of the Organization, provided it is found that the failure to pay is due to circumstances beyond the Member's control.
6. Pending a decision on the proposal by the Assembly, the Full Member shall not be entitled to continue to enjoy the services of the Organization or to vote and the Associate or Affiliate Member shall not be entitled to enjoy the services of the Organization.
7. If the Council finds that the failure to pay is due to circumstances beyond the control of the Member, it shall in its report:
  - (a) explain the nature of those circumstances; and
  - (b) indicate the measures which should be taken in order to settle the arrears.
8. Any decision by the Assembly permitting a Full Member which is in arrears in the payment of its contributions to vote shall be valid for the session of the Assembly at which the decision is taken. Any such decision shall be operative in regard to the Council and any subsidiary organs until the opening of the session of the Assembly next following that at which it was taken.
9. Any decision to permit a Full, Associate or Affiliate Member which is in arrears in the payment of its contributions to continue to enjoy the services of the Organization shall be valid until the opening of the next session following that at which it was taken.



**Regulation 9**

A Member withdrawing from the Organization shall be liable for assessments on a *pro rata* basis up to the time when the withdrawal becomes effective.

**CHAPTER V****FUNDS****Regulation 10**

## 1. General Fund

- (a) There shall be established a General Fund to which shall be credited receipts from contributions of Members, whether current or arrears, miscellaneous income and advances made from the Working Capital Fund; and from which shall be made general expenditures and reimbursements to the Working Capital Fund pursuant to regulation 10(2)(c).
- (b) Accounts in the General Fund shall be maintained in a way consistent with the provisions of regulation 4(3).
- (c) Subject to the provisions of regulation 5(2)(a) and paragraph 2(e) of this regulation, at the close of any financial period, any surplus balances shall be apportioned among Full and Associate Members in accordance with the scale of contributions applicable to that period, and the amount applicable to each Member shall be released and applied to liquidate, wholly or partly, first, any advance due by that Member to the Working Capital Fund; secondly, any arrears of contributions of that Member; and, thirdly, assessed contributions of that Member for the financial year following the year in which the audit is completed.
- (d) The contributions of Full Members, as defined in Article 4(a) and Article 5(2) of the Statutes of the Organization, that accede to the Organization between sessions of the Assembly shall be determined in accordance with the formula for the assessment of contributions adopted by the Assembly. These contributions shall be paid into the General Fund.
- (e) Voluntary contributions may be accepted by the Secretary-General provided that the purposes of such contributions and moneys are consistent with the policies, aims and activities of the Organization. The acceptance of any such contributions and moneys which directly or indirectly involves additional financial obligations for Members shall require the consent of the Assembly.
- (f) Voluntary contributions, gifts, legacies and other extraordinary receipts for which no specific purpose is defined shall be treated as "miscellaneous income" and accrue to the General Fund. The Assembly shall determine the utilization of such miscellaneous income.

## 2. Working Capital Fund

- (a) A Working Capital Fund shall be established, the amount of which is to be fixed by the Assembly. Advance contributions of Members and any other receipts which the Assembly decides may be so used, shall be paid into the Working Capital Fund. When required, amounts therefrom shall be transferred to the General Fund.
- (b) The purpose of the Working Capital Fund shall be to advance moneys to the General Fund to finance budgetary expenditure pending receipt of contributions and, with prior authorization of the Executive Council for each particular case, to meet unforeseen needs and exceptional circumstances.
- (c) In addition to its first membership contribution made pursuant to regulation 6, in an amount to be determined by the Assembly, each Member shall make an advance contribution to be transferred to the Working Capital Fund. The moneys so derived from new Members shall, unless the Assembly decides otherwise, be considered as an increase to the level of the Working Capital Fund. Advance contributions made by a Member to the Fund shall be carried to the credit of that Member in the Fund.
- (d) When the amount of the Working Capital Fund, as determined by the Assembly, exceeds, in the opinion of the Assembly, the amount required for the purposes stated in paragraph 2(b) of this regulation, any excess of credits due to Members shall be released immediately from the Working Capital Fund and applied, first, to contributions in arrears; secondly, to current contributions; thirdly, refunded or applied against future contributions, at the option of the Member concerned.
- (e) Advances made from the Working Capital Fund to finance budgetary expenditure under the present regulation 10(2)(b) shall be reimbursed from the General Fund as soon as and to the extent that income is available for that purpose, but in any case within the next financial period.
- (f) If a Member withdraws its membership in the Organization, any credit it may have in the Working Capital Fund shall be used towards liquidation of any financial obligation such a Member may have to the Organization. Any residual balance shall be refunded to the withdrawing Member.
- (g) Income derived from the investment, as defined in regulation 12(1), of funds held in the Working Capital Fund shall be regarded as "miscellaneous income" of the Organization and shall accrue to the General Fund.

## 3. Funds in Trust

- (a) Funds in Trust may, upon acceptance by the Council, be established to finance activities not provided for in the budget of the Organization which are of interest to some member countries or groups of countries. Such Funds shall be financed by voluntary contributions. A fee shall be charged by the Organization for administering these Funds.

- (b) Funds in Trust shall be used only for the purposes specified by the donors, provided the purposes of such contributions are consistent with the policies, aims and activities of the Organization. The purposes and limits of any Funds shall be clearly defined.
- (c) All costs relating to any Fund in Trust shall be a charge against the voluntary contributions concerned. Such Funds shall be administered in accordance with these Financial Regulations. Reports shall be made to the Council and, where necessary, to the Assembly on the management of the Funds in Trust.

### **Regulation 11**

1. Subject to the provision of regulation 12(1), the Secretary-General shall designate the deposit institution(s) in which the funds of the Organization shall be kept.
2. The interest received shall accrue to the General Fund, in accordance with the provisions of regulation 10(1).

