



Executive Council

108th session

San Sebastián, Spain, 23-25 May 2018

Provisional agenda item 7(b)

CE/108/7(b)
Madrid, 27 April 2018
Original: English

Report of the Secretary-General

Part II: Administrative and statutory matters

(b) UNWTO financial report and audited Financial Statements for the year ended 31 December 2017

I. Introduction

1. In accordance with Financial Regulation 14.7, the Financial Statements of the World Tourism Organization for the year ended 31 December 2017 under the mandate of Mr. Taleb Rifai as Secretary-General have been prepared by the Director of Administration and Finance.
2. UNWTO Financial Statements are prepared in accordance with the UNWTO Financial Regulations, UNWTO Detailed Financial Rules, the International Public Sector Accounting Standards (IPSAS), and in line with the United Nations (UN) policy that IPSAS be used as the accounting standards by UN system organizations.
3. Since 2014, the Organization has prepared annual Financial Statements compliant with IPSAS. The basis of IPSAS is the accrual accounting concept whereby transactions are recorded and reported when they occur and not when they are paid. IPSAS-based Financial Statements provide greater insights into an organization's revenue, expense, assets, liabilities and reserves and improves decision-making, financial management and planning at management and governance levels.
4. The Financial Statements were subjected to external audit in accordance with Annex 1 to the Financial Regulations. The audit opinion and report of the External Auditors on the Financial Statements is submitted to the Executive Council in accordance with Financial Regulation 17.2.
5. The following document includes also the 2017 financial report with a discussion and analysis of UNWTO's financial position and financial and budgetary performance for the financial year ended 31 December 2017.
6. The 2017 financial report includes a chapter on the budgetary performance of the Regular Budget (RB) for the year ended 31 December 2017. The 2017 RB was adjusted by transfers recommended by



the Programme and Budget Committee members through a written consultation without altering the total appropriations approved.

7. The General Assembly at its 21st session (resolution 651(XXI)) recommended that care be taken to ensure that the programme of work and budget is executed according to the income received. Regrettably, in 2017, budgetary expenditures amounted to EUR 12,601,387 while budgetary income received (cash-in) totalled EUR 12,090,185, resulting in a cash deficit of EUR 511,202 which was advanced by the Working Capital Fund (WCF).

8. In addition, a pending amount of 238,396.39 euros advanced by the WCF to the RB as of 31 December 2014 was not returned at the end of 2017. This has resulted in an accumulated amount advanced by the WCF to the RB as at 31 December 2017 of EUR 749,598 which would have to be returned from RB cash surpluses as soon as possible in subsequent years. The budgetary cash balance is dependent on the timing of the payment of the assessed contributions by Members.

9. The 2017 financial report also includes a chapter on after-service employee benefits liabilities. The subject of the definition, funding and management of After-Service Health Insurance (ASHI), the most significant item under the after-service employee benefits liabilities, is being analysed by the ASHI Working Group of the UN (United Nations) Finance and Budget Network (UNFBN) under the auspices of the UN Chief Executives Board (CEB) with a view to identifying actions to be taken to develop common approaches by United Nations system organizations. Annex V of the present report describes the background and progress to date of the UN ASHI Working Group as well as the corresponding recommendations approved by the UN General Assembly (GA).

II. Audit opinion

10. The External Auditors have issued an unqualified (clean) opinion on the UNWTO Financial Statements for the year ended 2017. As expressed in the External Auditors' opinion the UNWTO Financial Statements "present, in all material respects, a true image of the net assets and financial situation of the World Tourism Organization as at 31 December 2017, as well as of its performance, its cash flows and changes in equity for the year then ended, in accordance with the applicable regulatory framework for financial reporting, and in particular, with the accounting principles and criteria contained therein".

III. After-service employee benefits liabilities

11. The External Auditors have highlighted the negative equity of the Organization as at 31 December 2017 (EUR -3,065,961.24), stating that it "is highly correlated with the impact of unbudgeted after-service employee benefits liabilities, which have increased constantly over the past 5 years. The UN ASHI Working Group recommends that organizations adequately fund their long-term employee liabilities, by moving from a pay-as-you-go approach to a pay-as-you-accrue approach, which may imply setting aside more funds to cover future benefits".

12. The External Auditors have consistently recommended that UNWTO prepare a comprehensive plan to meet its post-retirement liabilities (see document CE/98/3(II)(d) presented to the 98th session of the Executive Council in June 2014). With a view to ensuring the financial sustainability of the Organization, the Secretary-General will prepare a plan, taking into account the recommendations of the UN ASHI Working Group and present a proposal to the Executive Council.

IV. Action by the Executive Council

DRAFT DECISION¹

The Executive Council,

Having examined the UNWTO financial report and audited Financial Statements for the year ended 31 December 2017 (CE/108/7(b)),

1. *Takes note with satisfaction* of the unqualified opinion of the External Auditors that the UNWTO Financial Statements for the year ended 2017 present a true image of the financial position of the UNWTO as at 31 December 2017 and of its performance, its cash flows and changes in equity for the year ended 31 December 2017, in compliance with UNWTO Financial Regulations and Rules and International Public Sector Accounting Standards (IPSAS);
2. *Recommends* the General Assembly to approve the UNWTO Financial Statements for the year ended 2017;
3. *Takes note of* the budgetary performance of the Regular Budget (RB) in the financial year 2017, during which the level of budgetary expenditure resulted in an implementation rate of 104% of the total budgetary income and the level of budgetary income received (cash-in), including Members' arrears, represented 90% of the approved budget income, resulting in a cash deficit of EUR 511,202 which was advanced by the Working Capital Fund (WCF);
4. *Requests* the Secretary-General to take the appropriate measures so that the accumulated amount (EUR 749,598) advanced by the Working Capital Fund to the Regular Budget resulting from advances made in the previous years that were not returned as required by the Financial Regulations is returned from Regular Budget cash surpluses as soon as possible in subsequent years;
5. *Recommends* that the Secretary-General continue in 2018 his approaches to Members that owe contributions to the Organization in order to secure their payment;
6. *Approves*, for the year ended 2017, the revised Regular Budget appropriations in accordance with the new programme structure made by the Secretary-General and the Regular Budget appropriation transfers recommended by the Programme and Budget Committee members through a written consultation in accordance with Financial Regulation 5.3(a) and 5.3(b);
7. *Takes note of* the recommendations endorsed by the United Nations General Assembly (UNGA) following its consideration of the reports on After-Service Health Insurance (ASHI) shown in Annex V of document CE/108/7(b);
8. *Welcomes* the Secretary-General's proposal to take into account the UNGA recommendations on ASHI and to prepare a comprehensive plan to meet the post-retirement liabilities, which will be presented to the Executive Council for approval; and
9. *Expresses* its gratitude to the Chair of the Programme and Budget Committee (India) and the External Auditor (Spain) for the work carried out.

¹ This is a draft decision. For the final decision adopted by the Council, please refer to the Decisions document issued at the end of the session.



UNWTO Financial Report and Audited Financial Statements for the Year Ended 31 December 2017

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Financial Report of the Secretary-General for the year 2017

Introduction

1. In accordance with Financial Regulation (FR) 14.7 I have the honour to submit to the Executive Council (EC) the Financial Statements (FS) of the World Tourism Organization (UNWTO) for the year ended 31 December 2017.
2. The Financial Statements were subjected to external audit in accordance with Annex I to the Financial Regulations. The audit opinion and report of the External Auditor (EA) on the Financial Statements are submitted to the Executive Council in accordance with Financial Regulation 17.2.
3. This section, the financial report, presents the Secretary-General's discussion and analysis of UNWTO's financial position and financial and budgetary performance for the financial year ended 31 December 2017.

Overview of the Financial Statements

4. The Financial Statements are prepared in accordance with the UNWTO Financial Regulations, UNWTO Detailed Financial Rules, the International Public Sector Accounting Standards (IPSAS)¹, and in line with the United Nations (UN) policy that IPSAS be used as the accounting standards by UN system organizations.
5. Since 2014, the Organization has prepared annual Financial Statements compliant with IPSAS. The basis of IPSAS is the accrual accounting concept whereby transactions are recorded and reported when they occur and not when they are paid. IPSAS-based Financial Statements provide greater insights into an organization's revenue, expense, assets, liabilities and reserves and improves decision-making, financial management and planning at management and governance levels.
6. The Financial Statements consist of:
 - (a) [A statement of financial position](#)
Provides information on UNWTO's assets, liabilities, accumulated surplus/deficit and reserves at year end. It gives information about the extent to which resources are available to support future operations.
 - (b) [A statement of financial performance](#)
Presents the net surplus or deficit for the year, the difference between revenue and expense. It provides information on the nature of about the UNWTO's programme delivery expense and the amounts and sources of revenue.
 - (c) [A statement of changes in net assets/equity](#)
Highlights the sources of changes in the overall financial position.
 - (d) [A cash flow statement](#)

¹ FR 14.1

Provides information on UNWTO's liquidity and solvency including the sources and utilization of cash during the financial period. It explains the difference between the cash coming in and cash going out.

(e) **A comparison of budget and actual amounts – Regular Budget**

Highlights the extent to which approved Regular Budget (RB) resources were utilized and presents the difference between the actual budgetary expenditure and the approved budget appropriation.

(f) **Notes to the Financial Statements**

Assist in the understanding the Financial Statements. Notes comprise of a summary of significant accounting policies and other detailed tables and explanatory information. The notes also provide additional financial statement information and disclosures as required by IPSAS.

7. The Financial Statements also present information on the separately identifiable business segments, namely:

(a) **The Programme of Work Services (PoWS)**

The Programme of Work Services segment, being the General Fund (GF) mainly financed from the assessed contributions of the Members, covers (i) the main operations of the Organization for which programme appropriations for the financial period are voted by the General Assembly (the Regular Budget's (RB) programme of work) and, (ii) other non-RB activities within the GF.

(b) **Other Services (OS)**

The Other Services segment comprises the Voluntary Contributions Fund (VCF) and the Funds In Trust (FIT) and mainly relates to projects and activities financed from voluntary funding provided by donors through agreements or other legal authority.

