
Executive Council

Ninetieth session
Mombasa, Kenya, 19-21 June 2011
Provisional agenda item 3

CE/90/3 Annex 2
Madrid, May 2011
Original: English

Report of the Secretary-General

Annex 2. Third draft of the White Paper

A reform process for a more relevant UNWTO

*A **White paper** is an authoritative report or guide that addresses issues and how to solve them. White papers are used to raise the awareness of readers about some issues and to help people and institutions to make decisions.*

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EXECUTIVE SUMMARY

This third draft of the White Paper (WP) responds to both, the commitment made by the Secretary-General and the request of the UNWTO governing organs to embark upon a reform process of the World Tourism Organization, so as to make it more relevant to members and more efficient in addressing the current and future tourism and global development challenges. It now takes into account comments and suggestions made by Member States of the Organization, all of which were consulted about the first draft, after it was submitted to the 88th session of the Executive Council in June 2010.

After analysing the evolution of the Organization in recent years, as well as its ability and shortcomings to respond to the new opportunities and challenges that the growth of tourism has brought to societies and their governments, the WP proposes a number of changes and possible adjustments to enhance its capacity and performance.

A first issue is the need to concentrate UNWTO's work on a few, high priority subjects of interest and relevance to most members, aiming at significant results in those areas, so as to strengthen its position as a leader in the global governance of tourism policy issues and to provide more meaningful, strategic services to members. Proposals are made to involve more strongly the members in the definition of priorities for the biennial programmes of work, giving to the Regional Commissions a new, more substantive role in the identification of regional priorities. In parallel, it is proposed to merge the Programme and the Budget & Finance Committees, for achieving more coherence in the allocation of resources to priority areas, and to fully refurbish the composition and way of operation of the technical committees. Five priority areas of work are detailed for the 2010-2011 biennium, already included in the current Programme of Work, and a proposal is made to start tackling, in an in-depth manner, three new areas: domestic tourism, employment in tourism and tourism governance issues.

Secondly, the WP makes proposals to strengthen the members' sense of ownership of the Organization, through changes in the contents and format of the General Assembly and Executive Council, and in all other meetings of its organs; through more frequent communications between the Secretariat and its members, using new, e-based mechanisms; through the designation of UNWTO Focal Points in each Member State; through the creation of a Management Committee as a subsidiary organ of the Executive Council, among others.

A third concern refers to technical cooperation activities, considered as a key mechanism to provide services to all Member States and not only to those in a developing stage. Expanding external funding sources is seen as crucial to provide these services, and proposals are made to involve members in the search of additional funds, in close coordination with the newly appointed Executive Director responsible for resource mobilisation. UNWTO's full insertion in the UN system, as well as the integration of tourism in wider national and regional sustainable development strategies, should be leveraged to facilitate fund-raising. Particular attention is given to the ST-EP Initiative, with proposals for increasing its poverty reduction impacts, expanding its sources of funding and better channelling its implementation and dissemination of its results.

The WP stresses the need for the Organization to multiply its partnerships with external institutions, within and outside the UN system, and especially with the private sector. This is seen as an effective tool to expand UNWTO's reach and sphere of influence, as well as a constructive potential way for increasing its resources. Affiliate membership is considered crucial for establishing more permanent partnerships with private and non-governmental stakeholders; given the wide variety and different interests of current and potential members, proposals are made to insert the Affiliate Members within UNWTO's regional working frameworks. Special attention is given to the academic sector, seen as key

to generate know-how; a proposal is made to create a Knowledge Network to serve as a kind of “think-tank” for the Organization and its members.

The WP proposes a dual system for constructing the supervision framework of the external entities, in particular, the timetables of actions and the objectives that are to support the policies undertaken and implemented by UNWTO. Following the practice of other UN bodies, it is proposed two categories of external entities: “controlled” and “non-controlled” entities, the former being full part of the Organization and in which the Secretary-General has full control, while the latter being under the responsibility of a totally external board or authority, with only some representation from UNWTO.

Finally, and in order to achieve the main objective of becoming a more relevant and efficient Organization, the WP proposes a number of changes in the Secretariat’s structure and management, some of which are currently being implemented. A key move from a department-based to a programme-based organizational structure is already helping to make a better use of human and financial resources, while providing a more integrated working framework that will, in addition, facilitate evaluation of results. Proposals are also made regarding staff recruitment, career development, travel expenses, intensive use of modern electronic media, administrative procedures, internal audit and a few other areas in order to raise efficiency and cut costs without reducing services to members.

Many of the White Paper’s proposals require decisions by the Executive Council and/or the General Assembly, while others are within the realm of decisions by the Secretary-General, but they are nevertheless submitted to members for their consideration and/or information.

PART ONE: INTRODUCTION AND BACKGROUND

1. INTRODUCTION

1. The present document is submitted by the Secretary-General of the World Tourism Organization (UNWTO) to the governing organs, following his commitment at the 85th session of the Executive Council (Bamako, May 2009) and in accordance with the resolution 571(XVIII)¹ adopted by the General Assembly during its eighteenth session (Astana, October 2009). Both governing organs agreed with the then newly elected Secretary-General that the Organization required some fundamental changes in the way it operates, including the thematic areas in which it works, its structure, its management and also in the way it interacts with Member States, external entities and non-governmental stakeholders in the tourism sector. These changes are required in order to cope with the substantial quantitative and qualitative changes that the tourism sector has gone through since the Organization was created, and to cope with the new challenges it faces.

2. Furthermore, at both sessions there was a generalised opinion that Member States should recover the sense of ownership of the Organization, by means of greater participation in the definition of the priority areas and fulfilling a more active role in all its organs and technical committees. There were also some recommendations from various ad-hoc working groups that had been created by the Executive Council regarding a number of issues, as well as a first report from the UN Joint Inspection Unit (JIU), containing some suggestions to better align the Organization with the rest of the United Nations system.

3. This second draft paper presented now by the Secretary-General to the Members of the Executive Council benefits from the comments made during the 88th session and from the comments received from some 20 Member States between June and August 2010; an additional 15 or so Members expressed, during the same period, their full agreement with the first draft. The current draft will allow the 89th session of the Council to continue the discussion leading to a consensus on a draft for its submission to the General Assembly in the fall 2011 in the Republic of Korea.

4. All these considerations, recommendations and Members' suggestions and opinions have been taken into account in preparing the present report. Its main objective is to steer open discussions among Members and with the Secretary-General about the changes needed in the Organization. **The White Paper is a "dialogue document"**, requiring Members to ponder carefully the considerations made in it and, whenever appropriate, to take the necessary decisions through its governing organs (General Assembly or Executive Council). This would allow the Secretary-General to proceed to undertake at least some of the changes the Organization needs during his term of office (2010-2013), in order to enhance the effectiveness and leadership of the Organization and, especially, the quality of the services it renders to its Member States. Other considerations and recommendations made in this report look into the longer term and will require more than a four-year term for their implementation, but they need to be envisaged and taken into account from now.

5. After this introduction, the First Part of the report provides a brief analysis of the evolution of tourism and of the Organization since its foundation in 1975, together with an identification of the main shortcomings it presents to respond adequately to the current and future challenges of the tourism sector worldwide and to the needs of its Members. The Second Part of the report contains proposals for

¹ "The General Assembly,

(...)

6. *Requests the Secretary-General to present to the eighty-eighth session of the Executive Council a white paper on the reform process he has proposed to undertake in the Secretariat, and to report on the progress achieved at its nineteenth session.*"

a gradual, yet unavoidable reform of the Organization to overcome the shortcomings identified and boost its stature and international relevance.

2. THE EVOLUTION OF TOURISM

6. At the time the World Tourism Organization was founded in 1975, the tourism industry was only beginning to emerge as an important economic sector. In that year, there were 222 million international tourist arrivals, and 75 per cent of these arrivals were concentrated in only 15 countries, almost all from the developed world.

7. Currently, tourism is recognized to be a major economic and social activity in most countries; international tourist arrivals have more than quadrupled since 1975 and will soon reach 1 billion; international tourism receipts rose from a modest US\$ 40 billion in 1975 to US\$ 944 billion in 2008, representing now a significant proportion of international trade in services; the contribution of tourism to GDP is now measurable and it reaches substantive percentage points in a number of developed and developing countries alike. In employment terms, tourism has been lately one of the few sectors in the economies of many countries which has offered the opportunity of creating new jobs, especially for women and young people, for a wide range of skills and at all levels, and for promoting entrepreneurial capabilities through the creation of small and micro enterprises; the growth rate of tourism employment creation in the OECD countries, for instance, has been double that of the economy as a whole during the first decade of the current century.

8. In developed countries tourism is now accessible to all layers of population thanks to a significant reduction in its relative costs. Developing and least developed countries on their part attract today nearly 50 per cent of total international tourist arrivals, against less than 20% in 1975, and in many of them tourism has become the main source of foreign exchange earnings and a key sector in terms of employment. Indeed, it is now widely recognised that tourism is the only service industry in which developing and least developed countries enjoy a comparative advantage. The so-called emerging economies have become major tourist-generating countries too, and their share in international tourism is growing, attracting the attention of many destinations.

9. In parallel to all these important quantitative changes in the international tourism scene, other fundamental shifts have taken place since the UNWTO was created 35 years ago. The main changes refer to the following aspects:

- a) the wide range of environmental and socio-cultural impacts of tourism, both positive and negative, that are now fully recognized but not sufficiently dealt with, and the need to master such impacts;
- b) the growing awareness about the numerous linkages of tourism with other economic and human activities, and the concerted effort to stimulate the positive linkages through the supply chain in the local economy of destinations, and to arrest or reduce the leakages;
- c) the need to fully integrate tourism in the national and local development strategies in order to ensure that tourism does play a meaningful role in the overall socio-economic development process of nations and destinations;
- d) more globally, the awareness of the contribution that tourism can and must make to address some global challenges, such as the MDGs, the reduction of poverty and the protection of the environment;

- e) the growing significance of domestic tourism in both developed and developing countries, and the acknowledgement by governments of the need to have specific policies for it given its economic and social importance; and
- f) the recognition of the vulnerability of tourism activities and of tourism stakeholders - including those employed in the industry and the populations of host destinations-, and the resulting need to prepare destinations to face, and if possible prevent external threats in the most effective manner.