### **Regulation 12**

1. The Secretary-General may make short-term investments of moneys not needed for immediate requirements and shall report to the Council periodically on any such investments which he has made.
2. Subject to the provisions of regulation 10(2)(g), income derived from such investments shall accrue to the General Fund.

### **Detailed Financial Provision V**

#### **New Members' contributions**

- 5.01 A new Member that has not been included in the assessment of contributions shall be required to make a contribution according to the scale applied to Members in the year in which it become a Member. This contribution shall be considered sundry income for the current financial year. The contribution of a new Member for the calendar year in which it becomes a Member shall be based on the number of full months remaining in that year after the date on which the accession has come into force. In the event that the communication of the applicant country does not indicate the date of entry into force of its decision to join the Organization, the Secretary-General may agree with the applicant on the date on which its rights and obligations of membership will take effect. Until entry into force of its accession, the Secretary-General will be authorized to provide services to that Member in anticipation of those it would receive in the first year of membership of the Organization. The new Full Members shall in addition pay an advance to the Working Capital Fund on the basis of a whole year. The contribution of the new Member for the current calendar year shall be due and payable within thirty days of receipt of the notification by the Secretary-General.

### **Income Accounting**

- 5.02 All income shall be entered into the accounts at the earliest possible. Contributions shall be credited on the date of their receipt by the Organization, event if this occurs on 31 December.

### **Sundry Income**

- 5.03 Sundry income shall consist of the following categories of income:
- (i) income from interest that does not need to be credited to the fund from which it derives;
  - (ii) contributions of new Members not included in the assessment of Members' contributions for the financial year;
  - (iii) the difference between gains and losses on exchange;
  - (iv) amounts recovered in respect of payments made by the Organization, if these are received after the end of the financial year in which those payments were made;
  - (v) cheques not cashed within a period of twelve months of the date of issue when the cancellation takes place in a different financial year;
  - (vi) income from services rendered by the Organization;
  - (vii) resources obtained from the sale of surplus property, with the exception of that mentioned in Provision 6.17;
  - (viii) other sundry income without a specific objective;

### **Management of funds**

- 5.04 The Director<sup>8</sup> of Administration is responsible to the Secretary-General for the management, receipt and disbursement of all funds of the Organization.
- 5.05 Funds of the Organization will be deposited only in banks, designated by the Secretary-General. The banks selected will be those that offer the best possible terms, based on criteria of efficiency and financial returns. All funds must be deposited in accounts in the name of the Organization. In no case may an account of the Organization be opened in the name of a staff member.
- 5.06 Funds shall be maintained in different currencies, taking into account the needs of the Organization and the trends in exchange rates, that can reasonably be expected, in a concern for cautious management. The current account, may be immobilized shall be established taking into consideration the anticipated needs for liquid assets and the financial returns expected.

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<sup>8</sup> According to the actual structure of the Secretariat.

- 5.07 The Director of Administration will administer all banking accounts operated by the Organization including those opened for trust and other special purposes, maintaining a proper cash account in which all receipts and payments shall be recorded in chronological order. A separate ledger account shall be kept for each bank account.
- 5.08 A panel of signatures shall be designated by the Secretary-General and all cheques drawn on the Organization's accounts shall be signed by two officials of the appropriate panel.
- 5.09 No interest will be payable on sums deposited with or retained by the Organization. Should any interest accrue on investments made on behalf of a third party, the amount of such interest will be paid only if so requested in advance, and upon such conditions as may be agreed with the Secretary-General.
- 5.10 A voluntary contributions fund may be established for diversifying the sources of financing for activities, particularly UNWTO's operational activities, and for augmenting the necessary resources by means of voluntary contributions from States and other public and private entities.

### **Voluntary contributions fund**

- 5.11. Establishment of the special voluntary contributions fund<sup>9</sup>
- 5.11.1. A special voluntary contributions fund is established which, save as otherwise provided in these regulations, shall be administered in accordance with the Financial Regulations of UNWTO.
- 5.12 Purpose
- 5.12.1. Voluntary contributions to the fund may originate from public or private sources. They shall be moneys whose donors have indicated the general destination within the Organization's programme of work without however specifying a particular activity (for example: security and protection of tourists; facilitation; education and training; information, including statistics).
- 5.13. Receipts
- 5.13.1. The fund shall be credited with the voluntary contributions defined in regulation 2(2), together with the financial proceeds therefrom.
- 5.14. Expenses
- 5.14.1. The fund shall be debited with the expenses relating to the activities designated by the Secretary-General with reference to the general programme of work of the Organization and in accordance with the general destination indicated by the donor.
- 5.14.2. The Secretary-General shall consult the Executive Council on the use of voluntary contributions exceeding 10,000 US dollars.

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<sup>9</sup> Resolution A/RES/219(VII) (Madrid, Spain, 22 September – 1 October 1987).

- 5.14.3. The report of the Secretary-General on the financial situation of the Organization shall include information on the use of the contributions paid into the fund.

#### 5.15 Accounting

- 5.15.1. The financial year shall be the calendar year.
- 5.15.2. The fund shall be administrated under a separate accounting system from that of the Organization's budget and the Secretary-General shall furnish information on this subject in his report on the financial situation.
- 5.15.3. Any balance remaining at the end of a financial year shall be carried over to the next year.
- 5.15.4. The accounts pertaining to the fund shall be submitted each year for audit by the Auditors of UNWTO.

## CHAPTER VI

### INTERNAL CONTROL

#### Regulation 13

1. The Secretary-General shall:
  - (a) in consultation with the Council establish detailed financial arrangements in order to ensure efficient financial administration based on principles of economy;
  - (b) cause all payments to be made on the basis of supporting vouchers and other documents that ensure that the services or goods have been received and that payment has not previously been made;
  - (c) designate the officer or officers who may receive moneys, incur obligations, and make payments on behalf of the Organization;
  - (d) maintain an internal financial control which shall provide for an effective current examination or review of financial transactions in order to ensure:
    - (i) the regularity of the receipt, custody, and disposition of all financial resources of the Organization;
    - (ii) the conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Assembly, or with the purposes specified for Funds in Trust.
2. No obligations shall be incurred until appropriations or other authorizations have been made in writing under the authority of the Secretary-General.