8. The major financial reporting and disclosure aspects under IPSAS are:

- (a) All UNWTO financial transactions are reported in a single set of Financial Statements with detailed information and segment information presented in the notes.
- (b) Revenue for assessed contributions is recognized when UNWTO has the right to receive the contribution, that is to say, at the beginning of each year. Voluntary contributions are fully recognized as revenue on the receipt of a confirmed contribution unless they contain performance conditions, which are to be met before recognition. In-kind contributions such as rent-free premises or material services such as travel or goods are also recognized as revenue. All other revenue is recognized on an accrual basis in the period the transaction occurred.
- (c) Allowances are made where the receipt of receivables is considered doubtful.
- (d) Expense is presented in the Financial Statements by nature of expense and is recognized when goods and services have been received.
- (e) Inventories of a material nature such as publications are expensed on sale or distribution.
- (f) The recognition of all employee liabilities to be paid out in future periods on an accrual basis including accumulated annual leave, end of service benefits and after-service medical liabilities determined by independent actuaries.

- (g) Fixed and intangible assets are presented under IPSAS accounting policies.
 - (h) Recognition of the in-kind contribution of the annual lease of the Headquarters building in Madrid provided on a no-cost basis by the Government of Spain.
 - (i) Reconciliation is provided between the Statement of Financial Performance prepared on an accrual basis and the Statement of Comparison of Budget and Actual Amounts which is prepared and utilized on a modified accrual basis.
 - (j) Unspent approved budgetary provisions at year end are included in accumulated surpluses pending their utilization.
 - (k) Reserves are those specifically approved by the UNWTO governing bodies.
 - (l) Budgetary commitments do not represent liabilities unless they are payables resulting from goods or services delivered during the financial year.
 - (m) Additional disclosure is made in respect of the financial risk management of the Organization and in respect of the remuneration of the key management personnel comprising personnel at and above D2 level.
9. Several key financial definitions under IPSAS are presented below to enhance the usability and understanding of these Financial Statements:
- (a) **Assets** are resources controlled by UNWTO as a result of past events in which future economic benefits or service potentials are expected to flow to UNWTO.
 - (b) **Liabilities** are present obligations arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits or service potential.
 - (c) **Net assets** are the residual interest in the assets of UNWTO after deducting all its liabilities.
 - (d) **Revenue** is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.
 - (e) **Expenses** are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets.
 - (f) **Non-exchange transactions** are those transactions for which UNWTO either receives from or gives value to another entity without directly giving or receiving approximately equal value in exchange.
 - (g) **Monetary items** are units of currency held and assets and liabilities to be received or paid in fixed or determinable amounts.
 - (h) **Surplus for the period** is the excess of all items of revenue over expense recognized in a period.
10. Under the accrual basis of accounting, revenues and expenses are recognized in the Financial Statements in the period to which they relate. The excess of revenues over expenses results in a surplus which is carried forward to the accumulated surplus. These accumulated surpluses represent the unexpended portion of contributions to be utilized, as authorized, in requirements of the Organization.

11. Under current IPSAS standards, the matching principle of revenue and expense does not apply to non-exchange transactions. The focus of IPSAS is the financial position, which is evidenced by the recognition of assets, when there is sufficient control, and of liabilities, when the criteria to recognize liabilities exist.

Aims, membership and strategic objectives of UNWTO

12. UNWTO's aims, as summarized in Article 3.1 of its Statutes, are "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".
13. UNWTO's membership includes 156 countries, 6 Associate Members and over 490 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities.
14. The Organization's governance, through the General Assembly (GA) and the Executive Council, is defined in the UNWTO Statutes².
15. The Programme of Work (A/21/8(l)(b))³ sets out the strategic objectives of UNWTO over the period 2016-2017:
 - (a) The first strategic objective aims at improving the competitiveness of the Member States' tourism sector by promoting quality, innovation and excellence in tourism policy and destination management, product development and marketing, advancing travel facilitation and connectivity, reducing seasonality defining adequate tourism taxation and providing updated and relevant market information and data on trends, forecasts and the contribution of tourism to the economy and employment.
 - (b) The second strategic objective aims at promoting sustainability and responsibility in all aspects of tourism development among both private and public sectors and in the framework of the Post-2015 Sustainable Development Goals. This includes the promotion of ethical policies, behaviour and practices, improving resource management, enhancing accessibility for all, advancing tourism's contribution to peace, development and poverty alleviation, the preservation of cultural heritage and natural environments, namely in the scope of the fight against climate change, as well as the full integration of tourism into local economies, ensuring a fair distribution of the sector benefits amongst host communities, their full engagement in tourism development, respect for their social and cultural values and an overall contribution to the resilience of the sector.
16. Throughout the current financial period, the Organization continued to make significant efforts in a very challenging financial environment to ensure programme delivery towards the attainment of strategic objectives.
17. Funding of UNWTO is mainly through Regular Budget assessments on Members and through voluntary and trust fund contributions in support of the strategic objectives⁴.

² Articles 9 to 20 of the Statutes

³ Approved by resolution A/RES/619(XX)

⁴ FR 6, 10.3 and 10.4

Financial Statements highlights

Budgetary performance of the Regular Budget

Budgetary result of the Regular Budget

Table 1 - Comparison of budget and actual amounts and budgetary cash balance - Regular Budget
for the year ended 31 December 2017

Euros

	Approved income / Original budget ¹	Final budget ²	Actual amounts on comparable basis	Differences budget and actual ³	Budgetary cash balance (cash-in less expenditure)
Budgetary difference	0.00	0.00	626,018.59	-626,018.59	-511,201.98
<i>Budgetary income</i>	<i>13,492,000.00</i>	<i>13,492,000.00</i>	<i>13,227,406.02</i>	<i>264,593.98</i>	<i>12,090,185.45</i>
Contributions from Full and Associate Members	12,745,000.00	12,745,000.00	12,424,123.00	320,877.00	10,518,567.78
Full Members	12,546,000.00	12,546,000.00	12,225,028.00	320,972.00	10,319,472.78
Associate Members	199,000.00	199,000.00	199,095.00	-95.00	199,095.00
Other income sources	747,000.00	747,000.00	803,283.02	-56,283.02	572,583.18
Allocation from accumulated surplus - Publications store	144,000.00	144,000.00	144,000.00	0.00	144,000.00
Affiliate Members	603,000.00	603,000.00	659,283.02	-56,283.02	428,583.18
Arrear contributions	0.00	0.00	0.00	0.00	999,034.49
<i>Budgetary expenditure</i>	<i>13,492,000.00</i>	<i>13,492,000.00</i>	<i>12,601,387.43</i>	<i>890,612.57</i>	<i>12,601,387.43</i>
A Member Relations	2,201,000.00	2,222,187.16	2,222,187.16	0.00	2,222,187.16
B Operational	3,447,000.00	3,425,812.84	3,223,419.72	202,393.12	3,223,419.72
C Support, Direct to Members	4,463,000.00	4,463,000.00	4,340,979.08	122,020.92	4,340,979.08
D Support, Indirect to Members	3,381,000.00	3,381,000.00	2,814,801.47	566,198.53	2,814,801.47

¹ In accordance to Programmes structure and appropriations approved originally by A/RES/651(XXI) of document A/21/8(I)(b), its structure update approved by CE/DEC/8(CIII) of document CE/103/7(a), its structure update approved by CE/DEC/8(CIV) of document CE/104/7(a), its structure update approved by CE/DEC/8(CV) of document CE/105/5(b), its structure update approved by A/RES/688(XXII) of document A/22/10(I) and the Secretary-General proposal of structure modification as presented in this document.

² After transfers

³ Differences between final and actual budgetary income are due to: (a) EUR 321,343 due to the withdrawal of Australia on 18 August 2016, (b) EUR -466 rounding difference, and (c) Affiliate Members budgetary income was prepared based on an estimated number of Members.

18. This section analyses the Regular Budget as approved by the General Assembly. The Regular Budget is voted by the General Assembly of UNWTO for a biennium of two consecutive calendar years beginning with an even-numbered year⁵. The biennial budget is presented on an annual basis to cover the proposed programme of work of the Regular Budget for each financial year of the financial period⁶.
19. The Regular Budget is financed from assessed contributions from Members⁷ and budgetary allocations. Appropriations are available for budgetary commitments during the financial period to which they relate and for a further twelve months⁸.
20. The Regular Budget of the Organization covering the two-year budget period 2016-2017 (A/21/8(I)(b)) was approved by the General Assembly (A/RES/651(XXI)) at EUR 26,984,000 broken down into the 2016 and 2017 annual budgets both amounting to EUR 13,492,000. The 2017 annual budget was adjusted by transfers⁹ of EUR 363,989 as explained in Annex II on Appropriations transfers - Regular Budget.
21. In 2017, total budgetary income and total budgetary expenditure amounted to EUR 13,227,406 and EUR 12,601,387 respectively, resulting in an implementation rate of 95% out of the total budgetary income. Therefore, the budgetary result (total budgetary income less total budgetary expenditure)

⁵ FR 2, FR 4.4

⁶ FR3, DFR IV.4

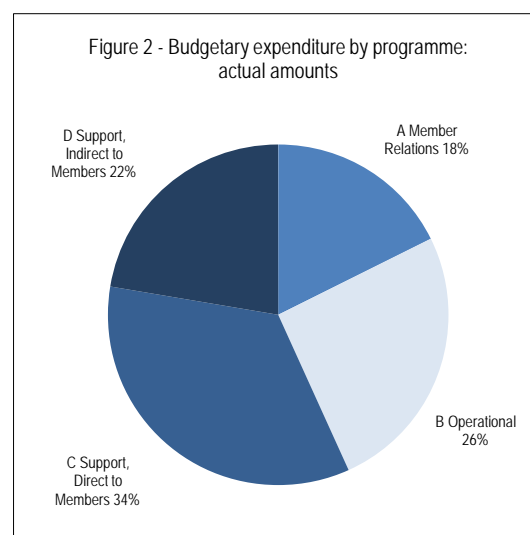
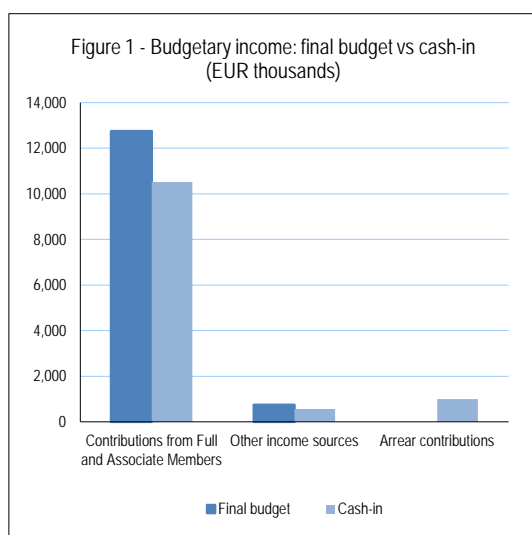
⁷ FR 6

⁸ FR 5.1(a), FR 5.2 (a)

⁹ FR 5.3 (b)

shows a surplus of EUR 626,019. UNWTO reports bi-annually to the Executive Council on the status of the biennial budget implementation¹⁰ of the Regular Budget.