10. Briefly stated, there is now a global understanding of **the need to balance short-term market challenges with long-term sustainable development principles**, and that this need should become **an integral part of global and national tourism policies** and strategies.

3. THE ORGANIZATION OF UNWTO: HISTORICAL BACKGROUND AND CURRENT SITUATION

11. The above changes, which are of a quantitative and a qualitative nature at the same time, have led the Organization to widen and deepen its fields of action, both geographically and thematically. The **geographical expansion** is reflected in the number of UNWTO Member States, which has grown from 84 in 1975 to 154 in 2010. The intensity of UNWTO field activities throughout the world is evident, with many more technical missions and capacity building activities being conducted every week by UNWTO officials or experts in the territories of Member States.

12. The **thematic expansion** of the Organization, which can also be considered as a change in its fundamental roles, has taken place mainly to respond to two main issues: on the one hand, the fresh and diversified needs of Member States and the industry as a whole, as described above, and on the other, the imperative challenges of our times, as embraced by the United Nations. Thus, at the beginning of the Organization's life the work of the Secretariat concentrated basically in the definition and harmonization of tourism terms and concepts, in setting up statistical bases, and in collecting budgetary, legal and promotional material from its members. Technical cooperation activities started a few years later and were limited and funded by UNDP alone.

13. The range of UNWTO's activities today is much wider and has become much more complex than 35, 20 or even 10 years ago. Issues such as the sustainability of the tourism industry, the contribution of tourism to sustainable development, the development of cultural, nature and other special interest tourism, tourism ethics, crisis management, climate change, poverty alleviation, communications, destination management, applications of ICT to tourism including e-tourism, media relations and several others have been added without much discussion to the workload of the Secretariat in response to Members' needs and requests.

14. In spite of this two-sided expansion, the basic means of the Organization to undertake its activities and to serve its members have remained somehow stable, if not stagnant, in terms of both, human and financial resources. Therefore, this reflects an undeniable increase in staff productivity, partly thanks to the introduction of new technologies, but also through the hiring of better qualified and dedicated staff. There has also been an increase in extra-budgetary funds through voluntary contributions by Members and through the accession to multi-lateral and bi-lateral funding sources other than UNDP, which has allowed multiplying field activities and development assistance projects in a significant manner; the scope for a further increase in non-regular funds is, however, still large, as discussed later in this document.

15. Notwithstanding both these factors –productivity increases and additional extra-budgetary funds- it has to be recognized that the shortage of resources has not enabled the Organization to tackle appropriately a number of challenges faced by the tourism sector, worldwide and in each Member State.

Although as far as international tourism policy issues are concerned, UNWTO has become the leading world-wide organization with high competence, there are however some weak points that show that efficiency and relevance of UNWTO in terms of national policy issues can and should still be improved in a substantial way.

16. Similarly, the governance, structure and decision-making processes of the Organization and its Secretariat have not been significantly modified or adapted to better respond to the growth in membership, to respond to all types of Member States irrespective of their development level, to really integrate the private and other non-governmental sectors through Affiliate membership, or to deal efficiently with the new tasks and demands that the rapid evolution of the tourism sector requires.

17. As far as the governing bodies are concerned, their basic roles and ways of functioning have not been altered since the foundation of WTO 35 years ago. As a result, a number of its technical committees have lost their original purpose and function, and they do not seem to deliver any significant outputs of relevance to the Organization or its Members; or at least this is the feeling that most Members get from some of these committees. In parallel, it has become customary for the Executive Council or the General Assembly to create short term working groups or task forces to consider specific issues, practice that quite often duplicates the work of other bodies, or become their substitute. Furthermore, this practice multiplies the number of meetings and further raises the operational costs for both, the Organization and its Members.

18. A series of small structural adjustments have been introduced in the Secretariat throughout the years, resulting basically in the creation of new departments or units handling new topical areas of concern, such as quality, crisis management, destination management, ethics, biodiversity and others, some of which have not survived more than a few years. Such changes have been generally done without a comprehensive analysis of members' needs and priorities, without a clear reporting line or a clear linkage to existing units, and without equipping these new units with the necessary staff and resources to perform their tasks effectively. Indeed, many of such new "thematic units" are composed of one professional staff and one administrative assistant and are allocated an annual budget which does not permit to undertake any meaningful task.

19. Considerable efforts have been made during the last few years to improve this unwanted situation, as requested repeatedly by several governing organs (Programme Committee, Executive Council and General Assembly) and some progress has been achieved. Yet, the management structure of the Secretariat as of end-2009 was still prone to the frequent appearance of "independent" units with, as a result, a disintegration of its work, to the detriment of effectiveness, leadership and quality of services to Members.

PART TWO: CHALLENGES, CHANGES AND PROPOSALS

4. KEY QUESTIONS AND ISSUES

20. In the light of the experience observed over the last few years and the developments summarized above, it is timely and legitimate to ask a number of questions and, subsequently, to embark in a **gradual but determined reform process in order to bring the Organization into a new stage of real worldwide leadership, and increased effectiveness in terms of the services it delivers to its Members**. Only thus it would be relevant and meaningful for nations and states to become and remain as Members of UNWTO, and to other partners to be associated with the Organization. These concerns can be expressed through the following questions

- What is the fundamental mission of UNWTO?
- Are the current areas of work of the Organization those that should receive the highest priority during the current decade? How should these priorities be established and by who?
- Is the department/unit system the best possible way to organise and structure the work of the UNWTO Secretariat?
- Instead, should the Secretariat work on the basis of programmes and projects, with a more flexible allocation of staff and funds according to the priorities agreed by the governing organs?
- How should the Organization increase its resources without necessarily raise the level of members' contributions?
- What type of interaction should UNWTO establish with the private sector and other external partners in order to strengthen its leadership and improve the services it provides to members?
- How can UNWTO expand its technical cooperation activities and services in order to tailor its responses to the specific needs of individual Member States, taking into account the different stages of tourism development in which they are?
- How should the management architecture of the Secretariat look like to ensure a coherent, coordinated operation and increase effectiveness?

21. In the following pages, the Secretary-General attempts to respond to these questions, proposes solutions and/or provides the elements for Members to take the necessary decisions.

5. UNWTO MISSION AND RELEVANCE

22. The World Tourism Organization is an intergovernmental body, fully integrated into the United Nations system as one of its specialized agencies, with a "central and decisive role in tourism issues". Article 3 of the statutes of UNWTO clearly state that:

"1. The fundamental aim of the Organization shall be the promotion and development of tourism with a view to contributing to economic development, international understanding, peace, prosperity, and universal respect for, and observance of, human rights and fundamental freedoms

for all without distinction as to race, sex, language or religion. The Organization shall take all appropriate actions to attain this objective.

2. In pursuing this aim, the Organization shall pay particular attention to the interests of the developing countries in the field of tourism”.

23. The continuous validity of this foundational aim is beyond discussion.

24. Given the nature of the tourism sector, especially its disaggregated, multi-industry structure and the way it is generally handled by and within governments, the mission of the World Tourism Organization is double:

1. **To provide leadership to the sector**, including its public and private stakeholders, serving as a global tourism policy forum and a practical source of tourism knowledge and awareness raising. This leadership can be gained through the timely and continuous provision of accurate, solid, reliable and undisputable statistical data on tourism, suitably broken down, so as to serve Members and the industry as a whole; leadership can and should also be gained through the provision of well-conceived guidelines for tourism policy definition by governments, as well as visions on the future likely developments of tourism and the challenges it will have to face; and

2. **To provide services to its Members** in order to help them develop and manage tourism in the most sustainable and competitive manner. In this respect, the Organization will adopt the philosophy of “Members First” and the culture of “Member-care”. Among the services that UNWTO should provide, is assistance to its governmental Members, States and Associates, (Ministries of Tourism, NTOs or NTAs), as well as to Affiliate Members, to raise the profile of tourism within governments, i.e. to give them “leadership tools”.

25. The insertion of the Organization in the United Nations system, carefully decided by its Members at the beginning of the century and cautiously negotiated, is also meant to serve this double mission. **Within the UN**, the tourism sector is now more widely recognised as an important social and economic activity by the international community; a sector that helps to achieve the Millennium Development Goals. **Through the UN**, the Organization is now better equipped to raise its voice in favour of tourism, better able to establish cooperation with other agencies, and should also be better able to raise more resources to assist its Members.

26. The UNWTO at the present time, as the leading global tourism organization, should provide leadership, support and added value to its Member States and Affiliate Members in order to help them better navigate through the current difficult times, but without losing perspective of the long-term challenges, especially in relation to the reduction of inequalities through tourism and its contribution to the MDGs. This is clearly a responsibility that the UNWTO must continue to assume and to which it must commit itself, particularly at this important crossroads, when public funding is scarce.

27. The UNWTO must also continue to highlight the importance of tourism in today’s global and national development agendas, still an ongoing challenge. The Organization should fully embrace the Millennium Development Goals and demonstrate, through concrete examples of good practice, policy orientations and hard data, how tourism can and does contribute to their achievement.

28. To achieve this leadership role –and to be recognised as a leader by the international community and the tourism industry- **the Organization must become more relevant**. This means that the Organization should be able to foresee and address the major issues and challenges that the tourism sector is likely to confront in the next decade and beyond. While Tourism will keep on growing in

terms of both demand and supply, the sector needs to be fully recognised as a socio-economic activity that is crucial to many stakeholders in society. As such, any hindrance to its continued expansion, coming from natural or man-made disasters as it has been the case in recent years, or as a result of inadequate policy decisions, may put at risk its development and long term sustainability. In parallel, UNWTO should be able to take a role in neutralizing the negative issues that fall upon a destination or a country, as well as those countries affected by travel advisories.