3. The Secretary-General shall make suitable arrangements under which the Organization will be protected against loss on account of the conduct of officials who are entrusted by him with the custody or disbursement of funds.

4. The Secretary-General may, with the approval of the Council, authorize the writing off of losses of cash, stores, and assets, provided a statement thereof is submitted to the Auditors with the accounts.

#### **Regulation 14**

1. The Secretary-General shall maintain such accounts as are necessary and shall prepare statements of these accounts at the end of each financial year. These statements shall show:

- (a) the receipts and expenditure of all funds, made in accordance with regulation 4(3);
- (b) the position of budgetary appropriations, including:
  - (i) the original budget appropriations;
  - (ii) the appropriations as modified by transfer;
  - (iii) credits, if any, other than the appropriations voted by the Assembly;
  - (iv) the amounts charged against those appropriations or any other credits;
- (c) the assets and liabilities of the Organization.

2. He shall also give such other information as may be appropriate to indicate the financial position of the Organization.

3. The accounts of the Organization shall be drawn up in euros. The composition of the liquid assets shall be indicated by the currencies in which they are held. The account books shall show liquid assets held in currencies other than the euro. The Secretary-General shall include in the statements of accounts information on currency collection and utilization and the parity of currencies with the euro. Accounts and accounting records may, however, be kept in other currencies when deemed necessary by the Secretary-General, provided that this entails no extra cost to the Organization's Members<sup>10</sup>.

4. A separate account shall be maintained for each Fund in Trust.

5. The accounts for each financial year of the financial period shall be submitted by the Secretary-General to the external Auditors elected under regulation 15 by 31 March following the end of that financial year.

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<sup>10</sup> Amendment approved by the 65<sup>th</sup> session of the Executive Council (decision CE/DEC/17(LXV)) (Natal, Brazil, 5-6 June 2001).

6. By 30 April each year, the Secretary-General shall submit to the Council the definitive audited statement of the accounts of the previous financial year. The Secretary-General shall also submit twice a year to the Council an interim financial statement.

7. To make allowance for changes in exchange rates, gains and losses on this account shall be credited and debited to the General Fund.

## **Detailed Financial Provision VI**

### **Obligations**

- 6.01 Only those officials designated in writing by the Secretary-General are authorized to incur obligations against allotments.
- 6.02 Obligations may be incurred only for the purpose indicated on the allotment and may not exceed the amount of the allotment.
- 6.03 Proposals to incur obligations must be made in writing and be fully documented. They must specify the purpose of the proposed expenditure and the allotment to be charged.

### **Control of expenditure**

- 6.04 Except where normal commercial practice so requires, no contract or purchase order shall be made on behalf of the Organization, which requires payment in advance of the delivery of goods or performance of services.
- 6.05 The Secretary-General may, when he deems it in the interests of the Organization to do so, authorize progress payments.
- 6.06 Payments shall not be made unless supporting documents are certified by the appropriate officials, confirming that:
  - a) services have been rendered or delivery has been completed in accordance with the terms of the purchase order;
  - b) the amount is correct and in accordance with the terms of the purchase order.
- 6.07 Should the Director of Administration feel there is any reason why payment of any claim should be withheld; such claim shall be referred to the Secretary-General.
- 6.08 Claims submitted by staff members more than one year late shall not normally be considered. This provision does not apply to claims in connection with the settlement of insurance or pension claims.



### Imprest cash

- 6.09 Imprest cash advances of an amount to be fixed in each case shall be made where necessary to officials.
- 6.10 Officials to whom an imprest cash advance is issued are responsible for these advances and must at all times be in a position to account for them.

### Advances

- 6.11 (a) Travel advances for extraordinary expenditure not covered by the Daily Subsistence Allowance may be made on request to officials to whom official travel authorizations have been issued. Such advances are to be used in accordance with the provisions of the travel rules and must be accounted for when the travel is completed.
- (b) Advances may be made to officials for the payment of hospitality expenses provided for in the budget, subject to the Secretary-General's authorization. The supporting document for the expenditure shall be checked by the Director of Administration and be produced on demand for the internal control and the external audit of the accounts.
- (c) Officials that have incurred medical expenses reimbursable by the Organization's medical insurance may request the Secretary-General for advances covering up to 90 per cent of these expenses, provided that the amount advanced equals or exceeds 20 per cent of their monthly salary.
- (d) Any official shall be entitled, upon application, to be paid in advance any salary, benefit or allowance falling due during the period in which he will be on annual leave or official mission. The Secretary-General may also, at the request of an official, authorize to pay in advance any salary if he is satisfied that the reasons for the request are well founded.

### Property

- 6.12 (a) Property is defined as supplies, equipment, land, buildings and built-in fixtures belonging to UNWTO or for which UNWTO is responsible, whether acquired by purchase, donation or other means. The conservation and use of the property entrusted to them by UNWTO shall be the responsibility of all staff members.
- (b) Inventories: A permanent general inventory of property and specific inventories shall be maintained.
- (c) Categories of property: Property is defined in paragraph (a) above falls into three categories.
1. Expendable property is movable property whose normal cost is less than \$250 a unit and which cannot normally be expected to remain in service for five years; it is not carried on the permanent General Inventory of Property.