22. The total budgetary income received (cash-in) amounts to EUR 12,090,185, including the Members' arrears received during the year ended 31 December 2017 (EUR 999,034), which represents 90% of the approved budgetary income.
23. The budgetary cash balance (total budgetary income received (cash-in) less budgetary expenditure) resulted in a cash deficit of EUR 511,202 which was advanced by the Working Capital Fund¹¹ (see Annex III on Working Capital Fund available balance and advance to the Regular Budget).



Comparison of financial performance to budgetary result of the Regular Budget

Table 2 - Reconciliation of financial performance with budgetary result of the Regular Budget for the year ended 31 December 2017

Euros

<i>Financial deficit in the Statement of financial performance</i>	<i>-2,427,370.31</i>
Entity differences	-1,303,425.49
Basis differences	-1,749,963.41
Budgetary result in the Statement of comparison of budget and actual amounts	626,018.59

24. The budget and the accounting bases differ. Consequently, the following differences have to be taken into account in the reconciliation between the financial performance (Statement of Financial Performance) and the budgetary result (Statement of Comparison of Budget and Actual Amounts):

(a) Entity differences

The Statement of Financial Performance includes all operations of UNWTO while the Statement of Comparison of Budget and Actual Amounts is limited to the operations related to the Regular Budget.

The General Fund¹² of the Organization is established for the purpose of accounting: (i) financial transactions in relation to the Regular Budget and (ii) other financial transactions not related to the Regular Budget (such as, miscellaneous revenues). The latter transactions (ii) as well as the

¹⁰ DFR III.4

¹¹ FR 10.2(b)

¹² FR 10.1, FR 4.4, FR 2

VCF and the FIT, not being part of the Regular Budget, are entity differences eliminated in the reconciliation.

(b) Basis differences

The Statement of Financial Performance is prepared on a full accrual basis in compliance with IPSAS while the Statement of Comparison of Budget and Actual Amounts is prepared on modified accrual basis in accordance to the Regular Budget.

The Regular Budget is approved on a modified accrual basis, whereby income is budgeted on an accrual basis plus allocations from accumulated surplus and expenditures are budgeted when it is planned that expenses will be accrued except for:

- (i) Property, plant and equipment, intangible assets and finance lease liabilities which are budgeted when it is planned that payments will be made;
- (ii) After-service employee benefits expenses for ASHI and other after-service benefits accrued in accordance with IPSAS but which are in excess of budgetary appropriations, which are based on expected annual disbursements (pay-as-you-go (PAYG) approach);
- (iii) Allowance of unpaid Members' contributions and other accounting differences (such as foreign exchange differences, in-kind donations, depreciation/amortization, impairment and loss on sale of PPE and IA) which are unbudgeted; and
- (iv) Transfer to the Replacement Reserve¹³ which is budgeted based on the depreciation and amortization of previous years.

(c) Presentation differences

The Statement of Financial Performance uses a classification based on the nature of expenses while the Statement of Comparison of Budget and Actual Amounts classifies expenses by programmes/projects.

In the Regular Budget, the expenditures are classified between Member Relations (Major Programmes A), Operational (Major Programmes B), Support – Direct to Members (Major Programmes C) and Support – Indirect to Members (Major Programmes D)¹⁴. The financial impact of the presentation differences is zero.

Financial performance

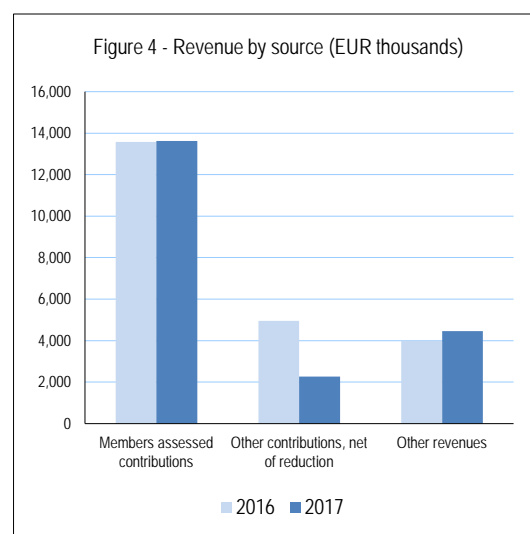
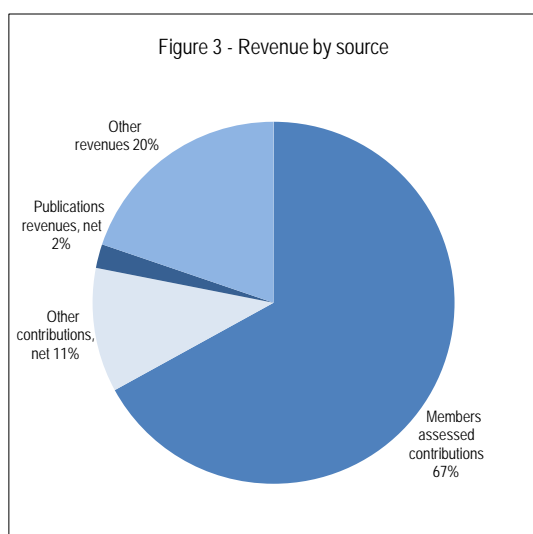
Revenue analysis

25. Total revenue amounted to EUR 20,340,588. UNWTO's activities are mainly funded by assessed contributions on its Members. Net revenue of EUR 13,627,323 from Members' assessed contributions represents 67% of the total revenue.
26. The remaining 33% of the revenue came from other contributions (Voluntary Contributions and Funds In Trust) of EUR 2,256,928 and other revenue amounting to EUR 4,456,337. Other revenue includes publication sales (EUR 432,998) and in-kind contributions (EUR 3,358,470).
27. In-kind donations have been recognized in respect of donated premises and conference facilities (EUR 2,185,528) and donated travel (EUR 1,172,942).

¹³ DFR VI 21-23

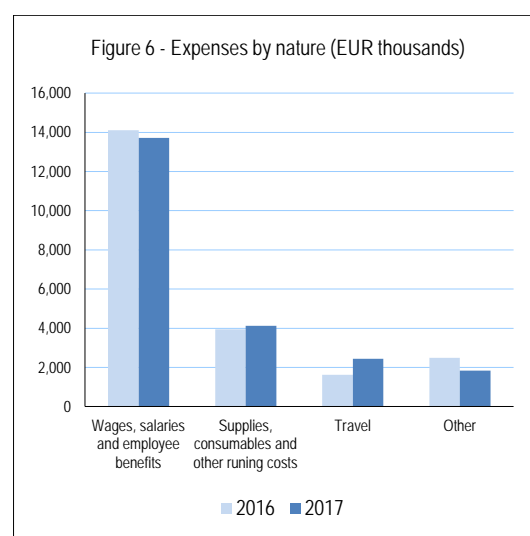
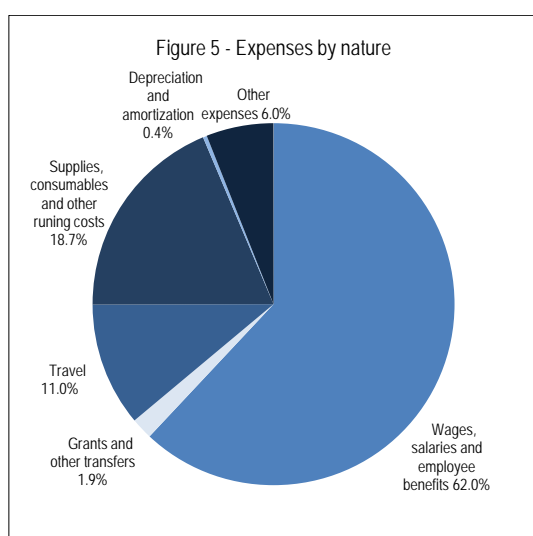
¹⁴ FR 4.3

28. All of the amounts recorded as revenues may not ultimately be received. For this reason, UNWTO recognizes allowances for doubtful accounts and provisions for returns to donors for donor-based projects.



Expense analysis

29. Total expense amounted to EUR 22,767,958. Wages, salaries and employee benefits, the main category of expenditure, represent 62% of the total expenses (EUR 13,707,872). Salaries of regular staff amounted to EUR 8,965,660 (65% of wages, salaries and employee benefits). A further EUR 3,583,070 (26%) was spent on temporary personnel and consultants to support the delivery of the programmes and projects. The remaining EUR 1,159,143 (9%) relate to accrual of after-service employee benefits for current and retired staff.
30. Supplies, consumables and other running costs amounts to EUR 4,127,539 and represent 18.7% of total expenses. This category mainly includes supplies and consumables (EUR 610,884), rental expenses, including in-kind rental (EUR 2,277,298), contractual services (EUR 1,096,678), publishing expenses (EUR 65,720) and expendables (EUR 76,959).



