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Report of the Secretary General

Note by the Secretary-General

In this document, the Secretary-General presents to the Members of the UNWTO Commission for Europe his review of major tourism trends, UNWTO's management vision and priorities as well as the status and advances in the administrative and financial matters of the Organization.

Report of the Secretary-General

Introduction

The present report to the 61st Meeting of the UNWTO Commission for Europe addresses the following subjects:

- A. International Tourism in 2016
- B. International tourism in 2017
- C. Priorities and Management Vision
- D. Mainstreaming Tourism in the Global Agenda
- E. Key UNWTO activities in Europe
- F. Administrative and Financial Matters

A. International Tourism in 2016

1. Demand for international tourism remained robust in 2016 despite challenges. International tourist arrivals grew by 3.9% to reach a total of 1,235 million, according to the March issue of the UNWTO World Tourism Barometer. Some 46 million more tourists travelled internationally last year compared to 2015.
2. 2016 was the seventh consecutive year of sustained growth following the 2009 global economic and financial crisis. A comparable sequence of uninterrupted solid growth has not been recorded since the 1960s.
3. By region, Asia and the Pacific (+9%) led growth, fuelled by strong demand from both intra and interregional source markets. Africa (+8%) enjoyed a strong rebound after two weaker years. In the Americas (+4%) the positive momentum continued. Europe (+2%) showed rather mixed results, with double-digit growth in some destinations offset by decreases in others. Demand in the Middle East (-4%) was also uneven, with positive results in some destinations, but declines in others.
4. Results in **Europe** were rather mixed with a number of destinations affected by safety and security challenges. International arrivals reached 615 million in 2016, or 12 million (+2%) more than in 2015. Northern Europe (+6%) and Central Europe (+4%) both recorded sound results, while in Southern Mediterranean Europe arrivals grew by 1% and in Western Europe results were flat (-0.3%).
5. **Asia and the Pacific** (+9%) led growth across regions in both relative and absolute terms, recording 25 million more international tourist arrivals in 2016 to total 309 million. Growth was strong in all four sub-regions, with Oceania receiving 10% more arrivals, North-East Asia and South Asia both 9% more and South-East Asia 8% more.

6. International tourist arrivals in the **Americas** (+4%) increased by 7 million to reach 200 million, consolidating the solid results recorded in the last two years. Growth was somewhat stronger in South America and Central America (both +6%), while arrivals to the Caribbean grew 5% and to North America 3%.
7. Available data for **Africa** points to an 8% rebound in international arrivals in 2016 after two troubled years, adding 4 million arrivals to reach 58 million. Sub-Saharan Africa (+11%) led growth, while a gradual recovery started in North Africa (+3%).
8. The **Middle East** received 54 million international tourist arrivals in 2016. Arrivals decreased an estimated 4% with mixed results among the region's destinations. Results for both Africa and the Middle East should be read with caution as they are based on limited available data.
9. **International tourism receipts** are expected to have grown at a similar pace in this period (complete 2016 receipts results will be reported at the end of May).
10. As for outbound tourism as measured by international tourism expenditure, available data for 2016 indicates a positive performance in most of the ten leading source markets in the world: China (+12%), USA (+8%), Germany (+5%), UK (+14%), France (+7%), the Republic of Korea and Australia (+8% each).

B. International tourism in 2017

11. Based on current trends, the outlook of the UNWTO Panel of Experts and economic prospects, **UNWTO projects international tourist arrivals worldwide to grow at a rate of 3% to 4% in 2017.**
12. **Europe is expected to grow at 2% to 3%**, Asia and the Pacific and Africa both at 5% to 6%, the Americas at 4% to 5% and the Middle East at 2% to 5%, given the higher volatility in the region.

C. Priorities and Management Vision

I. Introduction

13. The management priorities for 2016-2017 as approved by the 103rd session of the Executive Council are as follows:
 - (a) Promoting safe and seamless travel;
 - (b) Enhancing the role of technology in tourism; and
 - (c) Placing sustainability at the heart of tourism development and promoting the role of sustainable tourism in development.
14. The current document provides an overview of the actions taken to advance these priorities since the 104th session of the Executive Council.