29. The issues affecting tourism growth, competitiveness and sustainability have switched and will continue to change over time. Currently, the major issues are how to respond to pronounced market volatility, crises of all kind and climate change. Addressing such issues needs governments, the private sector and civil society to analyze, discuss, agree and respond; UNWTO can convene all these stakeholders and play a vital, leading role in this process at a regional and global levels.

30. UNWTO must, in collaboration with Members, show the way towards a sustainable tourism sector. It must demonstrate that the work it carries out and its outputs –tourism policy guidelines, technical recommendations, ethical principles, methodological approaches, education, capacity building and training methods, statistical and market information, standard setting, etc.- do make a difference to the way in which tourism policies are established by governments in consultation with all relevant stakeholders; to the way in which national and local authorities develop their tourism infrastructure; to the way in which the private sector takes its tourism investment decisions and operates their businesses; to the way in which destinations manage their tourism operations; and, last but not least, to the way in which host communities benefit from tourism in their daily lives.

31. The relevance of the Organization will also be strengthened when some key nations, - such as the United States of America, the United Kingdom, Ireland, New Zealand, Sweden, Denmark, Finland, the United Arab Emirates, several Caribbean island states, among others- now absent in the membership, decide to join UNWTO, so that they participate in the global tourism debate with their governmental pairs from the rest of the world, and that they contribute with their knowledge and expertise to advance the cause of tourism. As a first step, a thorough understanding of the reasons why these nations withdrew from or have never joined UNWTO is needed. Current Member States should join efforts with the Secretary-General in this exercise and in approaching some key governments in order to attract them to UNWTO.

6. LINES OF ACTION TO BE PURSUED WITHIN THE ORGANIZATION

32. As stated above, the wide range of impacts, positive and negative, that tourism has on societies and their development is now widely acknowledged. Foreseeing, quantifying and understanding the likely implications of the impacts of tourism on the national and local economies, on the natural and cultural environments, and on the social fabric of communities is an essential preoccupation and responsibility of governments. Tourism cannot be responsibly promoted and sustainably developed if governments ignore the outcomes that will likely result from it, or if they only know some of these potential and actual results and prefer to overlook those of a negative sign.

33. The World Tourism Organization should play a leading and at the same time truthful role in this respect. This should be done, firstly, through the development of methodologies, policy guidelines and analytical tools and techniques that allow governments to **foresee, quantify and understand current and future tourism trends, development opportunities and likely impacts** of all nature and sign. These should be the bases for formulating public policies in tourism.

34. Secondly, UNWTO should assist its Members by providing them with tourism policy guidelines, orientations and methodologies, as well as specific advice for the application of such guidelines and related methodologies to their particular situation and circumstances, at the regional and sub-regional

levels, as well as at the national and local levels through its technical cooperation activities. All types of governmental members ought to be able to benefit from this type of services, irrespective of whether they are developed, developing, transition or least developed economies; the source of funding for the services to be provided will clearly be different in each case, matter that is dealt with later in this document.

35. In this broad area of forecasting, quantifying and understanding tourism impacts, the two main objectives of **increasing competitiveness and ensuring sustainability** ought to be the guiding principles according to the following considerations:

1. **Sustainability of tourism**, from the environmental, social, economic and cultural points of view. The tourism industry is likely to be the subject of further pressures, criticism, tighter restrictions and increased taxation as a result of a number of environmental and security concerns. UNWTO should strengthen its work in promoting sustainable forms of tourism, including aspects such as: a) conservation of biodiversity through tourism; b) reducing tourism's carbon footprint; c) contribution of tourism to the conservation of the built cultural heritage and the preservation of intangible cultural traditions, including a comprehensive understanding of the relationship between tourism and culture; d) contribution to poverty alleviation and other Millennium Development Goals; e) further development of the concept and practice of "fair trade in tourism"; f) equitable distribution of the economic benefits of tourism, among others, so as to ensure tourism is recognised in its full potential and that it is not unfairly punished or overtaxed. The insertion of tourism within the current Green Economy Initiative of the United Nations is part of this priority area, as is the translation of the spirit and contents of the Global Code of Ethics into an elaborated framework of tourism public policies.
2. **Market trends and forecasting** for the short, medium and very long terms; UNWTO's research and forecasting exercises should identify evolving consumers' preferences, motivations and behaviour, distinguishing between domestic and international tourist movements, helping its Members to target the right market segments and enhance the efficiency of their marketing efforts.
3. **Destination management and marketing** techniques, including the application of new information and communication technologies and the development of benchmarks to allow Members to manage tourism in a more sustainable manner, to ensure a high degree of competitiveness, to measure the effectiveness of their promotional actions, among others. Different types of destinations can be examined here, such as ecotourism, mountain, beach, urban, business, religious or rural tourism, and several others, each presenting different challenges.
4. **Quality, safety and security** aspects of tourism. The frequent threats to which tourism is subject make it necessary to address these issues, which are of increased concern to Members and the general public alike; this area includes the development and dissemination of risk and crisis management techniques and guidelines for Members to develop their own National Tourism Safety and Security Plans. In this area, the issue of consumer protection needs to be addressed, probably as part of a wider effort for the implementation and full application of the Global Code of Ethics for Tourism. The Organization should also provide specific methodological guidance and establish international standards regarding security systems in tourist destinations and facilities.
5. **Economic dimension of tourism**, including its contribution to GDP through the application of the Tourism Satellite Account methodology at both, the national and the local level, as

well as tourism's contribution to employment creation and to the balance of payments. Linked to this, is the issue of liberalization of trade in services, in which negotiations led by the World Trade Organization, UNWTO should be able to play a role.

36. Three areas deserve special attention, especially because they have not been in the mainstream of UNWTO activities so far, and because they are now widely demanded by Member States; these are:

6. **Domestic tourism**, which has apparently been growing faster than international tourism and in many developed countries it has greater significance for economic growth and job creation than inbound tourism; it plays a particularly important role in times of crisis and serves also to spread the benefits of tourism to rural or depressed areas in many countries. This area of work should include the development of appropriate statistical and econometric tools for its measurement in each and every country with similar methodologies so as to make the results comparable; it should also include guidelines for the development, marketing and promotion of social forms of domestic tourism;
7. **Employment in tourism**, given the high labour-intensive character of the tourism industries and the priority granted by governments to employment creation.

In these two areas, the Secretariat has already started to design the corresponding pre-programmes for possible implementation as from 2011. And finally:

8. **Governance in tourism**, including the different levels of public administration and their relationships with the private sector and other stakeholders, at both the national and local destination levels. This area should also include global tourism policy issues, institutional and legislative aspects.

37. The challenge of achieving greater integration and involvement with other global and regional partners is not only essential in addressing the sustainability and competitiveness concerns of tourism; it is also important in raising awareness about the potential contribution of tourism to the global sustainable development agenda. In particular, more efforts must be made by UNWTO to link tourism to the Millennium Development Goals.

7. HOW AND WHO SHOULD ESTABLISH THE PRIORITY AREAS OF WORK

38. It is clear that, with the financial and human resources made available to the Secretariat at the present time, it is impossible to tackle –in a serious, results-oriented manner- all these and future areas at the same time and with the same depth. If a full, all-purpose agenda of work is adopted, without any prioritisation, a dispersion of resources and efforts can occur and has indeed occurred, with the result that quite often the outputs achieved are rather shallow, do not make a difference to Members and are not sufficiently strong to provide the Organization with a distinguishable seal of relevance. There is a need, therefore, to establish a balance between needs and ambitions on the one hand, and resources availability on the other; this means establishing priorities.

39. There have certainly been important, ground-breaking contributions of UNWTO to the international community throughout its 35 years of life, such as the normalization of terms and criteria for collecting tourism statistics, elaboration and approval of the Global Code of Ethics, the Tourism Satellite Account, the sustainability guidelines and indicators, and a few others; but they have been the exception rather than the rule.

40. Most Members surely understand the major challenge of having to select priority areas and omit some other areas for the sake of efficiency; this has indeed been recognised by the Programme

Committee and the Executive Council in recent years, recommending a reduction in the number of areas of work. But only some Members seem to be prepared for the Organization to abandon the wide range of areas of work that have been added up over the years and that characterise the work of the Secretariat at the present time; and every year, new concerns and challenges appear and are put on the table by some Members. Legitimately perhaps, a good number of Member States expect the UNWTO Secretariat to respond to all types of needs they may have, and ideally that such responses are tailored to their specific situation; as legitimate as that might be, UNWTO is not in a position to respond to such expectations.

41. Members definitely have to be in a better position to decide on the priority issues for any two-year period. They have to be able to select -from among proposals made to them by the Secretariat and the Programme Committee among others- the areas in which they would like the Organization to concentrate its work and produce significant results, rather than navigate shallowly in all areas without making any relevant progress in any of them. And once this selection is made, Members have to be consistent with it and avoid fresh requests in non-priority, non-programme areas, except when extraordinary and unforeseen circumstances occur. In other words, defining priorities also requires determining “posteriorities” and to accept the exclusion of the latter from the work programme.

42. The relationship that has developed throughout the years between the UNWTO Secretariat and Member States may have resulted in an over-dependency on the Secretariat in defining objectives and providing direction. While this may be seen as a proof of the effectiveness of the Secretariat, it carries with it the serious risk of weakening the involvement and thus, the sense of ownership on the part of the Member States.

43. This situation is also reflected in the rather weak role played by the **Technical Committees and the Regional Commissions** in the formulation of the Programme of Work for each biennium and in the activities of the Organization in general. Some progress was achieved during the last few years in involving members in the programme formulation process, especially with the Programme Committee playing a more active role in defining priorities, together with an intensive consultation process with Member States, Associate and Affiliate Members. These consultation mechanisms should be enhanced by giving to the Regional Commissions and to the Technical Committees more substantive tasks and responsibilities, including formal attributions to identify priority needs and to propose concrete activities for the Organization to undertake in each biennium in their respective region or area of work. In particular, Regional Commissions should identify aspirations and needs of Member States in their respective regions and define suitable programmes to respond to such needs.