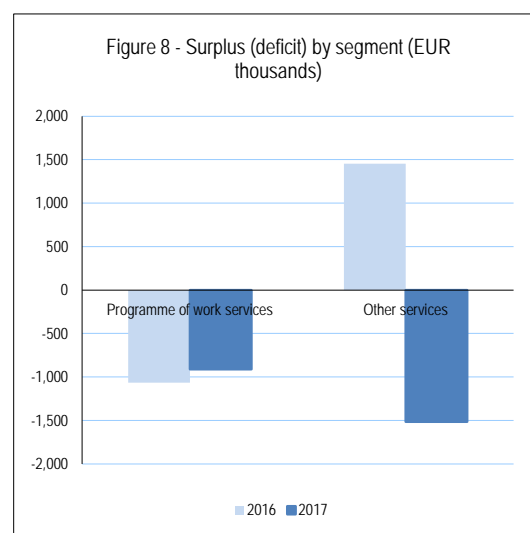
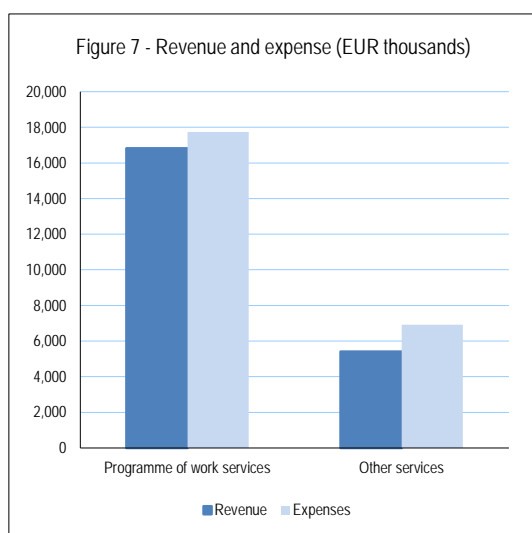
Performance segment analysis

Table 3 - Summary financial performance by segment for the year ended 31 December 2017
Euros

	Programme of work services	Other services	Inter-segment elimination*	Total UNWTO
Revenue	16,824,815.36	5,406,624.69	-1,890,852.34	20,340,587.71
Expenses	17,736,452.41	6,922,357.95	-1,890,852.34	22,767,958.02
Surplus/(deficit) for the year	-911,637.05	-1,515,733.26	0.00	-2,427,370.31

*Internal activities lead to transactions between segments. They are reflected here to accurately present this financial statement

31. The Programme of Work Services segment recorded a deficit of EUR -911,637. The deficit is mainly due to the unbudgeted interest and service costs for after-service employee benefits (EUR 889,143).
32. The Other Services segment recorded a deficit of EUR 1,515,733 and reflects the reduction in revenues in 2017 over 2016 and expenses in the current year for which revenue has been recognized in both the current and previous years. This meets IPSAS requirements and UNWTO accounting policies for unconditional non-exchange transactions in which the revenue is recorded once the corresponding agreement is signed while the expenses are recorded upon delivery in the same or subsequent financial year/s.

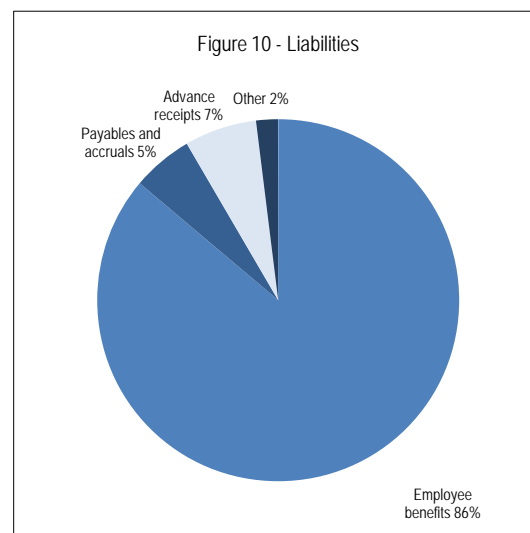
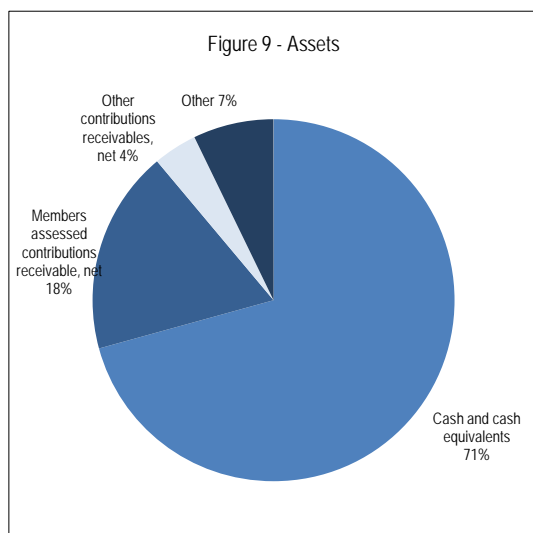


Financial position

Assets, liabilities and net equity analysis

33. Assets as at 31 December 2017 totalled EUR 20,314,020 (EUR 21,693,882 as at 31 December 2016). The Organization has cash and cash equivalent balances of EUR 14,363,506, representing 71% of total assets. Net outstanding contributions amount to EUR 4,487,228 representing 22% of total assets. Property, plant and equipment and intangible assets have a total net book value of EUR 790,414.
34. Liabilities as at 31 December 2017 totalled EUR 23,379,981 (EUR 22,332,053 as at 31 December 2016). Payables and accruals and advance receipts amount to EUR 1,270,041 and EUR 1,505,865 respectively, together representing 12% of total liabilities. 86% of total liabilities of the Organization are attributable to employee benefits most of which are non-current after-service employee benefits liabilities. Of the total employee benefits liabilities (current and non-current) of EUR 20,143,142, EUR 803,158 (4%) are current.

35. An overall working capital (current assets less current liabilities) of EUR 14,959,872 indicates a strong liquidity position. However, the Organization's ability to meet budgetary expenditures and short-term obligations could be impacted if delays are encountered in the collection of Members' contributions.
36. The impact of the non-current after-service employee benefit liabilities results in a non-current position (non-current assets less non-current liabilities) of EUR -18,025,815 which will be met as they become payable from future contributions or reserves.

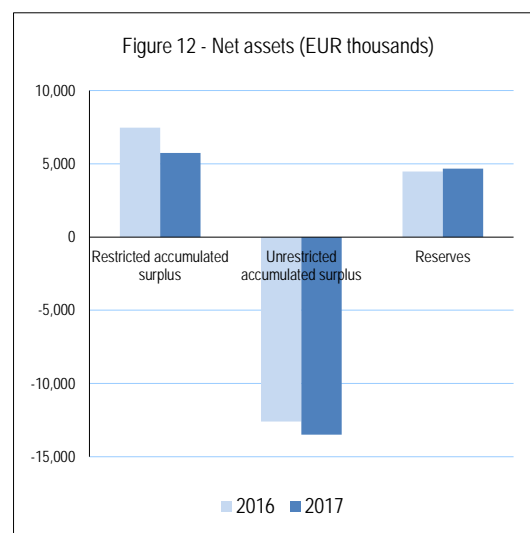
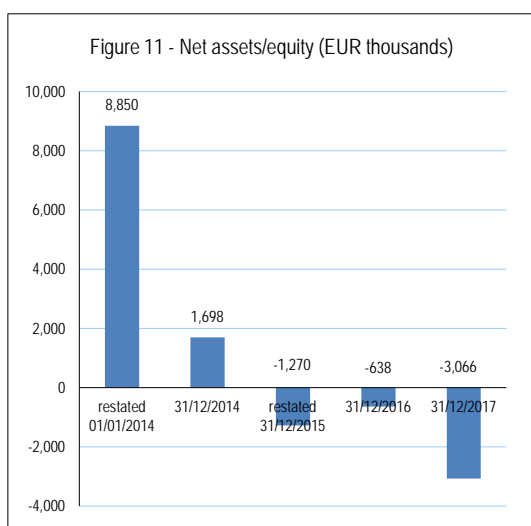


37. At 31 December 2017 the net negative equity of the Organization amounts to EUR 3,065,961, a decrease over the previous year (EUR -638,171 at 31 December 2016), represented by:

**Table 4 - Net assets/equity
at 31 December 2017**
Euros

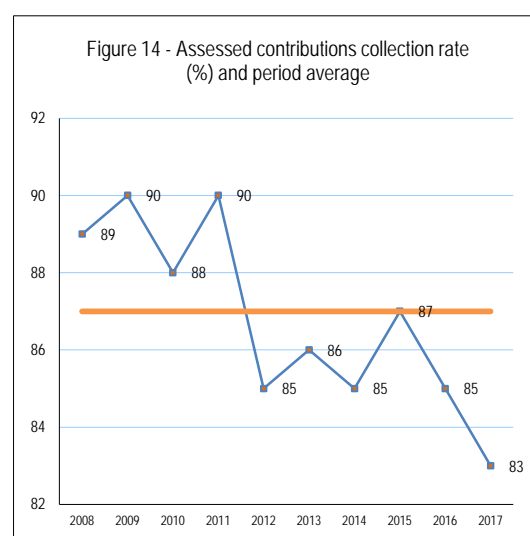
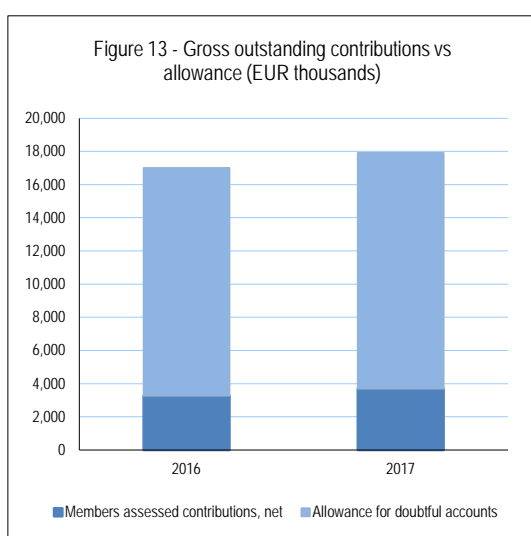
	31/12/2017
Net assets/equity	-3,065,961.24
Reserves	4,447,236.99
Unrestricted accumulated deficit	-13,262,682.12
Unbudgeted after-service employee benefits	-18,398,216.28
General Fund and Publications Store	5,135,534.16
Restricted accumulated surplus	5,749,483.89

38. It should be noted that the reserves and the restricted accumulated surplus available to the Organization for future use are not without restrictions. Such net assets can only be applied in accordance with the terms of reference of the reserve or project concerned or the appropriate contractual agreement with the donor, and as such there are restrictions on their future use.