II. Progress in the priorities for 2016-2017

A. Promoting safe and seamless travel

15. Building resilience within the sector requires a re-alignment and full integration of tourism systems within the national and local disaster risk and emergency management structure. It further requires this responsibility to be shared amongst all relevant stakeholders at the local, national and international levels.
16. Simultaneously, current security challenges should not lead to a reverse of the recent advances registered in terms of travel facilitation worldwide, as it is proven that travel facilitation enhances tourism's capacity to create economic growth and jobs. On the contrary, improving security and enabling seamless travel can and should be common objectives.
17. UNWTO has been long working in the area of tourism, security and crisis management. In this regard, UNWTO has continued its advocacy efforts in this area while providing technical assistance and capacity building for Member States. The following events have been focused on this theme since the 104th session of the Executive Council:
 - (a) The 2016 UNWTO & WTM Ministers' Summit on 'Tourism and Security: Promoting Safe and Seamless Travel' (World Travel Market, London, UK, 9 November 2016);
 - (b) The UNWTO/UNWTO.Themis Foundation Regional Executive Training on Crisis Communications for Africa (Khartoum, Sudan, 14-18 November 2016); and
 - (c) The UNWTO/European Travel Commission High Level Crisis Communication Seminar (UNWTO Headquarters, Madrid, Spain, 12 December 2016).
18. The 1st Meeting of the UNWTO High Level Task Force on Tourism and Security was held prior to the Executive Council on 10 May 2017.

B. Enhancing the role of technology in tourism

19. The 1st World Conference on Smart Destinations was held in Murcia, Spain, on 15-17 February 2017, organized by the World Tourism Organization (UNWTO), the Ministry of Energy, Tourism and Digital Agenda of Spain, and the Region of Murcia, to advance and shape a tourism model for the 21st century based on innovation, technology, sustainability and accessibility.
20. The Secretariat presented, during ITB 2017, the preliminary findings of the research on the 'new platform tourism services' (or the so-called sharing economy) at an event with the participation of representatives from local and national destinations (www2.unwto.org/sites/all/files/pdf/unwto_npts_itb_2017_jk2sc_rev.pdf).
21. The Intergroup on European Tourism Development, Cultural Heritage, Ways of St. James and other European Cultural Routes of the European Parliament, in collaboration with the World Tourism Organization (UNWTO) and with the support of Amadeus, organised the High-Level event on "**Connecting Europe through Innovation**", which took place in **Madrid, Spain, on 24 March 2017**.

22. The Secretariat is preparing a roadmap on how this issue should be mainstreamed and further strengthened within the POW of the Organization.

C. Placing sustainability at the heart of tourism development and promoting the role and contribution of sustainable tourism to the achievement of the Sustainable Development Goals (SDGs):

23. The Secretariat has continued to advance this area through three main pillars (more detailed information in document CE/105/5(a) available at : http://cf.cdn.unwto.org/sites/all/files/pdf/ce105_05_a_implementation_of_the_general_programme_of_work_for_2016-2017_en.pdf)
- (a) The UNWTO International Network of Observatories of Sustainable Tourism (INSTO);
 - (b) The Sustainable Tourism Programme of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns; and
 - (c) The Measuring Sustainable Tourism (MST) initiative, with the support of the UN Statistics Division (UNSD), to develop a system-wide, international statistical framework for measuring tourism's role in sustainable development.
24. **2017 as the International Year of Sustainable Tourism for Development:** see detailed information in document CEU/61/11.