2. Non-expendable property consists of items of equipment valued at \$250 or more a unit, and with a serviceable life of at least five years. They shall be carried on the permanent general inventory of property and specific inventories shall also be kept in their regard. Works of art decorating the headquarters buildings are assimilated to this category. Headquarters equipment is carried on the permanent General Inventory of Property.
  3. Real property is non-movable property. It consists of land, buildings and built-in fixture. Real property is carried on an annex to the permanent General Inventory of Property.
- (d) Supplies (expendable property): items or supplies consumed in the normal course of activities:  
Office supplies and certain maintenance tools are provided for the official use of Sections/Units at Headquarters out of the budget (Part III of the Programme Budget: Section 5).
- (e) Equipment (non-expendable property). Office equipment, including furniture and machines, is provided for the official use of units at Headquarters out of the budget (Part III of the Programme Budget: Section 5).
- 6.13 The cost of all property acquired, other than real property will be immediately charged as an expense.
- 6.14 An annual physical inventory will be taken at 31 December of each year of all assets. A copy of this inventory will be furnished to the External Auditor.
- 6.15 The Secretary-General may declare property to be surplus if it is of no further use to the Organization.
- 6.16 Surplus property shall be sold for the best possible returns to the Organization except:
- (a) when the exchange of surplus property in partial payment for new articles will be more advantageous to the Organization than the sale of surplus property and separate purchase of new articles;
  - (b) when the destruction of the surplus or unserviceable material will be more economical or when the confidential nature of the materials so warrants;
  - (c) when the best interests of the Organization will be served by disposal by gift or at nominal prices to a non-profit organization.
- 6.17 Funds proceeding from the sale of equipment may be reserved for the acquisition of substitute material, provided that the sale and acquisition take place during the same financial year; otherwise, these benefits shall be considered sundry income.

**Replacement of fixed assets  
Replacement account<sup>11</sup>**

- 6.18 For each financial year budgetary appropriations shall be established corresponding to the replacement quotas determined for the fixed assets acquired in previous financial years, so that by the end of the useful life of each asset sufficient funds are available for its replacement.

The replacement quotas will be obtained by applying a straight-line depreciation system, with uniform annual depreciation rates depending on the estimated useful life of each asset.

The following fixed assets only shall be considered for replacement:

- Computer hardware
- Document reproduction machinery
- Vehicles

The following will be credited to this account:

- (a) the replacement quotas obtained in each financial year;
- (b) the financial yields generated by the cash balances on this account.

The following will be debited to this account:

- (a) the accumulated depreciation of the asset withdrawn from use and replaced by a new one. This amount will serve to decrease the cost of renewal in the financial year in which it takes place, producing a credit entry in the account of the corresponding budgetary expenditure;
- (b) the accumulated financial returns of the cash balances on the account once the assets that generated them have been totally written off. The amount will serve to decrease the corresponding budgetary expenditure in the financial year in which this circumstances arises.

**Procurement**

- 6.19 All purchases and contracts amounting to or exceeding 5,000 US dollars shall be made by a call for tenders, except when otherwise authorized by the Secretary-General.
- 6.20 Contracts shall be awarded to the lowest tender except where conditions attaching to the lowest tender make its acceptance undesirable, the Secretary-General may authorize the acceptance of a tender other than the lowest. Where the interests of the Organization so require, the Secretary-General may authorize the rejection of all tenders and declare the call for tenders unsuccessful.
- 6.21 The Secretary-General shall ensure that the number and quality of enterprises or consultants invited to tender are sufficiently wide-ranging and representative to allow for effective competition in the Organization's interest.

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<sup>11</sup> Document CE/40/9 (c). Report of the Committee on Budget and Finance (May 1991).

- 6.22 In a call for tenders, the Secretary-General may decide to choose an enterprise or consultant that did not submit the lowest tender, provided that he feels this to be warranted beyond doubt by the quality of the services anticipated.
- 6.23 The Secretary-General's explicit and written approval shall be required on purchase contracts or orders for the acquisition of services, supplies, equipment or other goods amounting to or exceeding 5,000 US dollars.

### **Study Contracts**

- 6.24 A Selection Committee shall be set up by the Secretary-General to examine any study contract amounting to more than 50,000 US dollars. The Selection Committee shall advise the Secretary-General in drawing up the list of enterprises or consultants required to compete and in selecting the winner of the contract.

### **Travel**

- 6.25 An Annex to these Provisions establishes the procedures for travel disbursements. The Secretary-General may, if necessary, add new provisions to this annex or amend or delete established provisions. The Executive Council shall be informed of all changes made to this annex.

### **Publications**

- 6.26 The procedures for publication disbursements shall be the subject of an annex to these Provisions, drawn up by the Secretary-General. The Secretary-General may, if necessary, add new provisions to this annex or amend or delete established provisions. The Executive Council shall be informed of all changes made in this annex.

(NOTE: Provision 6.26 concerning publications will remain without effect until such time as the provisions governing this matter are finalized and submitted to the Council for adoption.)<sup>12</sup>

### **Internal Control**

- 6.27 The Director of Administration is responsible to the Secretary-General for establishing and maintaining effective internal control of the financial transactions and such other operations concerning the income and expenditure of the Organization.

### **Accounts**

- 6.28 The Director of Administration is responsible to the Secretary-General for establishing and maintaining all official accounts of the Organization.

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<sup>12</sup> Document CE/55/4(d) Add.1 of the 55<sup>th</sup> Executive Council (Manila, Philippines, 20-21 May 1997).

- 6.29 Obligations shall be recorded in the accounts of the calendar year in which they are incurred.
- 6.30 Receipts shall be credited to the accounts of the calendar year in which the remittance is received.
- 6.31 Expenditure shall be recorded in the accounts of the calendar year in which it is made.
- 6.32 The accounts shall comprise the general accounts, budget accounts, and treasury accounts from which the periodic financial statements shall be prepared.
- 6.33 All accounts shall be supported by documentation to be retained as an integral part of the official accounts of the Organization.
- 6.34 The accounting records shall be kept for a period of at least ten years. The supporting documents for income and expenditure shall be maintained until the final approval of the Organization's accounts by the General Assembly and for a minimum period of five years. Once these time-limits have elapsed, these records and documents may be destroyed by authorization of the Secretary-General.

