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Report of the Secretary-General

(a) Current tourism trends and UNWTO priorities

Introduction

1. This report summarizes the main issues related to the recent developments in the tourism sector as well as to the Organization's activities since the last report to the 92nd session of the Executive Council. Considering that this report was prepared in April 2012, updated information will be provided verbally to the 93rd session of the Executive Council on the items considered pertinent.
2. The present report briefly addresses the following subjects:
 - I. Update on International Tourism in 2011 and Prospects for 2012;
 - II. Mainstreaming Tourism in the Global Agenda;
 - III. Implementation of the Programmes of Work 2010-2011 and 2012-2013;
 - IV. Administrative, Financial and Statutory Matters, and
 - V. Proposed Implementation Plan of the White Paper

Some of the above-mentioned subjects have constituted the object of dedicated reports for the 93rd session of the Executive Council.

I. Update on International Tourism in 2011 and Prospects for 2012

3. **Overview on the year 2011:** International tourist arrivals grew by 4.4% in 2011 to a total 980 million, up from 939 million in 2010. In a year characterized by a stalled global economic recovery, major political changes in the Middle East and North Africa and natural disasters, namely the terrible earthquake and tsunami in Japan, overall results were clearly above expectations. Contrary to previous years, growth was slightly higher in advanced economies (+4.7%) than in emerging ones (+4.1%), due largely to the strong results in Europe, and the declines in the Middle East and North Africa.
4. **By region,** Asia (+6.1%) and Europe (+5.8%) were the best performing regions in 2011, while by subregion South-East Asia (+10.4%) and South America (+10.1%) topped the ranking. The Americas (+4%) saw an increase of 6 million arrivals, reaching 156 million in total, Africa (+0.2%) maintained



international arrivals at 50 million, as the gain of two million by sub-Saharan destinations (+6.2%) was offset by the losses in North Africa (-9.9%). The Middle East saw arrivals decline by 8.4%.

5. Preliminary data on **international tourism receipts and expenditure**, not yet complete at this time of the year, seem to confirm that the growth in receipts followed closely that of arrivals.

6. **Prospects for 2012 – international tourist arrivals to reach one billion:** UNWTO forecasts international tourism to continue growing in 2012 although at a slower rate. Arrivals are expected to increase by 3% to 4%, reaching the historic one billion mark by December 2012. Emerging economies are expected to regain the lead with stronger growth in Asia and the Pacific and Africa (4% to 6%), followed by the Americas and Europe (2% to 4%). The Middle East is forecast to recover part of its losses from 2011. As international tourism receipts tend to be more affected in times of economic constraints, receipts are expected to lag somewhat behind arrivals in 2012.

7. Considering that the current document was prepared in April 2012, a verbal update of the above information will be provided to the Executive Council during its 93rd session.

II. Mainstreaming Tourism in the Global Agenda

8. Within the objective of positioning tourism as a priority in the global agenda, the '**Global Leaders for Tourism**' campaign ("Golden Book") has advanced substantially during 2011 and 2012. The campaign, a joint initiative by UNWTO and the World Travel and Tourism Council (WTTC), comprises the presentation of an Open Letter to Heads of State and Government worldwide, seeking their acknowledgement of the relevance of tourism in facing today's global challenges. **25 leaders have joined the Campaign** between 28 February 2011, when President Felipe Calderón of Mexico first received the Open Letter, and the **end of March 2012:** Mexico, South Africa, Kazakhstan, Hungary, Burkina Faso, Indonesia, Kenya, Mozambique, Armenia, Romania, China, Croatia, Ireland, Republic of Korea, Malaysia, Colombia, France, Azerbaijan, Brunei, The Gambia, Serbia, The Philippines, The Seychelles, Tunisia and Greece.

9. Also in this framework, UNWTO continues to support the **T.20 initiative**, which gathers the tourism ministers of the 20 major world economies. The 4th T20 Ministers' Meeting, the first to be officially part of the G20 calendar, will be held in Mexico (15-16 May 2012) and will focus on **tourism as an alternative to job creation**. The meeting will particularly look into how **visa facilitation can act as a lever to stimulate demand and create jobs**.

10. **Travel facilitation, taxation and consumer protection** have been identified as **key policy issues** to address in 2012:

- (a) **Travel facilitation:** As destinations worldwide look to stimulate travel demand under pressing economic conditions, UNWTO has been working with several industry bodies and governments to advance visa facilitation, an area in which in spite of the great strides made so far, there is still much room for progress. The Secretariat has been raising awareness among all countries of the potential of maximizing new technologies in improving visa application and processing formalities, as well as the timings of visa issuance, and advising them to analyse the possible impact of travel facilitation in increasing their tourism economies.
- (b) **Taxation:** The recent trend of introducing new and/or increasing existing taxation on travel and tourism continues to represent a serious setback to the sector. The Secretariat has

been raising awareness of this issue in several international fora and coordinating with industry bodies to voice the concern of the tourism sector in this respect.