D. Mainstreaming Tourism in the Global Agenda

I. Introduction

25. Promoting tourism's contribution to economic growth, inclusive development and environmental sustainability in the national and international agendas, continues to be one of the major priorities of the Organization. The support of the tourism sector at the highest level is an essential precondition for the development and implementation of policies that support its growth and sustainability and to ensure that the sector contributes to Sustainable Development Goals (SDGs).
26. With the adoption of the universal SDGs at the end of 2015, the advocacy work of UNWTO has been geared to ensure the support of tourism as an effective tool to contribute to the achievement of the 17 SDGs.
27. The present report highlights the main actions implemented and planned by the Secretariat to mainstream tourism in the global and national agendas, since the last meeting of the Commission in May 2016.

II. Mainstreaming tourism in the national and global agendas

28. To promote the role of tourism in the national agendas, UNWTO continues to advance the **UNWTO/WTTC Open Letter on Travel and Tourism** initiative. Since its inception in 2011, a total of 87 Heads of State and Government have been presented with the Open Letter. The initiative aims to promote the role of the sector at the highest level, foster cross-cutting policy coordination on tourism issues and raise awareness among decision makers of pressing challenges facing the sector. In Europe, since the initiative was launched a total of 27 Heads of State and Government were presented with the Open Letter (by chronological order): Kazakhstan, Hungary, Armenia, Romania, Croatia, Ireland, France, Azerbaijan, Serbia, Greece, Georgia, Republic of Moldova, San Marino, Portugal, Turkmenistan, Turkey, Cyprus, Ukraine, Lithuania, Bulgaria, Former Yugoslav Republic of Macedonia, Albania, Slovakia, Spain, Montenegro, Andorra and Slovenia.
29. **The Secretariat continues to work to position tourism in the United Nations (UN) system agenda as well as in the agendas of other relevant international and regional organizations** (for details see document CE/105/5(a)). In this framework, it is worth highlighting:
- (a) **Measuring Sustainable Tourism Initiative (MST):** UNWTO has made significant progress on the Measuring Sustainable Tourism (MST) initiative which has been highly welcomed and supported by 48th Session of United Nations Statistical Commission, held between 7 and 10 March 2017. The initiative, being implemented in cooperation with the United Nations Statistics Division, aims to develop a new statistical framework for tourism — integrating the various dimensions of sustainable tourism (economic, environmental and social) across relevant levels (global, national and subnational). Measuring Sustainable Tourism (MST) will be the central focus of the 6th International Conference on Tourism Statistics: Measuring Sustainable Tourism, to be held in Manila, the Philippines, on 21-24 June 2017.
 - (b) As one of its co-leads UNWTO continues to contribute to the progress of the [10-Year Framework of Programmes on Sustainable Consumption and Production \(10YFP\)](#), a collaborative platform to bring together and scale up existing initiatives and partnerships to accelerate the shift to sustainable consumption and production. In this context, the International Symposium of the Sustainable Tourism Programme of the 10YFP was held in Morocco on the side-lines of the 22nd Session of the UNFCCC Conference of Parties (COP22) on 11-12 November 2016, to increase awareness of tourism's role and commitment to fight climate change.
 - (c) [Promoting safe, secure and seamless travel](#): In order to advance with the promotion of safe and seamless travel, one of the three priorities approved by the Executive Council for UNWTO's work in the period 2016-2017, the Organization dedicated the 10th UNWTO Ministers Summit at the World Travel Market (November 2016) to this topic and convened the 1st Meeting of the Tourism and Security Taskforce prior to the 105th EC on 10 May 2017. Simultaneously UNWTO advanced its training programme in this area with capacity building activities and expertise sharing on crisis communications in Sudan (for Africa), Bangladesh (in May for Asia and the Pacific) and Spain (with the European Travel Commission for Europe) and on crisis management in Egypt.