44. The meetings of the Regional Commissions must be structured in such a way so as to serve, firstly, as a decisive venue and opportunity in the definition of the region’s priority needs for the following biennium; secondly, to develop regional cooperation networks for the permanent exchange of data, experiences and best practices among Members in that region; and thirdly, to identify potential sources of additional funding at the regional level to widen the UNWTO agenda of work in that region.

45. Additionally, it is proposed that the Chairs of the Regional Commissions maintain regular exchanges, including annual meetings –in Madrid and/or in the venue of the General Assembly- with a view to coordinating and agreeing on the main lines and orientations of the Programme of Work; the proceedings of such meetings should be reported by the corresponding Chair at each Regional Commission meeting. The Chairperson of each Regional Commission should endeavour to strengthen the links and communications between the Secretariat and all Member States in his/her region in connection with all issues, and especially in what refers to technical assistance.

46. The **Programme Committee** on its part is called to define a more rigorous process for the formulation of the next and future Programmes of Work. In doing this, the Committee should of course

take into account the regional variations that exist in terms of tourism development and level of expectations of members in each region, but making it clear that it is impossible to satisfy all needs of all members or regions in any two-year period. The Programme Committee should also ensure that the various Technical Committees are fully involved in the programme formulation process, by providing them with clear instructions and deadlines, and then by adequately prioritising and coordinating the proposals they submit, and establishing the necessary linkages between them. Only thus the Programme Committee will be in a position to produce a coherent programme. The option of formulating a four-year instead of a two-year Programme of Work should also be considered, but taking into account the need not to constrain a newly elected Secretary General for his/her entire 4-year term.

47. The work of the **Programme Committee** should be integrated with that of the **Committee on Budget and Finance**; indeed, it seems advisable that these two committees be merged into one, so as to ensure that there is consistency between the programme priorities established by the former and the budgetary and resource allocations made by the latter. Furthermore, these two committees are subsidiary organs of the Executive Council, and it would seem appropriate that, to further strengthen the role of the proposed merged **Programme and Budget Committee**, its members be appointed by the Council ideally from among its members or from the proposals the Council receives from the Regional Commissions, so that its mandate comes from the top governing organ, its composition is regionally balanced and the reporting line is clearer. What seems essential, in any case, is that the Programme and Budget Committee a) is made up of recognised, knowledgeable and experienced people, and b) receives its mandate from, and reports to the Executive Council.

48. The so-called **Technical Committees** (e.g. statistics, sustainable development, marketing, etc.) should become more active in defining a concrete agenda, in identifying issues and priorities for the UNWTO Programme of Work, and in validating the results of the Secretariat's work in their respective programme areas. One way of achieving this is by working on the basis of technical networks, with specialised experts and representatives of other relevant organizations, appointed to serve as advisors in each committee, as is the current case in the Statistics Committee. These networks, including representatives from all regions and from Affiliate Members, could operate more frequently than the actual meetings of the committee as it is the case now; for this, a more intensive use ought to be made of modern, electronic communication techniques.

49. A special mention deserves the **World Committee on Tourism Ethics**, which is a subsidiary organ of the General Assembly. This Committee is called to play a key role not only within UNWTO but also in world tourism; yet, it is clear that this has not been the case so far, 10 years after the approval of the Global Code of Ethics for Tourism and the constitution of the Committee. The Executive Council is, therefore, called to re-examine the way in which the Committee has been functioning and to subsequently propose to the General Assembly whatever necessary changes in its format, composition and methods of work, so that Members and the international community can appreciate the practical value of the Global Code. Concerning its membership, one possible option is to eliminate the distinction between effective and alternate members, so that there are greater inputs from all of them. Also, further use should be made of e-communications, so as to ensure continuity between formal working sessions.

50. The Committee should engage in the elaboration of proposals on ethics-related issues that have been prioritised by the Executive Council. It could further issue specific codes in connection with consumers rights and their protection, or with business protection, or with the safeguard of cultural heritage, or with workers rights, etc. Any new specific codes that the Committee issues as a result of the new directions it takes should, in any case, be properly discussed at all Regional Commission meetings and finally approved at the General Assembly; this would guarantee their wider acceptance by Members.

51. The Education and Science Council, made up by Affiliate Members coming from the academic world, is being transformed into a **UNWTO Knowledge Network**, as a special programme under the direct supervision of the Secretary-General. Its role will be to develop and manage a worldwide network of UNWTO tourism Think Tanks, setting research and knowledge management standards on tourism information, policy and governance. The work of the Knowledge Network will be complementary to that of the Themis Foundation, which has become the Education Programme of the Secretariat.

52. In **fulfilling its leadership role**, the Organization should lead the way in terms of identifying fresh and forthcoming areas of concern for governments and for the tourism industry. The Secretariat can and should play a technical guidance role in this respect, but the Members should eventually decide, on the basis of proposals made to them by the Secretariat and the various committees. Once the areas of concern are adopted as a priority, the Secretariat should initiate work in such areas, with its own professional staff and drawing upon research and academic institutions associated with UNWTO in the Knowledge Network, as well as upon other UN and international organizations through working partnerships. The private sector affiliated to UNWTO should also be called to contribute with its expertise to the priority work decided for each biennial Programme. The leadership of UNWTO will be strengthened if the Organization is able to convene all relevant partners in a cooperative, common endeavour that will result in real progress for the global tourism agenda.

53. In **fulfilling its role of providing services to Members**, the Organization should certainly give policy orientations and methodological guidelines, for each Member State to become capable of addressing these new issues and concerns in their own country in an effective, yet autonomous manner. But UNWTO cannot and is not in a position to adopt a paternalistic attitude and take full, long-term responsibility for actually addressing all its members' tourism development and management challenges. This would be contrary to the widely accepted principles of building consensus and reinforcing the capacity of governments for them to take their country's future in their own hands.

8. A RELEVANT ORGANIZATION OWNED BY ITS MEMBERS

54. The sense of ownership of the Organization on the part of Member States and Associate Members needs to be strengthened. Currently, there is a shortfall of inputs from Members for identifying priority needs, for determining the corresponding programmes to respond to those needs and for deciding on other important matters. Some proposals have been made above in this respect.

55. In addition to playing a stronger role in defining the priority areas of work, Members are called to strengthen their involvement in deciding the future of the Organization. A specific element in this respect refers to the role Members play at the **General Assembly**, probably due to its format and the way in which it is structured. The Assembly should gradually become **the summit of the tourism industry** worldwide; it should be an occasion when all tourism public and private sector leaders meet to examine current challenges, with a focus on tourism policy issues, and to debate, exchange views and agree on guidelines for governments to design policies and strategies to face those challenges and the future of tourism.

56. The sessions of the General Assembly in their current format reveal also a degree of disappointment and detachment from some Members. Consideration is being given to simplify the General Assembly's agenda, providing it with a clear focus at each session, and devoting more time to tourism policy issues that are of interest to Ministers and other senior government officials, and to members in general, rather than to procedural matters. All the latter aspects, as well as the approval of Affiliate members' candidatures, administrative, financial and other routine matters should be reserved to the extent possible for the Executive Council. Additionally, a more intelligent use should be made of the opportunity given by the General Assembly for networking among different tourism stakeholders.

57. The Secretariat, in consultation with the Executive Council, should prepare and present a technical report on a major policy issue at each Assembly meeting, and the debates would turn around this issue. A shorter part of each General Assembly session would deal, in a more expeditious manner than at present, with all the internal administrative and financial UNWTO matters, as stipulated in the statutes of the Organization. It is clear that these matters are not sufficiently strong to motivate the presence of all tourism leaders; therefore, they should not become the central issue for discussion at the Assembly.

58. The **Executive Council** should also become more active in its role as a key governing organ. It has already been proposed that it should designate, ideally from among its members but also in a regionally balanced fashion, the people who will constitute the all-important Programme and Budget Committee. It is also proposed that the Council establishes a **Management Committee**, -made up possibly by its Chair and two Vice-Chairs- to join the Senior Management Team of the Secretariat as and when needed; its role would be to help the Secretary General in making key management decisions, as well as to facilitate the understanding and coherence between decisions taken by the Council and the corresponding actions taken by the Secretary-General.

59. The sense of ownership would also be reinforced if Members are more strongly involved in the drafting of decisions and resolutions to be adopted by the Executive Council and the General Assembly, respectively. In line with the recommendations made by the JIU, there is a need for greater discussion, involvement and debate among Member States in relation with decisions and resolutions. The Secretariat should be there only to facilitate, propose language and help to reach consensus on decisions and resolutions.

60. Measures are already being taken to improve on this matter, with the regionally appointed Vice-chairs of the XVIII General Assembly session becoming fully involved in drafting resolutions, and with drafts being submitted to all Member States in advance of the session in which resolutions were to be approved. This will be strengthened in forthcoming sessions, while a further initiative should be considered, which is to give a greater role to the Technical Committees in drafting resolutions referring to themes of their competence.

61. One of the reasons behind the lack of a sense of ownership has been an ineffective system of communications between the Secretariat and its Members, which operates poorly both ways. Special efforts will be made by the Secretary-General in the current term to **enhance and ensure permanent communication with the Members**, as the basis for fruitful cooperation and relationships. This should serve to, among others, better identify Members' needs, raise the Secretariat's capacity to respond to such needs, and further stimulate the dissemination of the Secretariat's technical outputs and results and their use by Members.

62. One of the Executive Directors in the new Management Structure has been given specific responsibility for enhancing relationships with Members. This will include more frequent communications at top level, the creation of a database with information on each Member State, and the production of an authoritative "**Country Factsheet**" with key indicators (e.g. tourism data and policy information, economic data) for each Member State and Associate Member, to be continuously and periodically updated. A "**Regional Report**" will be issued every four months to inform Members and staff about the activities carried out by the Secretariat in each region during the previous period, and those planned for the forthcoming four months; if possible, these reports should include recent performance and forecast information regarding markets of interest for each region.