Assessed contributions

39. Gross outstanding assessed contributions amounted to EUR 17,908,797 (EUR 17,010,586 at 31 December 2016). In accordance with UNWTO accounting policies, an allowance of EUR -14,214,951 was made against the amount outstanding, bringing the net assessed contributions in the Statement of Financial Position to EUR 3,693,846. The gross assessed contributions are due and payable to the Organization in accordance with the Statutes¹⁵ and Financial Regulations¹⁶ of the Organization and none of the balance is written off.
40. The collection rate of assessed contributions has deteriorated in recent years and at the end of 2017 represented 83% of contributions, which is four percentage points below the average of the last ten years (87%). The General Fund cash balance, and ability of the organization to meet its day-to-day and short-term obligations, is dependent on the timing of the payment of assessed contributions by Members.
41. The list of Members' outstanding assessed contributions as at 31 December 2017 is shown under Annex IV on the Statement of contributions due to the General Fund and the Working Capital Fund.
42. At 31 December 2017, 29 Members have payment plans to settle their outstanding contributions for a total of EUR 8,323,555.



¹⁵ Statutes/Financing Rules Annex, para. 12

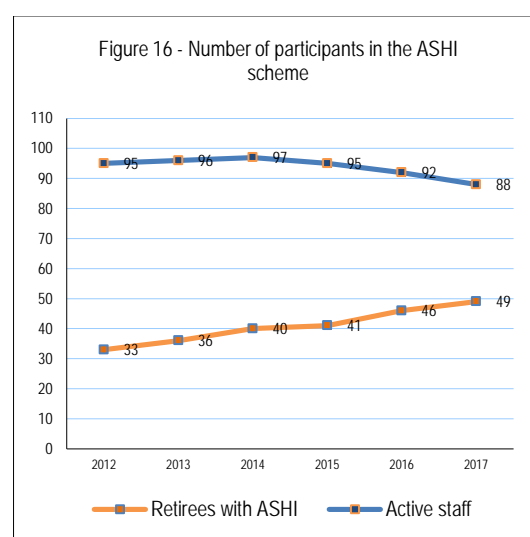
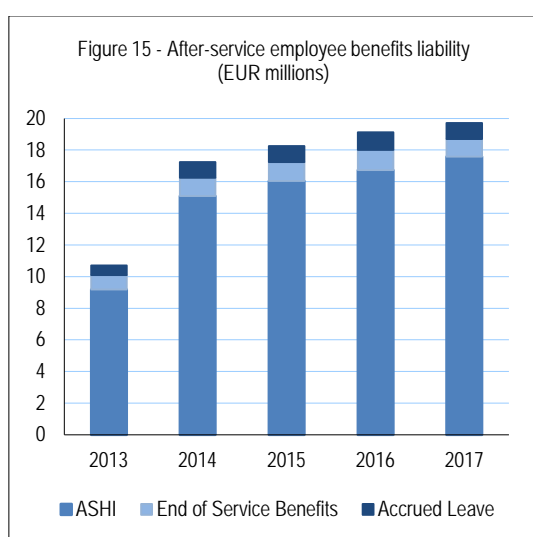
¹⁶ FR 7.2

Cash and cash equivalents

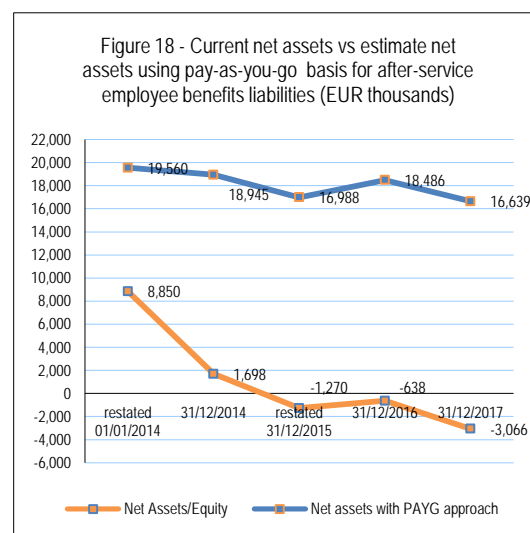
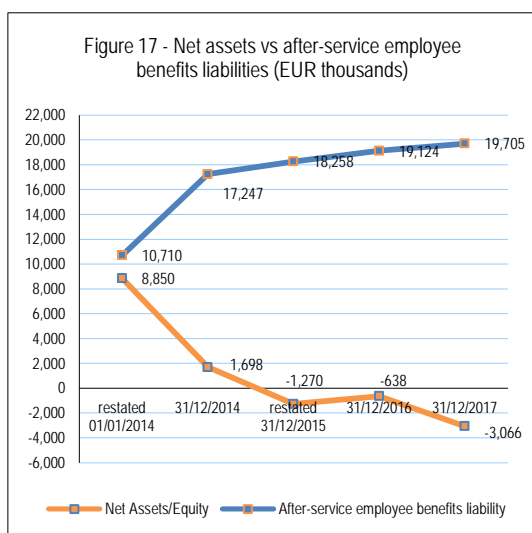
43. The Organization's cash and cash equivalents as at 31 December 2017 is EUR 14,363,506 (EUR 16,226,782 at 31 December 2016). This level is the lowest of the period 2013-2017 mainly due to decreases in the levels of voluntary contributions received and increases in the levels of unpaid Member State contributions, which represent the principal cash inflows to the Organization.

After-service employee benefits liabilities

44. At UNWTO after-service employee benefits (ASEB) liabilities include: After Service Health Insurance (ASHI), Accumulated Annual Leave (AAL) and End of Service Benefits (EoSb) (repatriation grant, end of service transport costs and removal expenses). These liabilities are calculated by a professional firm of actuaries. The most recent actuarial valuation carried out by UNWTO is dated 31 December 2016. Valuation at 31 December 2017 is a roll-forward of the 2016 valuation as calculated by professional actuaries.
45. ASHI is the most significant after-service employee liability. Staff members with at least 10 years of service from the date of entry at UNWTO and having reached the minimum age of 55 at the time of separation can continue to benefit from the Organization's health insurance scheme.
46. The ASHI liability reflects the total future costs associated with providing health insurance benefits to existing retirees and current staff upon retirement. The ASHI liability valuation is a point-in-time estimate based on the staff and retiree profile as well as on actuarial assumptions as at the date of valuation. Variances in the valuation can be significant, as the liability is highly sensitive to the values determined for the key actuarial factors: discount rate; medical trend rate; life expectancy; and length of service.
47. At 31 December 2017, after-service employee benefits liability amounts to EUR 19.7 million (M) representing an increase of EUR 0.6M from 2016 liability and EUR 1.4M from 2015 liability. This liability has been increasing steadily over the last five years. Out of total ASEB liability, the total ASHI liability as at 31 December 2017 amounted to EUR 17.6M, an increase of 5% over the 2016 level.
48. At UNWTO, the active population (current regular staff) has decreased 7% since 2012 while the number of retirees who benefit from ASHI has increased by 49% since 2012.



49. The correlation between net assets and after-service employee benefits liabilities and the impact of the after-service employee benefits liabilities on the net assets are shown in the figures of below:



UN ASHI Working Group

50. The subject of management of ASHI liabilities within the United Nations system is being analysed by the ASHI Working Group of the UN Finance and Budget Network (UNFBN) under the auspices of the Chief Executives Board (CEB) with a view to identifying actions to be taken and developing common approaches by United Nations system organizations.
51. UNWTO is closely following developments in the work of the UN ASHI Working Group. Annex V to this document shows the background and progress to date of the UN ASHI Working Group as well as its recommendations and the ACABQ's (Advisory Committee on Administrative and Budgetary Questions) ones as endorsed by the UN GA.

Funding of the liabilities

52. While IPSAS requires the recognition of after-service employee benefit liabilities on an accrual basis in an organization's Financial Statements, the question of the funding of such liabilities is a matter for the individual organization to decide upon. There is no obligation on an organization reporting under IPSAS to specifically fund such liabilities, but in the interest of sound financial management the Organization should develop a plan to ensure funding in the future.
53. A number of UN system organizations do not have the employee liabilities fully funded and have adopted or are considering a range of options to achieve full funding over time or alternatives to full funding.
54. UNWTO has made annual budgetary appropriations from the Regular Budget¹⁷ (provisions for after-service employee benefits) since 2010 and set aside additional allocations from surpluses¹⁸ intended to cover the expected annual disbursement of after-service employee liabilities (PAYG basis).
55. In 2017 the amount allocated from the Regular Budget to cover the disbursement of after-service employee liabilities, EUR 270,000, was insufficient to cover the realized ASEB liabilities during the year amounting to EUR 578,519. In order to mitigate deficits between budgetary allocations and actual

¹⁷ Since 2010, UNWTO EUR 600,000 for the biennia 2010-2011 (A/18/15), 2012-2013 (A/19/12), 2014-2015 (A/20/5(l)(c)) and 2016-2017 (A/21/8(l)(b)).

¹⁸ EUR 700,000 from 2006-2007 budgetary surplus as per CE/DEC/5(LXXXVIII) in accordance to A/RES/572/(XVIII) and EUR 196,557 from 2013 budget as per CE/DEC/11 (XCVIII)

expenditures in forthcoming years, UNWTO GA approved to increase the RB appropriation for the provision for ASEB to EUR 400,000 from 2019¹⁹.