(c) **Consumer Protection:** please see point 16(e).

11. The Secretariat also continued to work within the **UN system** and with **other international organizations** such as regional development banks **to move tourism higher on the development agenda**. Efforts have been strengthened ahead of **Rio+20**, the UN Conference on Sustainable Development (UNCSD), during which UNWTO has proposed the UN to organize, together with the Ministry of Tourism of Brazil and the UN Steering Committee on Tourism for Development (SCTD), an official side event on Tourism and Sustainable Development. UNWTO will also join the UN Environmental Programme (UNEP) and the Organisation for Economic Co-operation and Development (OECD) in the organization of an event on Green Innovation in Tourism. More importantly, UNWTO has been lobbying for the recognition of tourism in the official outcome of Rio+20. In this respect, and thank to the active contribution of several Members States (Republic of Korea, Algeria, EU, Honduras and G77) tourism is now part of the draft outcome document of Rio+20 (Members are kindly requested to support this effort), of the UN Chief Executive Board Statement for Rio+20 and of the Ocean Pact, a major initiative within the Rio+20.

12. UNWTO was also the main contributor to the Chapter on **Tourism of the Green Economy** Report by the United Nations Environment Programme (UNEP) published in 2011.

III. Implementation of the Programmes of Work 2010-2011 and 2012-2013

13. An important number of activities has been implemented since 92nd session of the Executive Council and since the report prepared by the Secretariat to the 19th session of the General Assembly covering the period up to June 2011.

14. Detailed information on the activities carried out is provided in documents CE/93/4(a) and CE/93/4(b). Among those some are worth highlighting:

(a) **Events:** Major global events were held, namely:

- the World Tourism Day High Level Dialogue on Tourism, Linking Cultures in the framework of the celebrations of World Tourism Day 2011 in Aswan, Egypt (September 2011);
- the 1st UNWTO International Conference on Tourism and the Media in Zagreb, Croatia (September 2011);
- the 1st International Congress on Ethics and Tourism in Madrid, Spain (September 2011);
- Special International Symposium on the Revitalization of Japan's Tourism Sector and Quake Affected Regions in Sendai, in Japan (October 2011)
- the 2nd International Conference on the Measurement and Economic Analysis of Regional Tourism, in Bilbao, Spain (October 2011);
- the UNWTO & WTM Ministers' Summit on How Tourism Can Prosper in Times of Uncertainty at the World Travel Market in London, UK (November 2011);
- EXCELTUR's VI Tourism Leadership Forum in Madrid, Spain (January 2012);

- a Panel Discussion on Women's Empowerment in the Tourism Sector - an Engine for Development, at FITUR, in Madrid, Spain (January 2012);
- the 1st Meeting of the Global NTO Think Tank – Creating value through collaboration, a joint initiative of UNWTO and the European Travel Commission (ETC), at ITB Berlin, Germany (March 2012);
- the 7th World Congress on Snow and Mountain Tourism in La Massana, Andorra (April 2012)
- the 2nd Tourism and the Media Conference in Marsa Alam, Egypt (April 2012); and
- the 6th International Conference on Destination Management, The Future Mediterranean Tourism, in Djerba, Tunisia (April 2012)
- a Joint Tourism Side Event at the 13th session of the United Nations Conference on Trade and Development (UNCTAD XIII), in Doha, Qatar (April 2012)

Several other technical and regional seminars and workshops took place during this period, the detail of which is presented in the corresponding reports.

(b) **Publications:** Among the outputs of UNWTO's extensive research programme during the period under review it is worth highlighting the publication of the following reports:

- The UNWTO long-term forecast ***Tourism Towards 2030 – Global Overview*** presented at the 19th Session of the General Assembly;
- The ***Tourism Chapter of the Green Economy Report: Investing in Energy and Resource Efficiency***, jointly produced with UNEP;
- The ***Toolbox for Crisis Communications in Tourism***; and
- A series of reports on outbound travel including *The Chinese Outbound Travel to Africa*, *The Spanish Outbound Travel Market to Africa and the Middle East*, and *The Middle East Outbound Market with Special Insight into the Image of Europe as a Destination* done in cooperation with ETC.