63. Furthermore, under the guidance of another Executive Director, ICT and electronic communications systems at the Secretariat are being substantially improved for, among other purposes, enhancing the frequency, quality and contents in the relationships and contacts with and among

members, and improving the contents, appearance and ease-of-use of the Organization's website. In addition, an innovative **UNWTO Web-Platform** is being developed to facilitate communications between Members and the Secretariat, among Members, and more widely among a larger but select group of tourism stakeholders. The Web-Platform will include, in a user-friendly manner information on the activities –major events, published studies, reports, projects, etc.- of main public and private actors and stakeholders of the tourism industry worldwide.

64. Additionally, and in order to strengthen communications with members, the Secretary-General will formally request all Member States and Associate Members to designate an official in their Ministry or NTA to act as **UNWTO Focal Point**, with clearly defined roles and responsibilities. This person, normally a government official, would be responsible for maintaining regular contact with the corresponding Regional Director at the Secretariat, in order to be informed of new developments and activities, of progress on programmes and projects being undertaken, and of any other matter of interest to members. In turn, the Focal Point, together with the country's designated diplomatic representative in Madrid, would take responsibility for informing his/her Minister and Ministry or NTA colleagues about relevant UNWTO issues and, if pertinent, convey to the Secretariat any feedback or comment. The national Focal Point would also facilitate the establishment of better and more frequent communications with the Affiliate Members from his/her country.

65. Once a sufficient number of Focal Points have been designated by Member States and Associate Members, a **UNWTO Focal Points Network** would be established in very close cooperation with them; the Network could also play a key role in the preparation of all meetings of the governing organs, thus improving their efficiency and participation by Members.

66. The lack of a full sense of ownership and belonging is also manifested in the rather limited use apparently made by Members of the substantive volume of work undertaken by the UNWTO Secretariat, and which is available in hundreds of technical publications issued by UNWTO over the last few years and before, most of them also available through the e-library. An effort needs to be made to communicate better what the Organization does, and the Regional Quarterly Report mentioned above will be one of the tools to achieve this. On their part, Members are called to consult more extensively and more frequently such publications and the recommendations and guidelines they contain. The Country Focal Points are called to play an important role in disseminating UNWTO's know-how in their country. An intensive use of such know-how would not only result in direct benefits for Members, but also quite often avoid requesting the inclusion of an issue already dealt with by the Organization in the Programme of Work, or asking for an expensive and time-consuming specific mission to a country, or the equally time-consuming organization of a technical seminar for a region or sub-region.

9. FUNDING SOURCES AND RESOURCE MOBILIZATION

67. UNWTO must pursue great efforts to widen its access to increased financial resources, beyond the contributions of its Members –be they States, Associates or Affiliates- since these are limited by the zero nominal growth policy decided by the Executive Council, which will be continued throughout the 2010-2013 term. Moreover and as already stated, the financial rules of the UNWTO do not allow funding technical cooperation activities in favour of specific Members States from the Organization's regular budget. Such activities, as well as the justifiable expectations raised by the ST-EP Initiative, are becoming increasingly crucial to assist developing, transition and least developed Member States and they are, understandably, in growing demand.

68. The Organization must therefore move towards innovative funding models involving its non-governmental partners, particularly those from the private sector and partner with other international and regional organizations, in order to leverage its limited resources. The unique nature of the tourism industry and the dynamic character of its private sector must be utilized in boosting the resources.

69. Fund-raising must become a **continuous, cross-cutting concern** of all members of the staff, each in his/her particular area of work or region. One of the Executive Directors has been given the specific responsibility of organizing the resource mobilization function, identifying more thoroughly all potential sources that could be approached, and linking development assistance requests to major UN and international priority challenges, so as to increase the chances of raising funds. Opportunities do exist and staffs have been instructed to prospect them and, through the responsible Executive Director, to approach potential sources with coherently prepared proposals.

70. As suggested earlier in this report, the Regional Commission meetings ought to devote part of their time to address the fund-raising issue in the case of their own region. Some funding sources give priority to some regions, and some are even exclusive for a region. They should be identified and, if suitable, invited to take part in the Commission meetings and debates. In addition, the Chairmen of each Commission should work jointly with their respective Regional Director, to systematically approach funding sources within or outside the region that are specialised in, or known to support the region. To do this, it is important that candidates to the position of Chairman of a Regional Commission are aware that they will have to devote some time to fully perform their job, which is not only limited to preside the Commission sessions, but rather to stand throughout the year of her/his mandate.

71. Finally, the practice of **voluntary contributions** by Member States and Associate Members to support the activities of the Organization should be further encouraged. Voluntary contributions are common in the international system of agencies and more specifically in the UN. At UNWTO, several governments have been contributing funds voluntarily to support specific activities; these are usually technical cooperation projects in certain countries of their preference, as reported above. This should certainly be continued and increased in the future, especially in connexion with the ST-EP Initiative. Yet, it should be ensured that any project funding is not disproportionately granted from the administrative costs provided in the regular budget of UNWTO.

72. Yet, there is also ground for increased voluntary contributions to support activities in the General Programme of Work of the Organization, in areas in which a given Member State has a high level of excellence or a specific interest. Examples of this type of contributions are the area of biodiversity conservation through tourism, supported by Germany, or ethics and tourism, supported by Italy, or support to SMEs, supported by Mexico. The aim during the current four-year term is to increase voluntary contributions from Member States by a significant percentage.

10. TECHNICAL COOPERATION AND ST-EP INITIATIVE

73. One of the mechanisms for supporting Member States in their efforts to enhance competitiveness and raise sustainability levels in the tourism sector is through technical cooperation. Contrary to what happens with the General Programme of Work, which is and should remain global or regional, technical cooperation activities can be tailored to the specific requirements of each country, thus resulting in more concrete solutions and recommendations suitable for that country. In other words, the General Programme serves mainly to reinforce UNWTO's leadership, while technical cooperation serves mainly to provide services to Members.

74. Technical cooperation is of particular importance for developing, least developed and transition countries, which constitute over two-thirds of UNWTO members. But even more developed economies may need the technical assistance and tailor-made support of UNWTO for specific issues that require external expertise, i.e. in areas in which it is not the lack of internal know-how or internal funds which prompts them to appeal to a UN agency, but rather in those cases where an external, unbiased opinion is needed and when benchmarking comparisons at the international level are required.

75. Since the statutes of UNWTO do not allow for technical cooperation projects to be funded through the regular budget of the Organization, it is necessary to look for external funding sources, especially in the case of developing and least-developed countries. In many cases, it is the beneficiary Member State who provides the funds for a specific project, usually when they are in the category of a developed nation or emerging economy, and this practice should be encouraged. On their part, developed Member States should be encouraged to approach UNWTO for advice and even for executing a full-fledged technical cooperation project in their country funded directly by them.

76. It is however true that, more often than not, especially in the case of least developed countries, a third party funding source is needed. Until now, UNWTO has been only reasonably successful in raising funds from external sources for development assistance projects, considering the wide array of sources available and the volumes of funds they allocate to this purpose. But it is also true that it is not always easy to draw funds for tourism development projects, when many developing and least developed countries are facing extreme poverty or require solving some basic needs in health, education or basic infrastructure.

77. The Organization, in full agreement and cooperation with the Members requesting assistance to UNWTO should, therefore, aim at **inserting their tourism needs within wider development efforts**, at the national, and particularly at the provincial and local levels in order to facilitate the granting of the necessary finance by development assistance and funding agencies. Indeed, it is only when tourism is conceived and promoted as part of an integral development process when the full range of socio-economic benefits can be derived from it; it is only then when a full cluster of industries –including construction, agriculture, fishing, food processing, textiles, furniture, financial services and a whole range of handicrafts- are activated and generate more value added and more employment opportunities for the local population of destinations. In other words, a whole-government approach to tourism should become the normal practice among Members, and in line with this, technical cooperation in tourism should become part of a national development assistance strategy. In conclusion therefore, the likelihood of getting more external funding for technical cooperation in tourism is closely linked to a strategy of integrating tourism in the country's overall sustainable development strategies.

78. The UN Development Assistance Frameworks (UNDAF), for instance, offer such opportunity. The UNDAF is the strategic programme framework that describes the collective response of the UN system to national development priorities. In the 2010-2012 triennium, nearly 90 countries are expected to roll out their new UNDAF, and Ministries of Tourism and NTAs should, therefore, actively participate in their national process for inserting tourism within their national UNDAF; UNWTO can assist them in such effort, provided sufficient notice is given to the Secretary-General, as well as assurances that the national UNDAF process is still open. In the same line, joining forces with another UN agency for tackling a tourism-related problem (e.g. with ILO on tourism employment issues, with UNEP on tourism and environmental issues, and so on) is likely to raise the chances of getting the necessary funds for a development assistance project. Partnerships with other, non-tourism international organizations should be sought for expanding resources available for UNWTO's technical cooperation activities, such as the Asia Pacific Economic Cooperation (APEC), the Organization for Economic Cooperation and Development (OECD), the World Bank, the Inter-American, African and Asian Development Banks, the Iberoamerican Secretariat (SEGIB), the Commonwealth Secretariat, and others.

79. Similar efforts ought to be made with worldwide and regional financial and development assistance institutions, as well as with those of a bilateral nature. Many of these sources give higher priority to addressing "issues" -such as poverty reduction, climate change, gender equality, urban development, environmental sustainability, etc- rather than supporting specific industries. Therefore, technical cooperation requests addressed by Members to UNWTO should ideally be clearly linked to wider issues in order to facilitate the fund-raising efforts of the Organization and improve the chances of obtaining the necessary funds for delivering the assistance.

80. The Secretary-General is approaching development assistance agencies of a number of Member States with the purpose of establishing cooperation agreements for jointly assisting less developed and developing Members in their tourism development and management efforts. Successful examples of such cooperation agreements are those already established with France, Germany, Italy, Netherlands, the Republic of Korea and Spain.

81. Part of the development assistance extended by UNWTO to its least developed and developing Member States is that referring to the alleviation of poverty through sustainable forms of tourism. This has been done through the **ST-EP Initiative**, launched five years ago and which has included actions such as awareness-raising, capacity building and over 90 pilot projects implemented in numerous Member States, mainly in Africa, Latin America and Asia.