56. Of the total ASEB liabilities (EUR 19.7M), the amount of EUR 1.6M is earmarked for this purpose leaving a funding gap of EUR 18.1M as at 31 December 2017. The funding of the liabilities requires careful monitoring and appropriate action by UNWTO governing bodies for reducing the funding gap over the time.

Working Capital Fund

57. The purpose of the Working Capital Fund (WCF) is to provide the financing of budgetary expenditures pending the receipt of contributions from Members²⁰.
58. As at 31 December 2017 the nominal level of the WCF was EUR 2,798,121 while the available balance was EUR 2,048,523. The movements of the WCF during the year 2017 are shown under Annex III on Working Capital Fund available balance and advance to the Regular Budget.

Position segment analysis

Table 5 - Summary financial position by segment
at 31 December 2017

Euros

	Programme of Work Services	Other Services	Inter-segment elimination*	Total UNWTO
Assets	16,481,340.80	6,364,718.00	-2,532,038.86	20,314,019.94
Liabilities	24,808,641.91	1,103,378.13	-2,532,038.86	23,379,981.18
Net Assets/Equity	-8,327,301.11	5,261,339.87	0.00	-3,065,961.24

Internal activities lead to transactions between segments. They are reflected here to accurately present this financial statement

59. The net assets/equity of the Programme of Work Services segment has deteriorated from a negative balance of EUR -7,413,264 in 2016 to EUR -8,327,301 to as at 31 December 2017 mainly due to increases in the ASEB liability of EUR 580,624 and the cash and cash equivalent position reduction of EUR 1,863,276.
60. The Other Services segment's overall position remains positive despite the reduced levels of revenue in 2017 with net assets of EUR 5,264,340 (EUR 6,775,093 in 2016) mainly corresponding to the restricted balances of extra-budgetary projects funded by voluntary contributions and funds in trust.

¹⁹ A/22/10(II) approved by resolution A/RES/688(XXII).

²⁰ FR10.2(b)

Financial risk management

61. UNWTO financial risk management policies are set out in the UNWTO Detailed Financial Rules²¹ of the Organization.
62. UNWTO is exposed to a variety of financial risks related to exchange rate variations, interest rates variations, credit risk for banks/financial institutions and debtors and counterpart risk. UNWTO maintains a constant review of the extent of the financial risk exposure.

Exchange risk

63. The Organization is exposed to foreign currency exchange risk arising from fluctuations of currency exchange rates. As the Organization receives most of assessed contributions in euros and most of the Regular Budget's programme of work expenses are denominated in that currency, this ensures that much of the exposure to exchange fluctuations between euros and other currencies is removed. The Organization also has expenses in other currencies than euros, mainly in US dollars (USD).
64. UNWTO maintains a minimum level of assets in USD and in Japanese yen (JPY) and, whenever possible, holds accounts in euros. Non-EUR holdings primarily relate to contributions made by donors in currencies other than EUR. As revenue and most of the expenses for extra-budgetary projects are normally in the same currency, there is limited exposure to foreign currency exchange risk.
65. At 31 December 2017, 76% of cash and cash equivalents were denominated in EUR currency.

Interest risk

66. The Organization is exposed to interest rate risk on its financial interest-bearing assets. Interest rate risk is managed by limiting investments to defined periods.

Credit risk

67. Credit risk on receivables being mostly related to the payment of Members contributions is managed by using the Working Capital Fund and by restricting expenditures to available cash resources. Periodical reporting is made to the Executive Council of the Organization's financial situation and of the status of unpaid Members contributions. In addition, credit risk on receivables related to the payment of donor-based projects contributions is managed, as expenditures cannot commence until the respective cash resources have been received.
68. UNWTO does not have significant credit risk in relation to accounts receivable since contributors are principally Members. However, an allowance is established when there is objective evidence, based on a review of outstanding amounts at the reporting date, that UNWTO will not be able to collect all amounts due according to the original terms of the receivables.

Counterpart risk

69. The primary objective of all investments is the preservation of the value of resources of the Organization. Within this general objective the principal considerations for investment management are: (a) security of principal, (b) liquidity, and (c) rate of return. UNWTO does not use derivatives or invest in equities.
70. Investments are made with due consideration to the Organization's cash requirements for operating purposes.

²¹ DFR Annex V

Financial transparency and accountability

71. UNWTO has prepared the 2017 Financial Statements in accordance with IPSAS. By adopting and implementing IPSAS in 2014 and consolidating its implementation in the following years, UNWTO has enhanced its ability to produce relevant and useful financial information using internationally recognized accounting standards. The adoption of IPSAS supports improved financial management, transparency and accountability in UNWTO.
72. Continued compliance with IPSAS is a priority. The scope of IPSAS is constantly updated to reflect best practice and UNWTO will continue to adopt all new, revised and applicable IPSAS standards. UNWTO will continue to work closely with other UN system organizations on IPSAS and other issues related to financial management.
73. During 2017, UNWTO continued to focus on accountability and financial management improvements including:
 - (a) The Secretary-General being briefed on a monthly basis on the main financial and budgetary issues arising in order to identify possible improvements in the management of UNWTO's resources. Based on this information, the Secretary-General is able to focus on identified financial risks.
 - (b) A report of cash situation being produced on a monthly basis, based on which appropriate treasury decisions are made.
 - (c) UNWTO's quarterly financial position and performance reports are being produced for management.
 - (d) 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.
 - (e) Implementation of phase II of new Athena modules, consisting of purchase management and accounts payable modules from 1 January 2018 and planning for Athena phase III being the enhancement of Athena throughout 2018. Enhanced IT systems reduce manual intervention and increase the efficiency of the organization's processes, extending well beyond accounting and finance matters and affecting all operations.
 - (f) Issuance of the UNWTO accounting records retention policy.
 - (g) Definition of UNWTO core values and competencies to enhance performance management.
 - (h) Updated procedures related to official mission travel to support mission travel control.
 - (i) Proposed voluntary contributions projects are evaluated by a Review Panel and the corresponding draft agreements are reviewed from the financial and legal perspectives with the intention of improving the quality and consistency of project agreements and to reduce risk.
74. UNWTO's framework of external review includes the External Auditor and the UN Joint Inspection Unit (JIU).
75. The Organization is committed to further enhancing transparency and accountability in future years, taking account of resource availability with a view to implementing a structured approach to accountability.

Submission of the Financial Statements at 31 December 2017

76. The Financial Statements of UNWTO are prepared on a going concern basis reflecting our confidence in the continued commitment by Members to achieving the aims of the UNWTO and providing the necessary financial resources accordingly.
77. The statement on going concern is based on (i) the approved budget for 2018²² and (ii) continued Member and donor support through the payment of assessed contributions and voluntary contributions.
78. We hereby certify that to the best of our knowledge and information the Financial Statements include all transactions incurred for the period and that these transactions have been properly recorded and that the following Financial Statements and notes fairly present the financial results for 2017 and position of UNWTO at 31 December 2017.

Statement I – Statement of Financial Position at 31 December 2017

Statement II – Statement of Financial Performance for the year ended 31 December 2017

Statement III – Statement of Changes in Net Assets/Equity for the year ended 31 December 2017

Statement IV – Cash Flow Statement for the year ended 31 December 2017

Statement V – Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2017 – Regular Budget

Signed



Zurab Pololikashvili²³

Secretary-General



José García-Blanch

Director of Administration

Madrid, 26 March 2018

²² A/RES/688(XXII)

²³ In accordance with Financial Rule 14 I hereby submit the Financial Statements of UNWTO at 31.12.2017 prepared by the Director of Administration and Finance under the mandate of Mr. Taleb Rifai.

SIGNED

Opinion of the External Auditors²⁴

[Official logotype of the Kingdom of Spain]
MINISTRY OF FINANCE
AND CIVIL SERVICE

GOVERNMENT
OFFICE

COMPTROLLER'S

WORLD TOURISM ORGANIZATION

Audit Report on the Annual Accounts

Financial Year 2017

National Audit Office

²⁴ The Opinion of the External Auditors has been translated into English from the original Spanish.

SIGNED

[Official logotype of the Kingdom of Spain]
MINISTRY OF FINANCE
AND CIVIL SERVICE

GOVERNMENT
OFFICE

COMPTROLLER'S

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Introduction

The General Assembly of the World Tourism Organization (hereinafter, UNWTO), at its twenty-second session, decided to appoint Spain as external auditor for the period 2018-2019 (resolution A/RES/693(XXII)). The UNWTO requested through the Ministry of Foreign Affairs and Cooperation the appointment of external auditors for the said period. In response to that request, the Government Comptroller's Office agreed to take charge of the audit. To perform the audit of the annual accounts corresponding to 2017, the Comptroller General designated two officials of the Senior Corps of State Comptrollers and Auditors, belonging to the National Audit Office.

Pursuant to this, we have audited the annual accounts of 2017 which comprise the statement of financial position at 31 December 2017, the statement of financial performance, the statement of changes in equity, the cash flow statement and the statement of comparison of budgeted amounts and actual amounts, as well as the notes to the financial statements for the year ended on that date.

The Secretary-General is responsible for the preparation of the annual accounts—as stipulated in Article 23 of the Statutes of the UNWTO and Article 14 of the Financial Regulations—which are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and in accordance with the Financial Regulations and Detailed Financial Rules. He is also responsible for the internal control he considers necessary to enable the preparation of such financial statements free of material misstatements.

The annual accounts referred to in this report were prepared by the Secretary-General on 26 March 2018 and were made available to the Auditor on 28 March 2018.

The Secretary-General initially prepared his annual accounts on 23 February 2018 and they were made available to the National Audit Office on 27 February. These accounts were modified on the date indicated in the previous paragraph.