- (d) **Tourism in the European Union (EU) Agenda:** UNWTO has been reinforcing its relationship with the EU. During the period under review, UNWTO Secretary-General addressed the EU Committee of the Regions, met the EU Commissioners Elzbieta Bienkowska (Internal Market, Industry, Entrepreneurship and SME-s), Neven Mimica (International Cooperation and Development), Karmenu Vella (Environment, Maritime Affairs and Fisheries) and Tibor Navracsics (Education, Culture, Youth and Sport) to explore opportunities for collaboration. UNWTO is also undertaking a joint project with the European Commission (DG GROWTH) on 'Enhancing the Understanding of European Tourism'. The project aims to improve the socio-economic knowledge of the tourism sector, enhance the understanding of European tourism and contribute towards economic growth, job creation, thus improving the competitiveness of the sector in Europe. The project includes four components: 1) increased cooperation and capacity building in tourism statistics; 2) assessment of tourism market trends; 3) promotion of cultural tourism through the Western Silk Road and; 4) promoting sustainable, responsible, accessible and ethical tourism. The project is co-financed with COSME funds and will run until February 2018.
- (e) **Official opening of the UNWTO Geneva Liaison Office:** UNWTO has officially opened its liaison office in Geneva in January 2017. The Office aims to enhance the support to Member States as well as facilitate the coordination with the United Nations and other multilateral organizations in the context of the 2030 Agenda. The Liaison Office is hosted at the International Trade Center (ITC). On the occasion, the Secretary-General briefed the Ambassadors and heads of International Organizations in Geneva on the International Year on Sustainable Tourism 2017, underlining the importance of tourism in the global development and trade agenda.
- (f) **International Year of Sustainable Tourism for Development 2017:** see detailed information in document CE/105/3(d)
30. The celebration of World Tourism Day is an excellent occasion to raise awareness of key issues affecting the tourism sector. The 2016 World Tourism Day celebrations on the theme "Tourism for All: Promoting Universal Accessibility" was held successfully in Bangkok, Thailand. The 2017 celebrations will take place in Qatar under the theme 'Sustainable Tourism – a tool for development'.
31. In accordance with the principle of geographic rotation, World Tourism Day 2018 will be celebrated in Europe and World Tourism Day 2019 in South Asia. Considering that both Regional Commissions will hold their meetings following the 105th Executive Council, the proposed host countries will be presented to the 106th Executive Council for consideration and proposal to the 22nd General Assembly.
32. As per the themes of the celebration, the Secretariat will propose the 105th Executive Council to present to the 22th General Assembly the following themes to celebrate World Tourism Day in 2018 and 2019: Tourism and the digital transformation (2018) and Tourism and Jobs: a better future for all (2019).

E. Key UNWTO activities in Europe

33. In view of the two pillars of the Programme of Work and its priorities, the Secretariat has continued to implement the 2017 Programme of Work in the region.
34. A detailed report on the activities carried out by the Organization in the region since the last meeting of the UNWTO Commission for Europe (Vilnius, Lithuania, 25 May 2016), is included in document CEU/60/4. In this framework it is worth highlighting the following activities:
- (a) In the areas of Statistics/Measuring Tourism, UNWTO organized an Open Consultation Meeting on Advancing the Measurement of Sustainable Tourism Development (Madrid UNWTO HQ, 7-8 June 2016), the 1st meeting of the Working Group of Experts on Measuring Sustainable Tourism (Madrid, Spain, 20 – 21 October 2016) and the UNWTO & INRouTe workshop Subnational Tourism Measurement (Venice, Italy, 22 November 2016);
 - (b) In the field of Product and Destination Development, UNWTO organized the International Conference on Integrated Quality Management in Tourism Destinations (Bucharest, Romania, 23-24 June 2016), the 1st UNWTO Global Conference on Wine Tourism (Kahketi region, Georgia, 7-9 September 2016), the 3rd Euro-Asian Mountain Resorts Conference (Tbilisi, Georgia, 4-7 April 2017), the 3rd UNWTO World Forum on Gastronomy Tourism (San Sebastian, Spain, 8-9 April 2017) and a Round Table on Sustainable Urban Tourism (Madrid, Spain, 10 May 2017);
 - (c) In the areas of Marketing, UNWTO organized Conference on Destination Branding - keys to building a successful reputation (Kiev, Ukraine, 20-21 June 2016) as well as a Master Class on Attracting Chinese Tourism to the Mediterranean (Valleta, Malta, 24 May 2017);
 - (d) In the field of Innovation and New Technologies, UNWTO organized the 1st UNWTO World Conference on Smart Destinations (Murcia, Spain, 15-17 February 2017) as well as a High-Level Event on Connecting Europe through Innovation (Madrid, Spain, 24 March);
 - (e) Regarding Ethics, UNWTO organized the 32nd meeting of the UNWTO World Tourism Network on Child Protection – ITB (Berlin, Germany, 9 March 2017) and the 3rd International Congress on Ethics and Tourism (Krakow, Poland, 27-28 April 2017);
 - (f) In the area of Culture, it was organized a Roundtable on "Multicultural Society and Tourism" (Baku, Azerbaijan, 27 September 2016), a UNWTO Conference on Religious Heritage and Tourism in a Changing Society (Utrecht, the Netherlands, 5-7 October 2016), the International Congress on World Civilizations and Creative Tourism (Sofia, Bulgaria, 27 Nov – 1 December 2016), the UNWTO Panel on Indigenous Tourism: Promoting equitable partnerships – ITB (Berlin, Germany, 9 March 2017) and the 4th World Forum on Intercultural Dialogue: "Advancing Intercultural Dialogue: New Avenues for Human Security, Peace and Sustainable Development" (Baku, Azerbaijan, 5-6 May 2017).