82. The scope and the modalities of action of the ST-EP Initiative deserve to be studied and expanded, specifically in four principal areas.

83. While evaluations have been carried out on the administrative and financial management of the projects, no substantial academic-type research has been conducted at this stage in order to draw lessons from the experience acquired, and as the case may be, to put forward adjustments regarding the modalities of action. Such research work should be conducted by the UNWTO Secretariat with the possible support of the UNWTO.Themis Foundation and the Knowledge Network.

84. Certain ST-EP projects appear to be not very different from those traditionally executed by the UNWTO Technical Cooperation programme, even though, in these cases, the Initiative's added value is not evident. Greater attention, for example, should be given to capacity building among local individual entrepreneurs and small and medium-sized enterprises that produce and market "responsible" or "fair" tourism products. Another aspect that the ST-EP Initiative ought to take into account in its funding decisions is the need to promote stronger links between poor communities as well as tourism SMEs with larger supply chains or regional/local tourism clusters; this approach is likely to create more benefits to the poor than the pure funding of small scale tourism development projects and products in an isolated manner. Finally, a microcredit component for these entrepreneurs and enterprises should generally be put in place, such as the Small Grants Fund already established with the cooperation of IUCN Netherlands.

85. Some LDCs are small developing islands, and many of these countries and territories find in tourism one of their few opportunities for economic progress and diversification. Some of these archipelagos or islands with strong tourism potential are likewise threatened by the consequences of global warming (higher sea level, coral bleaching) and must, as much as possible, adapt to the new environment, including aspects concerning their tourism industry. The ST-EP Initiative, for the time being, has not yet reached these countries. It should take such countries into account, especially by implementing actions aimed at increasing the portion of the added value generated by tourism activity that stays within the island economies, which are generally not highly diversified.

86. The majority of the world's population now lives in cities, and the phenomenon of urbanization is not slowing down. Consequently, the development of urban tourism has been one of the major forces driving the transformation of the world tourism industry over the course of the past several years, especially in Asia. Now, all of the ST-EP projects to date have been carried out in rural areas. As in the case of small islands, it would be advisable to define and implement a specific methodology for this type of destination, whether already highly tourism-oriented metropolises (Mexico City, Rio de Janeiro, Cairo, Bangkok...), or – more importantly – large built-up areas that have hitherto been only lightly visited but which possess, in themselves or in their nearby surroundings, real potential (Jakarta, Calcutta, Abidjan, Nairobi, Addis Ababa...), so as to also target very low income communities in urban areas of both LDCs and developing countries.

87. Yet, ST-EP and UNWTO in general should avoid developing stand-alone projects on specific issues; it should rather concentrate on lobbying for including tourism as a major concern in wider projects that major donors are currently planning or already implementing for the benefit of small islands or large urban areas in the developing and least developed countries.

88. One of the instruments to raise funds for this Initiative and for conducting some of its activities has been the **ST-EP Foundation**, established in Seoul, with funding from the government of the Republic of Korea. When established in 2006, the Foundation aimed at raising funds from a variety of external, private and public sources. Its Board of Directors, at its latest meeting in March 2010, discussed a general framework on how to best ensure continued success going forward.²

11. PARTNERSHIPS AND AFFILIATE MEMBERS

89. The main strategic objective of UNWTO is to help create the conditions for competitive and sustainable tourism worldwide. The UNWTO as an inter-governmental organization cannot do this alone, so organizations that share the overall objectives of UNWTO, with which partnerships can be created, need to be identified and nurtured. Partnerships are the vehicles for extending the reach of UNWTO around the globe.

90. As part of the UN system, the UNWTO is and will remain an intergovernmental organization. Yet, it must also join forces with all other international organizations in supporting its mandate and objectives, and in the work aimed at achieving the MDGs. Building short and long-term partnerships and consensus, as well as providing the platform for joint action and ownership, have become important tools to advance competitiveness and sustainability.

91. A priority set of partnerships should be established with several regional tourism organizations that, in the territory in which they operate, have more or less similar aims as UNWTO. Joining forces with these institutions, which often require a leading, global umbrella organization to generate synergies in political as well as in technical terms, will also serve to avoid duplication of efforts. More formal and permanent partnerships will be sought with institutions such as the European Travel Commission (ETC), the Caribbean Tourism Organization (CTO), the Pacific Asia Travel Association (PATA), the Arab Tourism Organization, International Air Transport Association (IATA), International Hotel and Restaurant Association (IHRA), International Federation of Tour Operators (IFTO) and a few others, in order to undertake joint research work with them, as well as to extend the reach of UNWTO's sphere of influence. A special effort should be made to partner with the World Travel and Tourism Council (WTTC) as a global private sector body.

92. The nature of an intergovernmental organization implies a major role for its Member States, the principal policy makers and regulators. Nevertheless, from the very beginning the private sector –the main growth engine of tourism- and other non-governmental entities that have been involved with UNWTO's evolution, are part of the Affiliate Members, and along with other actors must be more included in these partnerships.

93. UNWTO's Affiliate Members bring knowledge and diversity but their present composition (about 400 members of different sizes, out of which 220 are Europeans), still lacks, for different reasons, a broader coverage in terms of geographic and sectoral representation. One of these reasons is the fact that it is not always clear what benefits these entities could derive from becoming an Affiliate Member, how to get the expected benefits, the extension of participation, the influence that an Affiliate Member can have on the decision-making process of the Organization; there is also the fact that potential members participate in other entities or groups that are more appropriate to their interests.

² *The ST-EP Initiative: A Success to be Consolidated, March 2010*

94. Although Affiliates are represented in all UNWTO Committees, and that there is a structure within the Secretariat committed to their service, there is a sense that this is not enough to fulfil the expectations of the AM (grouped under three different councils - Business, Education and Destinations) nor for the Organization to benefit from their membership.

95. According to a recent survey conducted by the Secretariat of the Affiliate Members, the majority expects their membership to mean a global outreach, exchange of knowledge, experience, best practices, know-how and market intelligence. And what does UNWTO expect from them?

96. The councils for Business, Destinations and Education were originally introduced as informal bodies to provide extra-focus for particular groups of Affiliate Members and better integration with the programme of work of UNWTO, an objective that did not fully materialize. In order to adequately deliver the Affiliate Members what they expect from UNWTO and for the Organization to fully benefit from their membership, all three councils must be revisited.

97. Most of the present non-governmental stakeholders have a local, national or regional rather than a global focus. However, they may be seeking a global reach or perspective through their association with the UNWTO. It is envisaged that local and national non-governmental organizations participating within their regions, through joint-meetings and projects will help to determine plans for action that are relevant regionally as well as the creation of, and participation in regional and global events reflecting particular interests and needs.

98. Therefore, in order to strengthen the Organization and the position of Affiliate Members, non-governmental members need to be taken care of in a much more regionalized approach by the Regional Commissions, be an essential part of their activities and, from these platforms, be more integrated into UNWTO's Programme of Work. This and the following points were discussed at the latest meeting of the Board of Affiliate Members, held in Berlin in March 2010.³

99. Consequently, the Secretariat of the Affiliate Members and the Regional programmes must work closely together in order to provide simultaneously, both a regional focus and a global perspective, having as a background reference UNWTO's General Programme of Work; this should be reflected in the annual Work Plan for the Affiliate Members. This will mean, among others, enhancing the role and revising the mandate of the Regional Programmes within the Secretariat. In particular, Regional Directors will become the principal point of contact for recruiting new members and for all those non-governmental members with headquarters in their region. In parallel, Regional Commissions will have to devote some time to organize a successful integration of these non-governmental members. This approach recognizes that each Region is different, faces different tourism challenges and will find different solutions to engage the non-governmental members with UNWTO.

100. The Affiliate Members of the Education and Science Council require a different approach, one that is compatible with their status as Affiliate Members and with their integration in the Organization in general. It is envisaged that it will continue as an informal body, the Knowledge Network mentioned earlier in this report, organized and funded by its members and facilitated through the UNWTO Secretariat, thus providing a platform for that essential partnership of universities with the Organization, particularly sharing knowledge and information with the other Affiliate Members. It is also expected that UNWTO will benefit more in the future from research results undertaken by universities in the Network, thus enhancing the knowledge base of the Organization.

101. There are two regional tourism organizations -PATA and CTO-, both of them Affiliate Members, which are examples of regional set-ups that require special attention. Both of them have state and non-governmental members and some of their island member states are not UNWTO members. There is

³ Document presented and approved at the AM Board meeting, March 2010

room for special partnerships to be crafted with these two organizations – a type of joint membership could well be an example of such a special arrangement - that would strengthen everyone’s mandate and broaden the geographic base of the Affiliate Members. Though of a different nature, the same principle of mutual benefit will come from strengthening our partnership with WTTC at a global level.

102. There could be other cases that require an innovative approach to enhance and strengthen participation of present and potential Affiliate Members, as well as other organizations that could engage with UNWTO in fruitful partnerships. Member States are encouraged to identify such cases.

103. External relations and partnerships also refer to the Organization’s obligations towards the United Nations and the benefits that UNWTO and Member States should be able to draw from there. Enhancing the integration and cooperation with the UN System is necessary because it provides UNWTO with a unique platform to champion the tourism agenda, i.e. fulfilling its leadership role, allowing it to follow a policy of multilateralism and to tap on external funding through alliances and cooperative projects among two or more agencies. This also serves to build on the “Delivering as One United Nations” (One UN) concept at all levels.

104. Yet, given the staff limitations on the one hand and the numerous UN agencies, programmes and activities on the other, UNWTO will need to carefully prioritise its involvement in UN activities and UN meetings. Some global issues are clearly unavoidable responsibilities, such as the Millennium Development Goals, the Poverty Reduction agenda, and the Climate Change challenge at the present time, all of them relevant to tourism. Priority will also be given to working with some agencies, such as with ILO on employment issues, with UNESCO on cultural and heritage tourism issues, with the United Nations Environment Programme on environmental and sustainability issues, and with the UN Development Programme on development issues. Other agencies relevant to UNWTO’s work include the International Civil Aviation Organization, the UN Statistical Commission, the World Health Organization and the UN Regional Commissions.