Moreover, the Secretariat has during 2011-2012 increased the frequency of the ***UNWTO World Tourism Barometer*** to a total of three full issues, two interim updates and one advance release allowing Members a more effective monitoring of short-term tourism trends;

(c) **Technical Cooperation and Development Assistance:** By the end of 2011, a total of 38 ST-EP projects were under implementation in 29 countries; four new projects have started in 2012 (Bolivia, Burundi, Jordan and Timor-Leste). Furthermore, several technical cooperation projects are currently underway, including eight MDG-F Achievement Fund (MDG-F) projects in Ecuador, Egypt, Nicaragua, Panama, Peru, Serbia and Turkey. MDG-F projects were concluded during 2011 in Honduras and Senegal.

(d) **Education and Capacity Building:** Through the UNWTO Themis Foundation, UNWTO's executive arm for education, several training courses were held in the various regions covering areas such as statistics and Tourism Satellite Account (TSA), marketing and promotion, tourism and development, risk and crisis management and sustainable development.

(e) **Special Initiatives and Projects:** Four special initiatives and projects have been further advanced during the period under review:

- **Hotel Energy Solutions:** Following three years of testing and research, the Hotel Energy Solutions online toolkit was officially launched in August 2011. The e-toolkit created to help hotels evaluate their energy consumption and assist in improving their energy management and cutting costs while built for European Union Member States in line with EU Energy Policies, is expected to be rolled out globally (discussions on the adaptation and/or translation of the online tool to other languages and regions are ongoing). The online toolkit, alongside other web-based resources – a ‘Energy School’, a series of research reports to better understand energy efficiency and renewable energy technologies and promotional materials for hotels to sensitize their guests on energy saving – are available free of charge to all accommodation establishments registered with the project at <http://www.hotelenergysolutions.net>.
- **Knowledge Network:** The UNWTO Knowledge Network, an important part of the Affiliate Members programme, currently counts 122 knowledge-based tourism-related institutions, organizations and universities from the public and private sectors. UNWTO is strengthening the capacity of the Knowledge Network as an extensive research body of UNWTO to support innovation in policy, governance and other areas of tourism, closely connecting with its Member States and the global tourism community. Some of the planned activities for 2012 include the launch of an interactive virtual home of the UNWTO Knowledge Network and the 2012 edition of the UNWTO Ulysses Prize and Awards (4th quarter of 2012).
- **Legal instrument on tourist/consumer protection:** In response, and mandated by the 19th session of the General Assembly, the Secretariat has set up a Working Group on the Protection of Tourists/Consumers and Travel Organizations to draft an international convention for the protection of both parties. The convention will be the first legally-binding instrument to be proposed by UNWTO, highlighting the growing relevance and recognition of the tourism sector. In 2011, the Working Group met twice to discuss the content of the legal instrument, as well as to define its scope and level of application. The convention, it was decided, will cover issues including the providing of assistance to, and ensuring the repatriation of, consumers, particularly in cases of force majeure; the supply of accurate and timely information to tourists including how to handle bankruptcy situations of travel organizers; and issues related to accommodation.
- **DEVCO Project:** The European Commission (Directorate General Development and Cooperation – DG DEVCO/EuropeAid) has requested UNWTO to assist in the creation of a Guidebook on Sustainable Development as an engine for development, trade in services, job creation and poverty reduction. The project will deliver a *Sustainable Tourism for Development Study* - an instrument that will enable EU services and other development institutions to include sustainable tourism development projects in their programme cycles.

(f) **Support to Members States in times of crisis:**

- in Japan, UNWTO co-organized with national and local authorities, a Special International Symposium on the Revitalization of Japan’s Tourism Sector and Quake Affected Regions in Sendai (October 2011), activated the Tourism Emergency

Response Network (TERN) and worked closely with the relevant UN organizations to monitor the situation and communicate effectively on the nonexistence of risks to travel to and around Japan;

- in Tunisia, UNWTO provided technical assistance in the drafting of a recovery plan for the tourism sector, including the organization of an ad-hoc workshop in Tunis (May), and organized in April 2012 an International Conference on the Future of Mediterranean Tourism; and
- in Egypt, UNWTO supported the Ministry in the areas of product development and communication and held the 2nd Conference on Tourism in the Media (April 2012).

To complement these actions, the Secretary-General visited officially the three countries to show the highest political support to their recovery.