#### **General accounts**

- 6.35 The general accounts shall record classified income and expenditure, cash at banks, investments, receivables and other assets, payable and other liabilities, the Working Capital Fund, and trust funds or special accounts as may be established.

#### **Treasury accounts**

- 6.36 Treasury accounts shall comprise:
- (a) cash accounts showing all receipts and disbursements of the Organization;
  - (b) trust and other special cash accounts, the management of which is subject to specific rules;
  - (c) Members' contribution records showing the amounts assessed, received and uncollected;
  - (d) Members' advances to the Working Capital Fund, showing the amounts assessed, received and uncollected;
  - (e) Investment ledger, giving full details of all investments made by the Organization.

#### **Financial statements**

- 6.37 The Director of Administration shall furnish to the Secretary-General:
- (a) periodic statements of cash on hand;

- (b) periodic statements of budgetary status showing:
  - (i) allotments made;
  - (ii) obligations incurred and liquidated;
  - (iii) expenditure;
  - (iv) unobligated balances;
  
- (c) periodic statements showing:
  - (i) outstanding contributions;
  - (ii) status of advances to the Working Capital Fund;
  - (iii) the operations and financial position of the Working Capital Fund;
  - (iv) the state of other special funds, if any:
  
- (d) as early as possible each year a detailed balance sheet as at 31 December immediately preceding. In addition to this balance sheet there shall be produced:
  - (i) a summary statement of income and expenditure;
  - (ii) a budget statement showing appropriations voted, allotments approved and expenditure made;
  - (iii) a statement of obligations as at 31 December for which reserves will be established, such reserves to remain available for a further twelve months; these obligations shall include orders for goods or services, which have been accepted in writing for delivery by 31 December;
  - (iv) a statement of outstanding legal obligations as at 31 December, which shall be charged against the appropriations of the succeeding year;
  - (v) a statement of trust and other special funds;
  - (vi) a statement of the Working Capital Fund showing the establishment and composition thereof, advances made therefrom and the cash available;
  - (vii) a statement of both stores and cash losses which have been incurred during the year indicating how these have been dealt with in the accounts;

## **CHAPTER VII**

### **External audit**

#### **Regulation 15**

1. The Assembly shall elect from among its Full Members, on the recommendation of the Council, two Auditors to audit the accounts of the Organization.

2. The Auditors shall be elected for a two-year term of office. Their term of office shall be renewable.

3. In addition to the two Auditors, a third Full Member will be entrusted the function of Special Auditor in charge of inspecting the accounts relating to the activities carried out by UNWTO in its capacity as an executing agency of UNDP, with the funds coming from the Programme<sup>13</sup>.

### **Regulation 16**

1. The audit shall be conducted each year in conformity with generally accepted common audit standards and, subject to any special directions of the Assembly, in accordance with the additional terms of reference set out in the annex to the present Regulations.

2. In addition to auditing, the Auditors may make any observations they consider necessary with respect to the efficiency of the financial procedures and administration, the accounting system, the internal financial controls and, in general, the financial consequences of administrative practices. They shall carry out their duties in accordance with the provisions of Article 26(2) of the Statutes.

3. The Auditors shall be independent and solely responsible for the conduct of the audit.

4. The Council may request the Auditors to perform certain specific examinations and submit separate reports on the results.

5. The Secretary-General shall provide the Auditors with the facilities they may require in the performance of the audit.

### **Regulation 17**

1. The Auditors shall submit a report on the audit of the financial statements and relevant schedules, which shall include such information as they deem necessary.

2. The report of the Auditors shall be transmitted to the Council, together with the audited financial statements, in accordance with any directions given by the Assembly. The Council shall examine the financial statements and the audit reports and shall forward them to the Assembly with such comments as it deems appropriate.

3. The audit shall be carried out in accordance with the provisions of the annex to these Regulations.

### **Regulation 18**

The present Regulations shall enter into force on the date of their approval by the General Assembly.<sup>14</sup>

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<sup>13</sup> Resolution adopted at the 17<sup>th</sup> session of the General Assembly (A/RES/527(XVII)) (Cartagena de Indias, Colombia, 23-29 November 2007).

<sup>14</sup> Text adopted by the first General Assembly on 23 May 1975, and amended by the tenth General Assembly on 8 October 1993 (resolution A/RES/320(X)).

**Detailed Financial Provision VII****Auditing of Accounts**

- 7.01 According to the established procedure, the Assembly shall appoint two Auditors, who are nationals of member States and who perform the function of controlling public accounts in their home countries.

**Scope of audit**

- 7.02 Information regarded by the Secretary-General as privileged or classified as confidential, particularly the medical files or details of the private lives of officials, may be made available to the Auditors only if requested specifically for purposes of their control.



**ANNEXES TO THE FINANCIAL REGULATIONS  
OF THE WORLD TOURISM ORGANIZATION**

**A N N E X I<sup>15</sup>**

1. The Auditors shall perform jointly and severally the audit of the accounts of the Organization, including all Funds in Trust, in order to satisfy themselves:

- (a) that the financial statements are in accordance with the books and records of the Organization;
- (b) that the financial transactions reflected in the statements have been in accordance with the Rules and Regulations, the budgetary provisions and other applicable directives;
- (c) that the securities and moneys on deposit and on hand have been verified by certificates received direct from the Organization's depositaries or by actual count;
- (d) that the internal controls, including the internal audit, are adequate;
- (e) that the procedures satisfactory to the Auditors have been applied to the recording of all assets, liabilities, surpluses and deficits.

2. The Auditors shall be the sole judges as to the acceptance wholly or partly of certifications and representations by the Secretary-General and may proceed to such detailed examination and verification as they choose of all financial records, including those relating to supplies and equipment.

3. The Auditors shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the Auditors, necessary for the performance of the audit. The Auditors shall respect the confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit.