12. EXTERNAL ENTITIES

105. The Organization has established over the last decade or so a number of partnerships with governments or other institutions that have resulted in the creation of external entities, which carry different names; seven of them can be counted at the present time. Sometimes it is called a “foundation”, sometimes it is named a “centre”, some other times it is an “office”, and so on. All these partnerships have been set up with a different model of association, without clarity and without a general norm as to the specific role that the Organization has to play in it. The governance model and responsibilities of UNWTO vary from one entity to another and are not always clearly defined. The responsibility of the Secretary-General in respect of these entities is not clear either, and there are no rules regarding the reporting lines on financial and administrative issues concerning them.

106. Without judging on the results achieved from each of these partnerships or the benefits Member States have derived from them, it is clear that the Organization needs to define some general principles and specific norms for the establishment of partnerships, and all the more so if such partnerships lead to the creation of entities which will use the name, brand and logo of UNWTO.

107. Two sets of guidelines are proposed to implement a model of governance for all existing and likely future UNWTO associated entities, distinguishing between “controlled entities” and “non-controlled associated entities”.

108. **UNWTO controlled entities** are programme-driven, respond to a specific theme or issue of interest to UNWTO, are created to fulfil a specific mandate of the Organization, and are fully integrated within the overall strategy of UNWTO. These entities, which can be global, regional, sub-regional or

inter-regional in scope, are to be considered an integral part of the Organization, enjoying a certain degree of functional autonomy, more or less like any other UNWTO programme, and subject to Delegation of Authority by the Secretary-General. As such, they are fully subject to UNWTO staff and financial rules and regulations.

109. Controlled entities will be headed by a UNWTO official; their President or Director will be placed under the direct authority of the relevant Operational or Regional Programme Director, through whom they will report to the Secretary-General. Their governing body, if any, will be elected in whole or in majority part by UNWTO, and it should include the Secretary-General of UNWTO or his/her representative. Governing bodies shall report to the Executive Council and/or General Assembly of UNWTO.

110. In addition to receiving extra-budgetary funding, controlled entities might also receive funding from UNWTO's regular budget. Their offices are outside the headquarters simply because a government from a Member State or another partner has offered to host them and to fund them if not fully, at least in great part. This is the case of the currently existing office in Andorra (Themis Foundation). These entities should be considered as full part of UNWTO, with full accountability to it, and they could, therefore, be allowed to use the name and logo of the Organization.

111. **Non-controlled entities**, which contribute to the achievement of UNWTO's strategic programme objectives and mission. They are time-bound and are subject to periodic evaluations by UNWTO, in order to decide about the renewal or termination of the corresponding cooperation agreement. Non-controlled entities are not part of UNWTO and, consequently, have their own statutes and regulations. Yet, they must have a governing body in which UNWTO can be represented; this governing body shall appoint the entity's Director, who in turn will appoint the staff independently from UNWTO; the governing body will approve its budget and programme activities. It could be called to report to the UNWTO Executive Council or General Assembly if necessary.

112. UNWTO shall have no financial, administrative or accountability obligations in respect of these non-controlled entities, and shall not provide administrative support to them. Yet, UNWTO may provide technical assistance and know-how to these entities, and even contribute with funds to them from the budget of the relevant UNWTO programme. In no case, however, UNWTO will have the power to veto, overrule or modify the non-controlled entities' budget, capital or operational decisions that its Director or governing body takes.

113. With these association models clearly established, all existing and future entities must therefore be classified according to these two models. The growing interest on the part of some Member States and other stakeholders to engage and sponsor specific activities should be better utilized to support and complement the programme of work. In fact, the role for **external entities**, and the corresponding voluntary contributions made by several Member States, is seen as clearly linked to resource mobilization.

114. External entities of both types, as well as Affiliate members, could become more involved in providing technical cooperation services to Members in the particular areas in which they have an expertise. This practice would ensure that the delivery of services to Members follows a more coherent line, and is consistent with all principles, policy and methodological recommendations of the Organization, which is not always the case when the services of external experts are used for delivering assistance.

13. EVALUATION OF PROGRAMMES, PROJECTS AND ACTIVITIES

115. Monitoring and evaluation should become continuous management functions at UNWTO, aiming primarily to provide the Senior Management Team and Members with regular feedback and early indications of progress and lack thereof in the achievement of intended results.

116. Following the recommendations of the Programme Committee, evaluation tools have been introduced to measure the results and effectiveness of UNWTO activities since 2008. The results of the application of such tools have been reported to the relevant governing organs and the Programme Committee in particular; the latter has had the opportunity to comment on both, the tools applied and the results achieved, and it has contributed with a number of suggestions for their improvement. An annual, end-of-year consultation with Members to obtain their evaluation of the overall work of the Organization during that year might also be useful.

117. These tools, tailored to the small size of UNWTO, will need to be further refined, enhanced and incorporated into each programme, including all technical conferences, technical missions, capacity building exercises, publications issued, technical cooperation projects executed, including ST-EP projects, and any other activity undertaken by the Organization. Yet, the validity of such evaluation procedures is only possible with the active involvement of Members, who are called to systematically report back to the Secretariat during the execution, and/or provide their feedback after a programme or activity has been completed. The relevant consultation mechanisms with Members are being re-examined in the light of the experience of the last two years.

118. Results of the evaluation procedures applied to activities could, with the necessary precautions, serve also the purpose of improving the evaluation of staff at the end of each year. Linking staff evaluation to the quality levels of the Secretariat's outputs and to the degree of satisfaction of Members with these outputs in some cases is not only logical, but it constitutes a rewarding recognition for those officials who perform their duties with excellence, and will encourage further improvement of staff performance and productivity increases. Indicators could be developed to measure also the proportion of expenses and staff devoted to providing services to members, as opposed to general administrative staff and expenses.

119. Evaluation should be extended to the area of partnerships and collaboration with external institutions, including with Affiliate Members. Although these activities are sometimes undertaken without a direct cost to the Organization, they normally require considerable efforts and time by UNWTO staff and their results are not always absolutely clear. Quite often the Secretariat collaborates with external bodies upon their request, expecting to draw some benefits for UNWTO Members from the partnership, but this is not always the case. There is, therefore, a need to set up some evaluation mechanism of these partnerships or collaboration agreements in order to have a benchmark on which to judge and decide on future similar requests.

120. The full implementation of current and future monitoring and evaluation procedures put in place will, in turn, facilitate the establishment of the recommended results-based management and results-based budgeting methods, which are meant to raise productivity and enhance work effectiveness.

121. By the end of the 2010-2013 period, the Secretary-General expects to be able to provide a thorough report on all activities undertaken by the Secretariat with the corresponding evaluation by the Members.

14. STRUCTURE OF THE SECRETARIAT

122. In line with a more restrained list of priority areas, the structure of the Secretariat should be more flexible to ensure maximum productivity of its limited staff. Thus, instead of having long standing units or departments that, though producing valuable results, tend to work in a compartmentalised manner and perpetuate their work, sometimes in a routine manner, it is proposed that staff is allocated to specific programmes which have been defined as priorities by Members and which are time-bound. A high proportion of the staff should be working on developing programmes and provide services to members linked to the **main priority issues** defined for the period, or on subjects related as directly as possible to such issues. Otherwise, the dispersion of efforts will prevent achieving the main strategic objectives established for the period.

123. The organizational structure that is being put in place during 2010 reflects the move towards a programme-based Secretariat by identifying three types of programmes:

- **Operational Programmes** which cover those activities directly undertaken to discharge the overall priority areas of the mandate of the Organization at a given time. These programmes are, therefore, time-bound (normally a biennium or the multiples of it) and will have to be periodically and systematically reviewed. Operational Programmes will be administered by Programme Directors or Programme Managers.
- **Regional Programmes** which cover those activities undertaken by the Organization to discharge its mandate in response to Members' needs. These activities are geographically focused with priority areas reviewed periodically and varying between regions. Regional Programmes will be administered by Regional Directors.
- **Support Programmes** which cover those services that are undertaken to provide adequate technical and administrative support to the Operational and Regional Programmes. They are by definition more permanent and will be administered by Programme Chiefs and Programme Managers.

124. In principle, UNWTO Operational Programmes will be of a duration of between two and four years. The regular budget of the Organization should become the seed source of funding, while other sources should be identified for these programmes.

125. If programmes do respond to the priority needs of members, if they do produce valuable, innovative and useful results, and if such results are efficiently transferred to and used by the Members, it would certainly be easier to generate extra-budgetary resources, in the form of voluntary contributions by Members for instance, for their continuation in the next biennial period. The opposite is also true: programmes that do not generate valuable results to Members should be discontinued, and this should be more easily done if the structure of "permanent" units or departments is dismantled. The flexibility of staff that is implicit in the new, programme-based structure put in place as from early 2010 will facilitate staff allocation decisions whenever a programme is discontinued and a new one put in place.

126. Given the current professional strength of the Secretariat (about 40 professional staff conducting programmatic work, i.e. not including those responsible for administration and finance), the number of Operational Programmes that can be reasonably undertaken during the current 4-year term (2010-2013) should be limited. This should allow allocating sufficient human and financial resources to each programme and achieving meaningful results.

127. Furthermore, UNWTO should avoid entering into routine activities that are already well developed from a methodological point of view and well understood by Members and the international

tourism community. Quite often such activities prove necessary to be continued, but equally often they do not require the ground-breaking involvement of UNWTO; in these cases, they can be externalised for an independent organization to continue with them. This is one of the roles of partnerships that the Organization can and should establish with external entities for the continuation and replication of innovative programmes that it has successfully pioneered and developed.