Purpose and Scope of Work: Auditors' Responsibility

Our responsibility is to issue an opinion on whether the attached annual accounts provide a true image, based on the work performed in accordance with Public Sector Auditing Standards approved by the Resolution of the Government Comptroller's Office of 1 September 1998. Additionally, in matters not covered in the aforementioned standards, the International Standards on Auditing (ISA) approved by the IAASB of IFAC are applicable. The aforementioned standards require that we plan and perform the audit with the aim of obtaining reasonable, though not absolute, assurance that the annual accounts are free of material misstatements

An audit involves performing procedures to obtain appropriate and sufficient evidence about the amounts and the information contained in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements in the annual accounts. In making such risk assessments, the auditor takes into consideration the internal control relevant to the preparation and fair presentation on the part of the manager of the annual accounts in order to design the appropriate audit procedures depending on the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control of the entity. An audit also includes evaluating the appropriateness of accounting criteria and the reasonableness of accounting estimates made by the manager, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for us to issue our audit opinion.

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Opinion

In our opinion, the accompanying annual accounts present, in all material respects, a true image of the net assets and financial situation of the World Tourism Organization as at 31 December 2017, as well as of its performance, its cash flows and changes in equity for the financial year then ended, in accordance with the applicable regulatory framework for financial reporting, and in particular, with the accounting principles and criteria contained therein.

Matters not affecting the opinion

Emphasis of Matter paragraph

We draw attention to what is indicated in Notes 2.6, 2.12 and 20 of the attached Report, which state that the Agency recognizes voluntary contributions as revenue at the time when written confirmation of the contribution is received or when the agreement signed becomes binding, unless such agreement establishes a condition regarding the use of the funds, in which case revenue and a liability are recognized, in accordance with IPSAS 23. It was found that, in practice, these revenues have been recognized upon the signature of the agreement, and it has been considered that there were no conditions of use of such funds. Such consideration implies a value judgment and results in the non-correlation of the voluntary contributions with the expenses deriving from them.

Emphasis of Matter paragraph

According to Note 19 of the attached Report, the UNWTO recognizes negative Equity of 3,065,961.24 euros, a figure that has worsened substantially compared to that of previous financial years (-638,170.93 euros in 2016) due mainly, as indicated in paragraph 59 by the Secretary-General, to the accumulated deficit of the Programme of Work Services segment amounting to €8,327,301.11. As also indicated by the said report, this negative equity is highly correlated with the impact of unbudgeted after-service employee benefits liabilities, which have increased constantly over the past 5 years. The UN ASHI Working Group recommends that organizations adequately fund their long-term employee liabilities, by moving from a pay-as-you-go approach to a pay-as-you-accrue approach, which may imply setting aside more funds to cover future benefits (Annex V of the Annual Accounts).

Madrid, 2 April 2018

María Zubiri Bosch and Rosa Naranjo Martínez,

External Auditors

National Audit Office of the Government Comptroller's Office

Financial Statements

I. Statement of Financial Position at 31 December 2017

Statement of financial position at 31 December 2017			
Euros			
	Note	31/12/2017	31/12/2016
Assets		20,314,019.94	21,693,882.25
<i>Current Assets</i>		<i>18,980,199.56</i>	<i>20,846,992.87</i>
Cash and cash equivalents	5	14,363,506.07	16,226,782.08
Inventories	7	52,349.78	53,828.60
Members assessed contributions receivable, net	8	3,282,672.23	3,223,418.28
Other contributions receivables, net	8	793,381.60	800,677.84
Other receivables, net	9	462,140.19	458,000.66
Other current assets	10	26,149.69	84,285.41
<i>Non-current assets</i>		<i>1,333,820.38</i>	<i>846,889.38</i>
Investments	6	125,715.91	227,503.12
Members assessed contributions receivable, net	8	411,173.72	53,558.00
Other contributions receivable, net	8	0.00	30,000.00
Property, plant and equipment	11	321,557.76	230,004.11
Intangible assets, net	12	468,856.45	298,831.61
Other non-current assets	10	6,516.54	6,992.54
Liabilities and Net Assets/Equity		20,314,019.94	21,693,882.25
Liabilities		23,379,981.18	22,332,053.18
<i>Current Liabilities</i>		<i>4,020,327.96</i>	<i>3,445,189.31</i>
Payables and accruals	13	1,270,040.71	838,141.34
Transfers payable	14	284,963.98	478,532.66
Employee benefits	15	803,158.28	361,767.10
Advance receipts	16	1,498,664.77	1,609,099.84
Provisions	17	125,545.04	133,234.58
Other current liabilities	18	37,955.18	24,413.79
<i>Non-current Liabilities</i>		<i>19,359,653.22</i>	<i>18,886,863.87</i>
Employee benefits	15	19,339,984.20	18,874,208.81
Advance receipts	16	7,200.00	12,655.06
Other non-current liabilities	18	12,469.02	0.00
Net Assets/Equity	19	-3,065,961.24	-638,170.93
Accumulated surplus/(deficit)		-7,513,198.23	-5,112,769.97
Reserves		4,447,236.99	4,474,599.04
The accompanying notes form an integral part of these financial statements			

II. Statement of Financial Performance for the year ended 31 December 2017

Statement of financial performance for the year ended 31 December 2017

Euros

	Note	31/12/2017	31/12/2016
Revenues	20	20,340,587.71	22,538,535.55
Members assessed contributions		13,627,323.00	13,584,888.64
Other contributions (VC and FIT), net of reduction		2,256,928.00	4,953,512.82
Publications revenue, net of discounts and returns		432,997.69	303,956.40
Changes in currency exchange differences		0.00	90,530.96
Other revenues		4,023,339.02	3,605,646.73
Expenses	21	22,767,958.02	22,151,793.39
Wages, salaries and employee benefits		13,707,872.49	14,103,944.53
Grants and other transfers		423,748.12	945,006.48
Travel		2,442,336.85	1,623,504.47
Supplies, consumables and running costs		4,127,539.25	3,940,822.42
Changes in currency exchange differences		658,766.34	0.00
Depreciation, amortization and impairment		79,416.44	74,941.29
Other expenses		1,328,278.53	1,463,574.20
Surplus/(deficit) for the year		-2,427,370.31	386,742.16

The accompanying notes form an integral part of these financial statements

III. Statement of Changes in Net Assets/Equity for the year ended 31 December 2017

Statement of changes in net assets/equity for the year ended 31 December 2017

Euros

	Note	Accumulated surplus	Surplus	Reserves	Total net assets
Net assets, 31/12/2016		-5,112,769.97		4,474,599.04	-638,170.93
Directly recognized revenues and expenses					
Net change in reserves		151,816.48		-151,816.48	0.00
Other adjustments		-420.00			-420.00
<i>Net rev/exp recognized directly in net assets</i>		<i>151,396.48</i>		<i>-151,816.48</i>	<i>-420.00</i>
Result for the period			-2,427,370.31		-2,427,370.31
Direct transfers from result		-2,551,824.74	2,427,370.31	124,454.43	0.00
<i>Total recognized surplus for the period</i>		<i>-2,551,824.74</i>	<i>0.00</i>	<i>124,454.43</i>	<i>-2,427,370.31</i>
Net assets, 31/12/2017	19	-7,513,198.23	0.00	4,447,236.99	-3,065,961.24
The accompanying notes form an integral part of these financial statements					

IV. Cash Flow Statement for the year ended 31 December 2017

Cash flow statement

for the year ended 31 December 2017

Euros

	Note	31/12/2017	31/12/2016
Surplus / (Deficit) for the period		-2,427,370.31	386,742.16
Cash flows from operating activities		859,307.63	225,588.85
Depreciation, amortization and impairment, net of impairment recovery	11	73,480.93	74,941.29
(Increase) decrease in inventories	7	1,478.82	624.05
(Increase) decrease in contribution receivables, net	8	-379,573.43	4,355.91
(Increase) decrease in other receivables, net	9	-4,139.53	-248,701.29
(Increase) decrease in other assets	10	160,398.93	-24,497.65
Increase (decrease) in payables and accruals	13, 14, 16	93,788.31	-623,904.44
Increase (decrease) in employee benefits payable	15	907,166.57	870,194.32
Actuarial valuation	15	0.00	249,135.00
Increase (decrease) in provisions	17	-7,689.54	59,627.16
Increase (decrease) in other liabilities	18	14,816.57	-134,565.50
Loss (gain) on sale of property, plant and equipment	20	0.00	-1,620.00
Adjustments Accumulated Surplus	19	-420.00	0.00
Cash flows from investing activities		-295,213.33	-251,537.83
(Purchases of property, plant and equipment)	11	-127,634.31	-124,028.12
(Purchases of intangible assets)	12	-167,579.02	-148,236.44
Proceeds from sale of property, plant and equipment	20	0.00	1,620.00
Change on investments	6	0.00	16,950.73
Adjustments Accumulated Surplus	19	0.00	2,156.00
Cash flows from financing activities		0.00	-5,885.05
Increase (decrease) in working capital fund	19	0.00	-5,885.05
Net increase (decrease) in cash and cash equivalents		-1,863,276.01	354,908.13
Cash and cash equivalents, beginning of the year	5	16,226,782.08	15,871,873.95
Cash and cash equivalents, end of the year	5	14,363,506.07	16,226,782.08

V. Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2017 – Regular Budget

Statement of comparison of budget and actual amounts - Regular Budget for the year ended 31 December 2017