4. The Auditors shall have no power to disallow items in the accounts but shall draw to the attention of the Secretary-General for appropriate action any transaction concerning which they entertain doubt as to legality or propriety. Audit objections to these or any other transactions, arising during the examination of the accounts, shall be communicated immediately to the Secretary-General.

5. The Auditors shall express and sign an opinion in the following terms:

“We have examined the following appended financial statements, numbered ... to ..., properly identified, and relevant schedules of the World Tourism Organization for the year ended 31 December .... Our examination included a careful review of the accounting procedures and such test of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial transactions for the year, which transactions were in accordance with the Financial Regulations, the budgetary provisions and other applicable directives, and present fairly the financial position as at ....”

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<sup>15</sup> Document CE/55/4(c) (Manila, Philippines, 20-21 May 1997).

adding, should it be necessary:

“subject to the observations in our foregoing report”.

6. The report of the Auditors on the financial statements should mention:

- (a) the type and scope of their examination;
- (b) matters affecting the completeness or accuracy of the accounts including where appropriate:
  - (i) information necessary to the correct interpretation of the accounts;
  - (ii) any amounts which ought to have been received but which have not been brought to account;
  - (iii) any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;
  - (iv) expenditures not properly substantiated;
  - (v) whether proper books of accounts have been kept; where in the presentation of statements there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;
- (c) other matters which should be brought to the notice of the General Assembly, such as:
  - (i) cases of fraud or presumptive fraud;
  - (ii) wasteful or improper expenditure of the Organization's money or others assets (notwithstanding that the accounting for the transaction may be correct);
  - (iii) expenditure likely to commit the Organization to further outlay on a large scale;
  - (iv) any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;
  - (v) expenditure not in accordance with the intention of the General Assembly after making allowance for duly authorized transfers within the budget;
  - (vi) expenditure in excess of appropriations as amended by duly authorized transfers within the budget;
  - (vii) expenditure not in conformity with the relevant authorizations;

- (d) the accuracy or otherwise of the supplies and equipment records as determined by stock-taking and examination of the records;
- (e) if appropriate, transactions accounted for in a previous year concerning which further information has been obtained or transactions in a later year concerning which it seems desirable that the General Assembly should have early knowledge.

7. The Auditors may make such observations with respect to their findings resulting from the audit and such comments on the Secretary-General's financial report as they deem appropriate to the General Assembly or to the Secretary-General.

8. Whenever the scope of audit of the Auditors is restricted, or whenever the Auditors are unable to obtain sufficient evidence, they shall refer to the matter in their report, making clear the reasons for their comments and the effects on the financial position and the financial transactions as recorded.

9. In no case shall the Auditors include criticism in their report without first affording the Secretary-General an adequate opportunity of explanation on the matter under observation.



**ANNEX II<sup>16</sup>****FORMULA FOR FIXING THE CONTRIBUTIONS  
OF MEMBER STATES****GENERAL PRINCIPLES**

1. The principle that the budget shall be financed by Member's contributions and the method of calculating these contributions are set forth in paragraph 3 of the Financing Rules attached to the Statutes, which reads as follows:

“The budget shall be financed by the contributions of the Members according to a method of apportionment to be determined by the Assembly, based on the level of economic development of and the importance of international tourism in each country, and by other receipts of the Organization”.

2. The General Assembly adopts the formula for apportioning among the member States the amount of the expenditure financed by their contributions. The formula is based on the following principles:

(a) Capacity to pay

A member State's capacity to pay is evaluated on the basis of two economic factors, gross national product (GNP) adjusted according to the country's foreign debt and per capita gross national product (per capita GNP) and one technical factor, international tourism receipts (TR). These three factors are weighted according to the formula explained in paragraph 3 and thereafter.

(b) Maximum and minimum shares

The scale of shares is fixed from 5 per cent for member States that exceed 20 per cent of world GNP and from 3.20 per cent in decreasing order for the other member States that do not exceed the aforementioned limit.

The minimum share applicable to member States is 0.25 per cent of the budget.

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<sup>16</sup> Text adopted by the thirteenth General Assembly (A/RES/404(XIII)) (Santiago, Chile, 24-September – 1 October 1999).

## **CLASSIFICATION OF COUNTRIES ACCORDING TO THEIR CAPACITY TO PAY**

### **Reference Statistics**

3. The statistical data used to calculate the three factors mentioned in paragraph 2(a) above are as follows:

- for the economic factors: the data used by the United Nations to calculate the contributions of its member States;
- for the tourism factor: the data provided by the States Members of UNWTO or, failing that, obtained from the International Monetary Fund.

All three factors are based on the average data used by the United Nations to determine the economic factors. Any modification by the UN will be applied by UNWTO.

### **Deductions – Corrections**

4. These factors are then corrected, if necessary, by the following deductions:

(a) Per capita gross national product:

A deduction is made from the gross national product of each member State whose per capita gross national product is less than 4,318 US dollars. The difference between the per capita gross national product and 4,318 US dollars is expressed as a percentage of 4,318 US dollars, and 80 per cent of this percentage is deducted from the gross national product of the State in question for the purposes of calculating its aliquot share.

The reference threshold for per capita gross national product as well as the deduction percentage are those applied by the UN in calculating the contributions of its Members, and any modification decided by the UN will be applied by UNWTO.

(b) An additional deduction is applied to the economic factors and the technical factor of 50, 75 and 87.5 per cent in estimating the capacity to pay of States with small populations equal to or less than 1,000,000, equal to or less than 500,000 and equal to or less than 100,000, respectively; and

(c) A supplementary schedule of direct deductions is also applied to the contribution of the last group in the scale of contributions of 10, 20 and 25 per cent for countries with populations equal to or less than 1,000,000, 500,000 and 100,000, respectively and which are situated in the last group before introducing the schedule of deductions mentioned above.

5. For each of the three factors thus determined, the data of all the member States are multiplied by a corrective coefficient so as to bring their value proportionately in line with one million.

