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Report of the Secretary-General

Part I: Current situation and activities

(h) Report of the Working Group on Official Development Assistance

I. Background and rationale

1. During the ninety-fifth session of the Executive Council (Belgrade, Serbia, 27-29 May 2013), the Working Group on Official Development Assistance (WG-ODA) was created, following the proposal of South Africa, with the aim of supporting the efforts of the Secretariat in achieving full Official Development Assistance (ODA) eligibility and mobilizing new resources for the Organization.
2. The following Members expressed interest in taking part in the WG-ODA: Egypt, Flanders, France, Germany, Jamaica, Kenya, Mauritania, Mexico, the Republic of Korea and South Africa, which was selected as its Chair.
3. The first UNWTO submission to the Development Aid Committee of the OECD (OECD-DAC) of the application to become an ODA-eligible international organization dates from 2011 and was successful in securing eligibility for bilateral ODA. At the time, UNWTO did not attain full ODA eligibility as the mandate of the Organization is universal (not only developing countries are Member States) and the funds the Organization dedicates to ODA-eligible activities did not reach a minimum threshold of USD20 million. According to OECD-DAC rules, an organization can only reapply after a period of 5 years.
4. Thus, for the resubmission of UNWTO's application to be accepted in 2014 two exceptions are required, namely to: (a) present the application before the end of the 5-year period; and (b) comply with the threshold of USD20 million of core budget dedicated to development actions.

II. Priorities of the Working Group

5. The WG-ODA should focus on achieving the following priorities:



- (a) Pursue full ODA eligibility for UNWTO; outreach actions to OECD-DAC¹ members, and lobbying respective foreign affairs peers on the OECD-DAC through tourism ministries; and
- (b) Help the Organization to build a more conducive framework for resource mobilization from the international community, including on multilateral and bilateral bases.

III. Regular work of the Working Group on Official Development Assistance

6. Since its creation, the Working Group has held two meetings and initiated a series of activities pursuant to its objectives, hereafter described.

A. First meeting: Definition of objectives and activities

7. The WG-ODA held its **first meeting, in London**, United Kingdom, at the South African Embassy **on 15 July 2013**. The deliberations of the 1st meeting of the WG-ODA mainly focused on the definition of overall objectives and activities.

8. To ensure the alignment of understanding by all members of the group of the terminology and the work so far developed by UNWTO to position UNWTO/Tourism in the Global Development and Aid Agenda, the Secretariat presented key milestones achieved as well as ongoing actions:

(a) **Official Development Assistance:** recollection of the definition of ODA and the advantages of achieving the status of a fully ODA-eligible international organization; overview of the submission of the request to OECD-DAC in 2011 and the outcome of the assessment by the DAC Working Party on Development Finance Statistics (WP-STAT), i.e., eligible international organization for bilateral ODA;

(b) **Milestones achieved:** inclusion of “sustainable tourism” as a sector to be supported in Least Developed Countries in the outcome document of the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) – the “Istanbul Programme of Action”²; the recognition of “sustainable tourism” as an engine for development and its inclusion as one of the Thematic Areas and Cross-Sectoral Issues in the Rio+20 United Nations Conference on Sustainable Development outcome document “The Future We Want”³; OECD-WTO 4th Global Aid-for-Trade Review⁴ recognizes tourism as one of the top five sectors contributing to economic growth in developing countries and that offers significant further potential through value chains⁵; and the publication in June 2013 of the joint UNWTO-EU Guidebook “Sustainable Tourism for Development”⁶; and

(c) Presentation of **innovative approaches to resource mobilization** to bridge the gap in ODA eligibility, such as: the creation of the Steering Committee on Tourism for Development (UN SCTD)⁷, placing tourism in the Trade Agenda (according to OECD/DAC classification); access

¹ OECD-DAC: <http://www.oecd.org/dac/>

² Istanbul Programme of Action : <http://www.ipu.org/splz-e/ldciv/action.pdf>

³ The Future We Want- full outcome document: <http://sustainabledevelopment.un.org/futurewewant.html>

⁴ OECD –WTO 4th Global Aid for Trade Review full document: http://www.keepeek.com/Digital-Asset-Management/oecd/development/aid-for-trade-at-a-glance-2013_aid_glance-2013-en#page3

⁵ Aid for Trade - Tourism Value Chains:

http://www.wto.org/english/tratop_e/devel_e/a4t_e/global_review13prog_e/tourism_28june.pdf

⁶ Guidebook Sustainable Tourism for Development: <http://www.unwto.org/ebook/sustainable-tourism-for-development/>

⁷ Steering Committee on Tourism for Development (SCTD) <http://icr.unwto.org/sctd>

(with the SCTD) to the Enhanced Integrated Framework⁸, an Aid for Trade instrument (Multi-Partners Trust Fund) for LDCs; UNDAF monitoring – considering the Non-Resident Agency status of UNWTO; working towards a Financial and Administrative Framework Agreement (FAFA) with the European Union; and proposal of joint programmes with other UN entities to the EU.

9. The WG-ODA agreed that the **priority activities for the period 2013-14** should build on the work that UNWTO has been developing, in particular in:

- (a) Prioritizing advocacy and matchmaking to raise awareness and facilitate funding flows; and
- (b) Continuing initiatives such as the UN Steering Committee on Tourism for Development and its active participation with the Enhanced Integrated Framework for LDCs aid-for-trade programmes and enhancing the work of UNDAF to include tourism in country strategy papers.