F. Administrative and Financial Matters

35. The year 2016 closed with contribution income balancing budgetary expenditures and enabling a partial reimbursement of the advance made by the Working Capital Fund in 2015.

36. 2016 UNWTO Financial Report and Audited Financial Statements for the year ended 2016, including the unqualified opinion of the External Auditors, are submitted to the 105th session of the Executive Council.
37. On a separate note, the United Nations Chief Executive Board for Coordination is reviewing a system-wide approach to the large liabilities raised by the After Service Health Insurance scheme of staff. This has proven to be a protracted issue, this review being a necessary step for its addressing. The detailed reports on the current status of financial and administrative matters of the Organization as of early 2017 will be presented to the 105th Executive Council.
38. During 2016, UNWTO continued to focus on accountability and financial management improvements including: (a) online budget and finance information is provided through Athena (UNWTO financial management information system) to managers and staff by programmes/projects thereby enhancing the efficiency and effectiveness of programme implementation; (b) continued the enhancement of Athena (Athena II plan) to develop modules on: (i) purchase management, and (ii) accounts payable. Athena II modules will go live in mid-2017. Enhanced IT systems reduce manual intervention and increase the efficiency of the organizations processes, extending well beyond accounting and finance matters and affecting all operations; (c) publication of the third edition of the UNWTO IPSAS Policy Guidance Manual to provide guidance on the policies and accounting practices established by UNWTO in the application of IPSAS
39. In order to improve the safety, reliability and availability of the Organization's ICT services, the possibility of updating the existing Data Processing Center (DPC) was studied and, after carrying out the relevant studies, a new DPC was created. The new DPC contains a completely new physical infrastructure, with greater capacity for future growth and that meets all the standards of safety and protection in force.
40. In relation to Human Resources policies and following UN General Assembly Resolutions 70/244 and 71/264, a new compensation package for staff in the professional category and above in the UN common System is being implemented in UNWTO since January 2017, replacing the dual salary scale by a unified scale and providing separate allowances for single parents.
41. Furthermore, the International Civil Service Commission carried out a Place-to-Place survey in Madrid during October 2016 to evaluate expenditure patterns and other characteristics of the households of staff in the professional and higher categories in comparison with the cost-of-living in New York. The outcome of the survey will be announced in the second trimester of 2017.
42. UNWTO has concluded with the UNDP an Agreement concerning the management of the UN wide Junior Professional Officer Programme. Through this framework agreement the UNWTO is able to receive any JPO postings from Member States who wish to place their young professionals in UNWTO for 1-3 years by financing the post.
43. Following approval by the Executive Council, a full renewal of the ground floor, lobby and reception area of the headquarters building has been satisfactorily completed in 2016.