### Weighting coefficients

6. After applying the above deductions and corrections, the following weighting coefficients are applied to each of the factors:

GNP	70 %			
		80 %		
per capita GNP	10 %			
			20 %	
TR	20 %			100 %

7. A member State's capacity to pay is determined by the weighted sum total of the factors.

### Calculation of contributions

8. Once the weighted data of each Member State are obtained, in accordance with the results of applying the formula described in paragraphs 3 to 7, the total amount of the budget to be apportioned will be distributed among the member States classified in descending order into twelve groups.

9. The contributions of the Associate Members should be divided into two separate categories each being 10% lower than the contribution of the Full Members in groups 13 and 9 respectively.<sup>17</sup>

<sup>17</sup> Resolution adopted at the seventeenth General Assembly (A/RES/526(XVII)) (Cartagena de Indias, Colombia, 23 - 29 November 2007)





**A N N E X III****TO THE DETAILED FINANCIAL PROVISIONS****TRAVEL PROCEDURES ESTABLISHED  
IN ACCORDANCE WITH PROVISION 6.25**

The purpose of these Provisions is to update and unify the criteria and procedures applicable to the official travel of staff and consultants recruited by the Organization.

Throughout these Provisions, the term "officials" will comprise both the staff of the Organization and the consultants, unless otherwise indicated.

All official travel must be authorized by the Secretary-General or, in his absence, by the Deputy Secretary-General or, in the absence of both, by the official in charge of the Secretariat. Travel request forms should be filled in by the officials for their own or any consultant's travel with the following information and sent to the Travel Unit at least one week in advance.

**I. OFFICIAL TRAVEL REQUEST**

(1) In the Travel Authorization form, the following details should be given:

- Name of official
- Country of departure
- Purpose of travel
- Dates of official travel
- Proposed itinerary
- Leave during the mission, specifying the dates (if applicable)
- Specification of funding:
  - (1) for a mission relating to a UNDP project, the project number and budget line;
  - (2) for a mission chargeable to the UNWTO budget, the budgetary section and heading corresponding to the activity;
  - (3) indicate eventually if expenses are financed in full or in part by the organizers or by UNWTO.

**Remarks**

- (a) As a general procedure, all tickets will be acquired direct by the Travel Unit of UNWTO;
- (b) Exceptionally, an official may be authorized to buy his own ticket. If so, he should inform the Travel Unit of the cost of the ticket that he may buy himself so that the Travel Unit may compare it with the fare quoted by our travel agency, so as to fix the cost in the Travel Authorization form.

In any event, the amount reimbursed will be based on the cheapest fare. It should be recalled that, at the time of requesting such reimbursement, the used ticket or corresponding invoice should be handed in;

- (c) If an official wishes to undertake official travel by private motor car, he must seek the authorization of the Secretary-General and will be reimbursed on the basis of the equivalent of the cost of that journey by train (in first class), or by air, depending on the circumstances and at the rate of the cheapest fare.

## **II. DAILY SUBSISTENCE ALLOWANCE (PER DIEM)**

- (1) The daily subsistence allowance (per diem) is broken down as follows:
  - (i) 50 per cent for accommodation. If the government or host body provides free accommodation, the subsistence allowance will be reduced in the same percentage;
  - (ii) 30 per cent for meals (12% lunch, 12% dinner and 6% breakfast). The allowance will also be reduced if meals are provided free of charge in the same conditions as accommodation (see paragraph (i) above);
  - (iii) 20 per cent for miscellaneous expenses at the mission destination: taxi, bus, train and underground (subway) fares, telephone calls (local) and other incidental expenses;
- (2) In accordance with the rates established by the United Nations, the per diem is calculated on a twenty-four hour basis, account being taken of the nights spent away from home.
- (3) The per diem will be paid in the currency of the mission destination or in euros.
- (4) If outward and return travel is undertaken on the same day, without an overnight stay and with a mission duration of no less than ten hours, half the per diem will be paid.
- (5) No per diem will be payable for travel undertaken during home leave.

## **III. ACCOMODATION**

- (1) Staff is reminded that the per diem covers three- or four-star hotels and not luxury hotels. If it is however essential for an official to be accommodated in a luxury hotel, the Travel Unit should confirm in writing that there is no accommodation available in a three- or four-star hotel at the mission destination. This should be certified by the UNDP Resident Representative in the case of consultants. In these circumstances, UNWTO will defray the accommodation expenses and pay the official only 50 per cent of the per diem established by the United Nations.

- (2) Since during periods when fairs or exhibitions are being held in a city the hotel has to be paid in advance and no reimbursement is possible in the event of a change of dates, the definite dates should be carefully checked and determined by the official before the hotel reservation is made.

#### **IV. AIRPORT TRANSFER**

- (1) Transport expenses (US\$30)<sup>18</sup>, payable in advance for each leg of the journey, cover the costs of travel to and from the airport and to and from the hotel and are therefore added to the per diem. This amount may vary in the light of increasing taxi and public transport fares and the evolution of the US Dollar, Euro parity. For the transport of material at the mission destination, the reimbursement of expenses may be authorized (see paragraph XI (1)). If special circumstances dictate that more than three boxes of material have to be transported between the Organization's Headquarters and the airport or station, the UNWTO vehicle can be made available after consultation with Management.
- (2) If documents are transported and no MCO (ticket for excess baggage) is issued, it will be necessary to inform Administration so that it may authorize an advance to cover the cost of excess baggage.

#### **V. TYPES OF FARE**

- (1) In common with other specialised agencies, UNWTO is in practice authorising travel in business class for long distance (journeys exceeding 10 hours) missions. However, early booking is requested since negotiated (i.e. lower) business class fares are often available on routes such as the North Atlantic or Far East. However, consultants/external collaborators travelling on mission who will stay for more than 7 days at destination will normally be asked to travel in economy class.