128. As a result of this shift from departments to programmes, professional and technical staff under the responsibility of the Secretary-General and Executive Directors will be progressively classified under the following categories:

- **Programme Directors, and Regional Directors**
- **Programme Managers**
- **Programme Officers**

129. To enhance coordination and fully enforce decentralization, the **Senior Management Team (SMT)**, is now formally instituted; it comprises the Secretary-General, who chairs it, the three Executive Directors and the Director of Administration and Finance. The Chief of Cabinet is the Secretary of the Senior Management Team, which meets on a weekly basis. To support its decision making process, a Management Committee appointed by the Executive Council has been proposed above.

130. In addition, an **Extended Management Team (EMT)** has been formally established. This team includes, in addition to the Senior Management Team, the Regional and Programme Directors and the Chief of Human Resources. Other officials may be asked to attend certain meetings in view of the issues under consideration. The Extended Management Team is expected to meet once a month and will assist the Secretary-General in examining and formulating strategic and current issues and in further strengthening the coordination and communication channels within the Secretariat.

15. INTERNAL MANAGEMENT AND ADMINISTRATION

131. In order to improve and rationalise spending, and at the same time increasing quality and efficiency in implementing the Programme of work and budget of the Organization, **a number of administrative reform initiatives** are being progressively introduced, including:

- Adoption of International Civil Service Commission's standards of conduct, aiming at higher **ethical conduct** and establishing a framework for staff accountability.
- Introduction of **planning and reporting** mechanisms: implementation of budget **allotments** to supplement programme of work formulation and provision of periodic **financial reports** and expenditure reviews.
- Introduction of formal **delegation** of authority to Senior Management, devolving responsibility for programme of work and budget implementation.
- Definition of a model for financial transactions formalized in two steps: authorization of **commitments** and approval of **payment** requests. The model sets standards and clarifies roles and responsibilities of staff intervening in the transactions.
- A staff position of **Procurement and legal** officer, redeployed from existing resources, has been recruited in March 2010 in order to improve current procurement practices and enhance competition among suppliers.

- Activities regarding the implementation of the **IPSAS guidelines and procedures** have begun. The corresponding work plan, including the development of specifications for a gap analysis between the “as is” and the “to be” situation is underway. Yet, the need to adapt IPSAS and other UN administrative guidelines and standards to the very small size of the Organization is being constantly kept in mind.
- Internal **procedures** setting UNWTO standards, geared to control costs are being developed and implemented. Issues such as staff contracts, travel, insurances, meetings, hospitality, telephone, mail, office standards, IT equipment, electronic handling of documents, etc., are being addressed.
- Staff vacancies and grading of new positions are being carefully reviewed due to their long-term implications on resources. **Staff cost control** is essential to meet the goal of zero budget growth in nominal terms. Optimizing use of resources liberated following departing staff is being strictly enforced. The target is to balance the proportion of staff costs to the benefit of increasing the non-staff amount in the budget of the Organization.
- Addressing **audit and evaluation** needs through the creation of an Internal Oversight function with additional full-time staff positions appears unaffordable and unnecessary for a small agency such as UNWTO. Alternative mechanisms for complementing the function already provided by the Auditors designated by the General Assembly, either through outsourcing or cost-sharing with other small UN bodies, are being considered.
- Furthermore, an internal oversight function will be created within the Secretariat, to oversee the management and operation of the Organization, to take note of any complaints, and to advise the Secretary-General as necessary. This function could be deployed with external support and it is expected would deliver annual reports to the Secretary-General on their findings and recommendations.
- **Human resources** management requires further updates and strengthening, including review of recruitment practices to foster wide dissemination of vacancies, establishing career management principles based on merit and results, and review of contract typologies in light of defined working conditions are among the main priorities.
- **A Reserve fund** has been established to cater for post employment obligations of the Organization vis-à-vis the staff who takes retirement, obligations which until now were being covered from the biennial regular budget.

132. Concerning **travel**, efforts are being made to reduce the number and the cost of trips by Secretariat staff to the strict minimum, and to abide by the established rules regarding travel in business class for trips of 9 hours or more. The Secretary-General, on his part, will no longer use first class travel and his special travel allowance has been reduced by 50%. However, in order to effectively implement this policy, it is also necessary for Member States to reduce their requirements regarding official visits by UNWTO staff to their countries, keeping such requests for when it is absolutely necessary. Increased use of video conferencing is being increasingly used to communicate with other UN agencies and this practice will also be encouraged in the communications with governments.

133. Furthermore, whenever fielding a mission to a Member State, and in order to maximise synergies and effectiveness in the use of scarce resources, efforts will be made for the mission to fulfil a triple purpose as follows:

- identifying technical assistance needs of Member States and preparing potential project proposals for submission to external funding sources;

- providing direct, immediate assistance, guidelines/recommendations to NTAs, government agencies and other tourism stakeholders on specific subjects, for which UNWTO has readily available information or technical advice; and
- fulfilling a political role in support of Members, for instance, for a full tourism policy briefing when a new Minister or Head of NTA is appointed, or for speaking at a major national tourism event, or for explaining the importance of tourism to the country's Parliament, etc.

16. RELATIONSHIPS WITH HOST GOVERNMENT AND HEADQUARTERS

134. As with a number of other UN and international organizations based in different locations, relationships with the host country have to be specially nurtured. In UNWTO's case, Spain is both a leading tourism nation and a very active member of the international community, with a crystal clear understanding of the need for multilateralism in international relations. These conditions should favour an excellent relationship between the Secretariat and the Spanish government.

135. The Secretary-General, immediately after his election, has re-activated the so-called Headquarters Committee established between both parties to handle all matters relating to UNWTO being based in Madrid, including diplomatic, logistical and physical facilities matters.

136. One of the issues that have been raised in the discussions of the HQ Committee is the need for the host country to review the headquarters building, generously offered at practically no cost, but clearly unsuitable to the current, modern needs of an intergovernmental organization. In particular, the absence of an adequately sized meeting room to host the many meetings held at headquarters, the shortage of space, and the safety standards were signalled as main shortcomings.

137. The government of Spain has reacted very favourably to the request made by the Secretary-General in this respect, and it seems that a solution will be put forward within a reasonable deadline. Furthermore, and upon a suggestion made by the Secretary-General, the possibility of establishing a "UN House" in Madrid, hosting UNWTO and other UN representative offices based in the Spanish capital, is also being considered by the host government. Such a solution would surely also help to further raise the status of UNWTO.

138. In the meantime, and responding to one of the recommendations made by the JIU, it has been decided that one out of the two yearly sessions of the Executive Council should be held in Madrid and that Spain would provide an adequate place to hold the meeting, as the Headquarters building does not have the capacity to hold large meetings.

PART THREE: CONCLUSION AND GLOBAL ORIENTATIONS FOR THE ORGANIZATION'S ACTION WITHIN THE FRAMEWORK OF THE MILLENNIUM DEVELOPMENT GOALS

139. This document has identified the main challenges and shortcomings of the World Tourism Organization and its Secretariat at the present time, which affect its leadership role and the quality of services it renders to its Members. Proposals are made throughout the White Paper on many issues to overcome such difficulties. The overall aim is **to convert UNWTO into a dynamic, responsive, efficient, relevant, accountable and transparent Organization, fully owned by its Members.**

140. Some of the changes needed are already being put in place by the Secretary-General, some others are proposals that require deliberations, decisions and actions by Members, while a third group will require longer deadlines for implementation.

141. Main proposals made in this Paper and which require decisions by Member States refer to:

- the mission of UNWTO and its role in world tourism
- the definition of the priority areas of work
- the roles of the Regional Commissions, the Programme and Budget Committee, and the technical committees
- the strengthening of relationships and improvement of communications between Members and the Secretariat
- the role and format of the Executive Council and General Assembly sessions
- the mechanisms for fund raising
- the role and ways of integration of Affiliate Members
- the role of external entities and UNWTO relationships with them
- the structure, management and administration of the UNWTO Secretariat

142. As indicated in the Introduction, this White Paper aims at continuing the ample and participative discussion within the Executive Council and with UNWTO Members in general, with a view to decide on the future of the Organization. This debate will help to renovate the Members' sense of ownership of the Organization, a condition which is considered fundamental for ensuring that UNWTO becomes more relevant to them and to the tourism industry.

143. These new foundations of the Organization's operation are considered indispensable for UNWTO to enable tourism to play its role and to fulfil its responsibilities in the Millennium Development Goals and more specifically in the three main global challenges which are the top priorities on United Nations agenda:

(i) **Poverty Alleviation**, area in which the Organization has successfully developed a clear conceptual and methodological framework, and on that basis, has launched the Sustainable Tourism for the Elimination of Poverty (ST-EP) Initiative, with the UNWTO-ST-EP Foundation established in Seoul, Republic of Korea, and has put in place a concrete programme of action with nearly one hundred projects completed in the last five years. Yet, as indicated earlier in this document, this area is due for a thorough evaluation and a fresh thrust, in order to expand its reach, attract more funds and increase its effectiveness.

(ii) **Employment**, an area of paramount economic and social importance, for both developed and developing Member States, but in which the Organization has started to work in a systematic manner only in 2009. This area is of high relevance since the tourism sector, due to its labour-intensive nature, can and should become a major player, thus attracting further and stronger support from governments and international funding agencies. Initial work has been undertaken jointly with the International Labour

Office, especially during 2009; as a result of the UNWTO-ILO Conference on Tourism and Employment held in April of last year, a list of ten main challenges and policy issues⁴ that need to be addressed by the tourism sector emerged, and this list should constitute the basis of further work in this area, for its inclusion as a priority in the Programme of Work for the biennium 2012-2013.

(iii) **Climate Change**, area in which significant progress has been made by UNWTO since 2003 and especially during the last few years. It now requires stronger commitment and, particularly, a more intensive application by public and private tourism stakeholders of the techniques developed and the guidelines recommended by UNWTO and other agencies. As a first, short-term step, the lessons learnt and the pilot applications of the project on Intelligent Energy in the European Hotel Industry, currently being executed by UNWTO should be widely disseminated.

⁴ Report of the UNWTO-ILO Conference, April 2009: www.unwto.org/statistics/bali/findings_statement.pdf