10. The WG-ODA has emphasised the need to capitalize on UNWTO's eligibility for bilateral ODA, thus optimizing bilateral ODA for Member States flowing through or facilitated by the UNWTO; this advantage is a means to increase voluntary ODA-eligible contributions by donors to the UNWTO.

11. The WG-ODA further supports the work being driven by UNWTO and the investment required to prepare the UNWTO's compliance with the EU Joint Management pillars in order to sign a FAFA with the EU. The Secretariat should further explore the possibility of preparing joint programmes with other UN entities under their respective FAFAs and continue building on the joint UNWTO-EU Guidebook to access funds in the EU programming cycle 2014-20.

12. The Secretariat was requested to organize meetings with relevant stakeholders in Paris (France), Brussels (Belgium) and Geneva (Switzerland) in support of attaining the objectives of the WG-ODA.

13. The Minister of Tourism of South Africa at the 20th session of the General Assembly (Victoria Falls, Zambia/Zimbabwe, 24-29 August 2013) briefed the Plenary on the outcome of this meeting under "*Item 5. Report of the Secretary-General: Part I: Programme of work - (b) Implementation of the general programme of work for 2012-2013*" of the Agenda.

B. Second meeting: follow-up

14. The **second meeting** of the WG-ODA took place in **Madrid, Spain, on 21 January 2014**. The discussions of the 2nd meeting concentrated on revising and fine-tuning the work being developed by the Organization with the support of the WG-ODA.

15. Considering that Spain is the host country of UNWTO and has presented the application of UNWTO to the OECD-DAC to become an ODA-eligible international organization in 2011, the WG-ODA agreed to invite Spain to become a member of this Working Group.

16. Ensuing the discussions that took place during the previous meeting of the WG-ODA, the following was also agreed:

- (a) To contact the Spanish Government – the Ministry of Industry, Energy and Tourism and the Ministry of Foreign Affairs – the latter to champion a future application of UNWTO to become a fully ODA-eligible international organization;

⁸ EIF: <http://www.enhancedif.org/>

(b) To start preparing the resubmission dossier for the Organization to become a fully ODA-eligible international organization, as it is a time-consuming procedure that requires the input of almost every programme of UNWTO; and

(c) To decide whether to present the application after undertaking a series of consultations with the OECD-DAC Secretariat (namely with its Chair, Mr. Erik Solheim) and some subsidiary bodies of the OECD-DAC (such as WP-STAT) and the Ministry of Foreign Affairs of Spain.

17. The representative of Mexico informed that on 15-16 April 2014 the first High Level Meeting (1st HLM) of the Global Partnership for Effective Cooperation would be held in Mexico:

(a) A limited number of side events would be organized as part of the official agenda of the HLM and the representative of Mexico suggested having a side event on Tourism;

(b) The proposal was well received, and it was agreed that UNWTO should submit an application to organize such event;

(c) The proposed Focus Session on "Tourism as an Engine for Growth and Development" (15 April, Mexico City) has been approved.

C. Place and date of the third meeting of the WG-ODA

18. It was decided to hold the third meeting of the Working Group on Official Development Assistance in the framework of the 98th session of the Executive Council (4-6 June 2014, Santiago de Compostela, Spain).

IV. Other actions undertaken by the WG-ODA: meeting with OECD-DAC

19. A meeting with the OECD-DAC Chair was convened on 25 November 2013 in Paris and the WG-ODA was represented by a delegation headed by its Chairperson, the Minister of Tourism of South Africa, with the participation of members of UNWTO Secretariat.

20. During the meeting, the OECD-DAC Chair recognized the importance of tourism as an engine for growth and sustainable development and, in this regard, requested a document from the WG-ODA in order to analyse the feasibility of waiving the two aforementioned conditions in relation to the resubmission of UNWTO's application to become an ODA-eligible international organization.

V. Other actions undertaken by the Secretariat: ODA eligibility resubmission dossier

21. Following the decision taken during the 2nd meeting of the WG-ODA, the Secretariat started preparing the application dossier and undertook consultations with the OECD-DAC Secretariat and the OECD-DAC WP-STAT, as well as with the Ministry of Foreign Affairs of Spain, to discuss the financial aspect of the application (in light of the work developed in 2012-13 and the estimated results for the same period) and to obtain further clarification on the procedure for including UNWTO on the OECD-DAC list of ODA-eligible international organizations.

22. Finally, it was decided not to submit a traditional application this year and to further discuss with the OECD-DAC alternatives that would best fit the UNWTO programme structure and budget, including taking into consideration models which some UN Organizations have already adopted.

VI. Actions to be taken by the Executive Council

23. The Executive Council is requested:

- (a) To take note of the activities of the Working Group on Official Development Assistance in pursuing the objective of achieving full ODA eligibility for UNWTO and mobilizing new resources for the Organization, as set out in decision CE/DEC/4(XCV);
- (b) To take note of UNWTO's status as an eligible organization for bilateral ODA; and
- (c) To support the proposal of further exploring alternatives that best fit the specificities of UNWTO in order to achieve the objective of attaining full ODA eligibility for the UNWTO.