IV. Administrative, Financial and Statutory Matters

A. Staff Issues

15. In 2010, the Secretariat undertook a review of its structure by moving towards a programme-based distribution of posts, more attuned to ongoing and emerging needs of the Organization. In 2011, as part of this process and with the expertise of an external consultant, post profiles were reviewed and redefined to better meet the objectives of the various programs. Subsequently, a professional growth plan was introduced during the second half of 2011. Based on factors such as updated post profiles, positive performance evaluation, objective eligibility criteria, and ongoing training of staff, the professional growth plan opens new perspectives to staff members on board by providing them with career growth options and incentives. This is essential when, like in the case of the Organization, the workforce is very limited in numbers but entrusted with a very wide scope of activities and responsibilities. In addition, the professional growth plan is also expected to constitute an incentive to attract highly qualified candidates to fill future vacancies that may be issued as part of the Organization's business continuity scheme. The professional growth plan will be progressively carried out through annual review exercises.

B. Premises Issues

16. As outlined in reports to the previous Executive Council sessions, the current Headquarters building is insufficient to the needs of the Organization and its Members. To this effect the Secretariat has prepared a detailed analysis of the needs for a Headquarters building, which could also become a House of the United Nations in Madrid. This issue is being discussed with Host Country and Members will be kept informed on progress made.

C. Security Issues

17. Spain remains at security level 1, the minimum level within the UN Department of Safety and Security (UNDSS) system. The Secretariat keeps its regular contacts with the host country's institutions in order to coordinate and streamline issues which may arise for UNWTO or other UN agencies in Spain.

18. UNWTO's missions and meetings abroad are subject to mandatory clearance through UNDSS. In this regard, the Secretariat maintains regular contacts with the host country authorities, the UNDSS

Headquarters in New York and with local UNDSS offices where UNWTO events are organized, having mainstreamed Security review within the routine for event organization.

D. Legal and Contract Issues

19. Following a thorough analysis of the typology of agreements subscribed by the UNWTO, a policy on agreements, including harmonized template agreements, has been implemented. This will help the Organization in partnering and organizing joint activities with its Members, while reducing possible related risks.

20. Good progress is being made in the area of procurement and contracts, with preparation of business circuits and the development of harmonized procurement practices in line with UN best practices.

21. The Secretariat is also developing terms of reference for an Ethics function and continues exploring the possibility of serving this function through outsourcing it to a sister UN Agency.

E. Financial Issues

22. Financial implementation of the Regular Budget in 2011 was completed at nearly 12,300,000 euros, as already anticipated in the financial progress reports submitted through the year. Income from assessed contributions and from contributions in arrears flowed in during the year in rates comparable with earlier years, on a clear reflection of the commitment of the Members towards their Organization. Financial implementation was made with strong emphasis on consolidation of expenses, efficiency gains and postponement of recruitment to generate savings that could finance an ambitious program of work. The accounts for 2011 have been audited with a favourable auditors' report, as contained in the relevant document.

23. The financial situation of the Organization remains sound and the financial management continues to be made prudently. Income from contributions received as of 31 March 2012 amounts to 6.3 million euros (7.8 million euros when other income sources are included). This income compares with budgetary commitments of 11.1 million euros, of which 2.9 million have already been disbursed. Based on these figures, an estimated income of 12.1 million euros for the year 2012 sets the basis for establishing the plan of expenditure and allotments for the year. These values are in line with the approved budget and with the previous years' results. Notwithstanding this plan of expenses, it is important to note an increase of the ratio of budgetary commitments versus approved allotments. While a portion of this increase can be attributed to better financial planning by programme managers, it also reflects the fact that programmes are increasingly under budgetary pressure as a consequence of the past years' zero nominal growth of the Organizations' budget. This has conducted to the need to take hard choices as far as programme and financial implementation is concerned. In this framework, there is little room -if any- for any emerging priorities through the year.

24. The IPSAS project of developing and implementing the International Public Sector Accounting Standards continues at good pace. Implementation is expected as of January 1, 2014.

V. Proposed Implementation Plan of the White Paper

25. By the resolution A/RES/602(XIX), the General Assembly endorsed the White Paper (WP) and requested the "Secretary-General to implement the measures recommended in the White Paper and to report on the progress made to the subsequent Executive Council sessions (...)"

26. The implementation of the White Paper, the strategic guidelines for the Organization for the next years, is awarded the highest level of priority by the Secretary-General.

27. Given the wide range of measures included in the White Paper as well as the diverse timing and level of decision required for its implementation and the fact that some measures may have financial implications, the Secretary-General presents to the Executive Council in its 93rd session a draft of the implementation plan of the White Paper.

28. The detailed draft implementation plan of the White Paper is included in document CE/93/8.