In general, for travel not exceeding 10 hours<sup>19</sup>, economy class will be selected, unless it involves an overnight journey.

- (2) If an official wishes to travel in a class higher than economy, he may be permitted to do so by the Secretary-General or the Deputy Secretary-General provided he pays the difference in fare.

#### **VI. CHANGES IN TRAVEL**

- (1) Any changes should be announced in writing before undertaking travel. Changes will be admitted only if absolutely necessary and approved by the Secretary-General or Deputy Secretary-General or, in the absence of both, by the official in charge of the Secretariat.

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<sup>18</sup> Circular NS/616 of 22 December 2004. The indicated amount may be modified by the Secretary-General, if the need arises.

<sup>19</sup> Circular NS/616 of 22 December 2004.

- (2) On conclusion of an official mission, if any change has occurred in the travel arrangements owing to unforeseen circumstances, these changes should be indicated on the reverse side of the Travel Authorization form which, once approved by the responsible chief, should be sent to Administration not later than one week after the official's return.

## **VII. TIME ALLOWED FOR TRAVEL BY AIR**

- (1) Travel time is calculated on the basis of the most direct air route, and any additional time will be deducted from the official's annual leave or salary.

When an official has to travel by air on mission:

- (i) If the scheduled travel time is from ten to twelve hours, in normal circumstances the official will not be obliged to take up his duties in the twelve hours following his arrival.

If, after a stopover of not more than twelve hours, the duration of a journey is more than ten hours, the official will not have to assume his duties in the twelve hours following his arrival (half a day on the outward journey and half a day on the return journey). This will be applicable only if the duration of travel before the stopover exceeds ten hours.

- (ii) If the travel time exceeds twelve hours, in normal circumstances the official will not have to assume his duties in the twenty-four hours (one day) following his arrival at the mission destination.

- (iii) There will be no entitlement to a rest period for day-time travel lasting less than ten hours.

- (iv) If the rest period falls on a public holiday, a Saturday or a Sunday, the official will not be granted a compensatory working day off.

- (v) If an official is asked to travel on mission on a non-working day, he will not be granted any compensatory time off.

- (vi) For long journeys by air (ten to twelve hours), it will not be possible to be paid the per diem for an extra day in lieu of the rest day.

## **VIII. LEAVE DURING OFFICIAL MISSION**

- (1) If an official wishes to take leave during a mission, he should state the exact dates on the Travel Authorization form. Once the Travel Authorization is approved, the official should fill in his leave sheet, have it signed by his responsible chief and send it to Personnel Section before leaving on mission.

**IX. TRAVEL ON HOME LEAVE**

- (1) If an official is entitled to home leave under the provisions of Staff Rule 18(1), he should fill in the Request for Home Leave form, in addition to the Travel Authorization request, also specifying the exact dates, the means of transport to be used and the address and telephone number where he can be contacted. The official should pass this form, together with his leave sheet signed by his responsible chief, to Human Resources Section which will add its observations and refer it to the Secretary-General for approval.
- (2) The official will be entitled to payment of the travel expenses defined in Staff Rule 18(1).
- (3) Travel in connection with home leave will normally take place in the company of the family members of the official in respect of whom he is entitled to family allowances. Exceptionally, the Secretary-General may authorize one of the official's family members to travel separately.
- (4) The most direct and economical route must be used by the official travelling on home leave. The travel time allowed is one day for each outward and return journey of less than ten hours and two days for each outward and return journey of more than 10 hours. If, for the convenience of an official, the Secretary-General authorizes travel by private motor car or by sea, the travel rest period will be calculated on the basis of the most direct route by air or rail.
- (5) For journeys on home leave, neither the Secretary-General nor the Deputy Secretary-General may permit officials to travel in a superior class by air.

**X. TRAVEL TO AND FROM SCHOOL**

- (1) If an official receives an education grant under paragraph (d) of Staff Rules 13(6) because his child attends an educational institution outside the area of the duty station, he will be entitled, once every school year, to the payment of the child's return travel expenses between the educational institution and the duty station in accordance with paragraph (1) of the aforementioned Staff Rule and provided that the period between two official journeys chargeable to the Organization is not less than six months.

**XI. GENERAL**

- (1) Travel expenses

On the reverse side of the Travel Authorization and Expense Reimbursement Request form, the official should indicate in the Travel Expenses section, exceptional expenses not covered by the daily subsistence allowance, such as airport taxes, passport and visa fees, vaccination costs, taxi fares for the transport of heavy documents and material necessary for the mission, etc.

(2) Other expenses

If an official needs to use such means of communication as a fax, telex, telephone (inter-city and international calls), etc., he should provide Finance with the following information for the reimbursement of those expenses:

- name of the person contacted
- nature and object of the call
- original receipt/invoice

Any purchase made for work purposes during a mission and for which reimbursement is requested will, if approved, be considered the property of the Organization.

(3) End of official mission/reimbursement requests:

At the end of an official mission, regardless of whether or not reimbursement is requested, officials should hand in to the Finance Section the travel ticket and Travel Authorization form, after filling in the reverse side.

All reimbursement requests other than those normally covered by the per diem, should be accompanied by the corresponding receipts and vouchers and be authorized by the responsible chief. No reimbursement will be made for any expenditure if unaccompanied by the corresponding voucher and the Travel Authorization form duly completed on the reverse side.

On completion of an official mission financed by UNWTO, any unused part of the travel ticket should be returned to the Travel Unit which will arrange the corresponding reimbursement to the Organization.

- (4) No reservation or payment of per diem will be made unless the official travel request form has been properly filled in and approved by the Secretary-General
- (5) Travel Authorization forms should be drawn up in six copies: the original and one copy for the Finance Section, one copy for the Personnel Section, one copy for the official and two copies for the Travel Unit. This document constitutes a supporting document for the official enabling him to prove, if necessary, that he is on official mission in the countries indicated in the form. It is therefore recommended that no official should undertake a mission without that document.