



## Executive Council

Ninety-fifth session  
Belgrade, Serbia, 27-29 May 2013  
Provisional agenda item 5(a)

CE/95/5(a)  
Madrid, 13 May 2013  
Original: English

### General programme of work and budget for 2014-2015

#### (a) Report of the Programme and Budget Committee

#### I. Introduction

---

1. As indicated in document CE/95/3(III)(a), the Programme and Budget Committee devoted part of its deliberations to examining the draft programme and budget for the financial period 2014-2015.
2. The Secretary-General, the Executive Director of Programme and Coordination and the Director of Administration and Finance presented the draft programme of work and budget for the period 2014-2015.

#### II. Draft Budget and Programme of Work for 2014-2015

---

3. The Executive Director for Programme and Coordination (EDPC) recalled the participative process through a survey among Members for the preparation of the programme of work and the good level of response received from sixty per cent of Member States in order to establish their priorities for the next biennium. He highlighted the relations between tourism and the global agenda, which influences the work of the Organization.
4. He also pointed out the basis and guiding principles used in its preparation, as well as the agenda set by the Secretary-General. He finally called attention on two particular means of delivery, guidelines and exchange of practices, in response to the specific request expressed by Members.
5. The Committee expressed its satisfaction regarding the level and quality of replies of the survey. It however underlined that much more information could be obtained through this exercise. It was therefore agreed that the preparation of next survey's questionnaire will start sooner.
6. The Director of Administration and Finance presented the budget part of the report CE/95/5(b), highlighting that, as stated in the White Paper, the Secretariat will continue its efforts of modernization in view of achieving higher efficiency. He also recalled that UNWTO is part of the UN System, which allows a higher visibility of tourism in the UN agenda, while it requires more strict regulations.



7. Then, the Committee proceeded to study the detailed information on the cost figures appearing in the tables of document CE/95/5(b).
8. The Committee noted the Secretary-General's proposal to present a budget for the biennium 2014-2015 with zero real growth with respect to the budget of the previous biennium.
9. The Committee was aware of the loss of purchasing power of the budget during a period of six years as a consequence of keeping the budget frozen in nominal terms since the biennium 2008-2009, and expressed its gratitude to the Secretary-General for the effort made in improving the efficiency of the Organization despite having less resources in real terms, and took note of the impact the protracted non-growth policy has on the Organization programme of work if it is prolonged beyond 2013.
10. The Committee noted that while Members broadly supported the proposed budget policy, some expressed their concern about their capacity to meet their financial obligations.
11. The Committee noted that the inflation level expected for the biennium 2014-2015 would be 2.8% per annum, taking into account the inflation forecasts for Spain established by the International Monetary Fund (IMF), and current data from Spain's National Statistics Institute (INE). The 2014-2015 programme budget remained at the same level for 2012-2013 but incorporating the effect of the estimated inflation for the period (2.8% annual increase) which means zero growth in real terms.
12. The Committee studied the programme and budget proposals for 2014-2015. These proposals amounted to EUR26,616,000, which is the same amount in real terms than the one approved for 2012-2013.
13. The Committee took note of the changes made in the structure of the revised Programme and Budget for 2012-2013.
14. The Committee agreed to the total budgetary income proposed, and its funding sources, amounting to EUR26,616,000 and covering the entirety of the projected budgetary expenditure.

### **III. Actions to be taken by the Executive Council**

---

15. The Executive Council is requested:
  - (a) To support the zero real growth proposal, provided that the draft programme proposal is reviewed in order to give more details regarding the activities to be carried out during the next biennium, highlighting concrete deliverables, their cost and the different programmes responsible for their implementation;
  - (b) To take note of the report of the Secretary-General on the assessment of Member's contributions for the period 2014-2015 and to adopt the proposed scale of contributions for 2014-2015;
  - (c) To observe that, in accordance with the formula used for calculating the contributions of Member States [resolution 404(XIII)], UNWTO has used the same economic and population statistical averages adopted by the United Nations to determine the contributions of its own Members and that these statistics are based on the average of the period 2005-2010, but that the PBC found that this statistical period did not reflect the current economic situation adequately, since Member States are more affected by the crisis;

- (d) To request therefore the Secretary-General to explore the possibility of using a more recent UN statistical period;
- (e) To take into account that the level of the recommended budget for 2014 and 2015 is 26,616,000 euros;
- (f) To approve that the budgetary income for the next period should be provided by the contributions of the Full and Associate Members in the amounts of 11,937,200 euros for 2014, and 12,406,083 euros for 2015, and that the balance to be financed should be covered by the contributions of the Affiliate Members and the other sources of funding referred to in the corresponding document;
- (g) To adopt the amendment of Annex II of the Financial Regulations, paragraph 4(c) of the formula for fixing the contributions on the supplementary schedule of direct deductions in the last group for those countries with small population as described in Annex A, paragraph 4 of document CE(95/5(b));
- (h) To maintain the contribution of the Affiliate Members at 2,400 euros per year for the period 2014-2015 and to consider the proposed deductions for specific members as outlined in document CE/95/6(c); and
- (i) To propose to the General Assembly that it request the Secretary-General to execute the programme of work and budget for 2014-2015 according to income received establishing a plan of expenditure for that purpose and keeping with the established practice that had proved satisfactory.