Euros

	Note	Approved income / Original budget ¹	Final budget ²	Actual amounts on comparable basis	Differences budget and actual ³
Budgetary difference	22	0.00	0.00	626,018.59	-626,018.59
<i>Budgetary income</i>		<i>13,492,000.00</i>	<i>13,492,000.00</i>	<i>13,227,406.02</i>	<i>264,593.98</i>
Contributions from Full and Associate Members		12,745,000.00	12,745,000.00	12,424,123.00	320,877.00
Full Members		12,546,000.00	12,546,000.00	12,225,028.00	320,972.00
Associate Members		199,000.00	199,000.00	199,095.00	-95.00
Other income sources		747,000.00	747,000.00	803,283.02	-56,283.02
Allocation from accumulated surplus - Publications store		144,000.00	144,000.00	144,000.00	0.00
Affiliate Members		603,000.00	603,000.00	659,283.02	-56,283.02
<i>Budgetary expenditure</i>		<i>13,492,000.00</i>	<i>13,492,000.00</i>	<i>12,601,387.43</i>	<i>890,612.57</i>
A Member Relations		2,201,000.00	2,222,187.16	2,222,187.16	0.00
A01 Regional Programme, Africa		477,000.00	474,494.25	474,494.25	0.00
A02 Regional Programme, Americas		355,000.00	354,356.66	354,356.66	0.00
A03 Regional Programme, Asia and the Pacific		477,000.00	488,853.60	488,853.60	0.00
A04 Regional Programme, Europe		304,000.00	419,546.22	419,546.22	0.00
A05 Regional Programme, Middle East		304,000.00	317,201.93	317,201.93	0.00
A06 Affiliate Members (Knowledge Network)		284,000.00	167,734.50	167,734.50	0.00
B Operational		3,447,000.00	3,425,812.84	3,223,419.72	202,393.12
B01 Sustainable Development of Tourism		589,000.00	605,085.58	605,085.58	0.00
B02 Technical Cooperation		493,000.00	493,000.00	487,534.24	5,465.76
B03 Statistics, Trends and Policy		1,089,000.00	930,006.09	786,946.91	143,059.18
B04 Destination Management and Quality		223,000.00	282,813.38	282,813.38	0.00
B05 Ethics and Social Responsibility		222,000.00	262,206.57	262,206.57	0.00
B06 Education and Training (Themis)		122,000.00	122,000.00	109,545.14	12,454.86
B07 Institutional Relations and Resource Mobilization		426,000.00	426,000.00	417,048.05	8,951.95
B08 Special Field Projects		211,000.00	211,000.00	178,538.63	32,461.37
B09 UNWTO Liaison Offices		72,000.00	93,701.22	93,701.22	0.00
C Support, Direct to Members		4,463,000.00	4,463,000.00	4,340,979.08	122,020.92
C01 Conferences Services		887,000.00	838,526.43	746,356.66	92,169.77
C02 Management		2,913,000.00	2,961,473.57	2,961,473.57	0.00
C03 Communications and Publications		663,000.00	663,000.00	633,148.85	29,851.15
D Support, Indirect to Members		3,381,000.00	3,381,000.00	2,814,801.47	566,198.53
D01 Budget and Finance		523,000.00	560,106.52	560,106.52	0.00
D02 Human Resources		462,000.00	424,893.48	358,474.02	66,419.46
D03 Information and Communication Technologies		767,000.00	767,000.00	678,466.76	88,533.24
D04 General Services		1,329,000.00	1,329,000.00	947,754.17	381,245.83
D05 Provisions		300,000.00	300,000.00	270,000.00	30,000.00

The accompanying notes form an integral part of these financial statements

¹ In accordance to Programmes structure and appropriations approved originally by A/RES/651(XXI) of document A/21/8(I)(b), its structure update approved by CE/DEC/8(CIII) of document CE/103/7(a), its structure update approved by CE/DEC/8(CIV) of document CE/104/7(a), its structure update approved by CE/DEC/8(CV) of document CE/105/5(b), its structure update approved by A/RES/688(XXII) of document A/22/10(II) and the Secretary-General proposal of structure modification as presented in this document.

² After transfers

³ Differences between final and actual budgetary income are due to: (a) EUR 321,343 due to the withdrawal of Australia on 18 August 2016, (b) EUR -466 rounding difference, and (c) Affiliate Members budgetary income was prepared based on an estimated number of Members.

VI. Notes to the Financial Statements

Note 1 – Reporting organization

79. The World Tourism Organization (previously WTO) held its first General Assembly in 1975. WTO was established through a transformation from the International Union of Official Travel Organizations (IUOTO) created in 1946 which in turn replaced the International Union of Official Tourist Propaganda Organizations (IUOTPO), established in 1934. In 2003 the WTO General Assembly approved the transition of WTO into a specialized agency of the United Nations by resolution 453(XV). The WTO transition was ratified by the United Nations General Assembly by resolution A/RES/58/232.
80. The World Tourism Organization (UNWTO after the transition) is the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism. UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability and offers leadership and support to the sector in advancing knowledge and tourism policies worldwide.
81. UNWTO is governed by a General Assembly, consisting of the representatives of its Full Members and Associate Members, which determine the policies and main lines of work of the Organization. Affiliate Members and representatives of other international organizations participate as observers. The Executive Council, which is composed by Full Members elected by the General Assembly in a ratio of one for every five Full Members, takes all necessary measures to ensure the effective and rational execution of the programme of work and adherence to the budget by the Secretary-General.
82. The Headquarters of the Organization is in Madrid, Spain. It also maintains an office in Japan (Regional Support Office for Asia and the Pacific).
83. UNWTO is not a controlled organization as defined under IPSAS 34 and 35.

Note 2 – Significant accounting policies

2.1. Basis of preparation

84. The Financial Statements have been prepared on an accrual and going concern basis and comply with the requirements of International Public Sector Accounting Standards (IPSAS).
85. The Financial Statements cover the period from 1 January to 31 December 2017 and are presented rounded off to two decimal places.
86. The Cash Flow Statement is prepared using the indirect method.
87. The functional and reporting currency of UNWTO is the euro²⁵ (EUR). Transactions in currencies other than EUR are converted into EUR, using the “indirect quotation” method, at the prevailing United Nations Rate of Exchange (UNORE) at the date of the transaction. Monetary assets and liabilities in currencies other than EUR are converted into EUR at the prevailing UNORE period end closing rate and any resulting gains or losses are accounted for in the Statement of Financial Performance.
88. The accounting policies set out below are in accordance with the 2016 edition of the UNWTO IPSAS Policy Guidance Manual and have been applied consistently in the preparation and presentation of these Financial Statements.

²⁵ UNWTO FR 14.4

2.2. Jointly controlled entity and other entities

Jointly controlled entity

89. The Themis Foundation is jointly controlled by UNWTO and the Government of Andorra. Both UNWTO and the Government of Andorra have similar voting rights over the Themis Foundation.
90. The Themis Foundation's mission is to devise and implement education and training policies, plans and tools that fully harness the employment potential of the tourism sector and effectively enhance its competitiveness and sustainability. It is based in Andorra and its functional currency is the euro.
91. UNWTO uses the equity method to recognize its interest in the Themis Foundation. UNWTO has used the UN Framework for Control, Joint Control and Influence (CJI) in determining the joint control of the Themis Foundation.

Other entities

92. The STEP Foundation is an international foundation established under the auspices of UNWTO through an agreement between UNWTO and the Government of the Republic of Korea with the provision of a seed fund of USD 5M by the Government of the Republic of Korea.
93. The STEP Foundation does not meet definitions of controlled entity, joint arrangement or associate entity under IPSAS 34-38. The STEP Foundation is governed by its Board of Directors which UNWTO representation with a voting capacity of 18%.
94. The STEP Foundation's aim is to promote poverty elimination through sustainable tourism development programmes and projects that can be carried out, while preserving culture and the natural environment, thus contributing contribute to the UN Millennium Development Goals.
95. UNWTO has used the UN Framework for Control, Joint Control and Influence (CJI) in determining the status of the STEP Foundation.

2.3. Cash and cash equivalents

96. Cash and cash equivalents includes cash in hand, deposits held with banks and other short-term highly liquid investments that are readily convertible to cash and subject to an insignificant risk of changes in value.
97. Revenues earned on cash and cash equivalent holdings are recognized in the period in which they accrue.
98. Cash required for immediate disbursement is maintained in cash and in bank accounts. Balances in the deposit accounts are available at short notice (less than 3 months).

2.4. Financial instruments

99. Financial instruments are recognized when UNWTO becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and UNWTO has transferred substantially all the risks and rewards of ownership. They are classified as current if they are expected to be realized within 12 months of the reporting date.
100. UNWTO financial assets are largely short-term deposit instruments and receivables. These assets require initial recognition at fair value plus transaction costs and subsequent measurement at amortized cost using the effective interest method. As the term deposits are short-term and acquired at face value,

no discount amortization is required. Receivables are stated at fair value, equivalent to nominal value, less allowance for estimated impairment. In particular, for assessed contributions receivable, an allowance is recognized based on historical experience.

101. UNWTO financial liabilities are mainly short-term payables for goods and services and unspent funds for refunds. They are initially recognized at fair value and, when applicable, subsequently measured at amortized cost using the effective interest method. As UNWTO's payables generally fall due within 12 months, the impact of discounting is immaterial, and nominal values are applied to initial recognition and subsequent measurement.

2.5. Inventories

102. Publication inventories held for sale on hand at year-end are presented as current assets in the Statement of Financial Position. On sale, exchange or distribution the inventories are recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when these inventories are distributed.
103. Publications intended for free distribution are immediately distributed and expensed after production. Any residual inventories considered as free publications are considered immaterial for inventory valuation purposes.
104. Inventories for sale are valued at the lower of cost and net realizable value, except inventories held for distribution at no or nominal charge, which are measured at the lower of cost and current replacement cost.
105. The cost of publications inventories includes all costs of production, including costs incurred in bringing the publications to their present condition and location. The cost of inventories is assigned in line with the weighted average cost formula.
106. Publication inventories are reviewed at the end of each financial year and titles seven years old or older are written off.
107. Publications held by distributors under a consignment stock arrangement continue to be shown as the Organization's asset until their sale by the distributor.

2.6. Contributions and receivables

108. Contributions are recognized at the beginning of the year to which they apply or when confirmed in writing by donors. However, in some cases a donor agreement may contain conditions over the application of funds to a specific activity such that a liability is recognized along with the asset when the agreement is confirmed in writing and revenue is only recognized when the conditions are met.
109. Contributions and receivables are measured at fair value and are presented net of any allowance for estimated irrecoverable amounts. Assessed contributions received prior to the commencement of the relevant specified budget period are recorded as an advance receipt liability.
110. In-kind contributions that directly support approved operations and activities and can be reliably measured, are recognized and valued at fair value at the time of receipt.
111. Pre-payments of less than EUR 5,000 are expensed in the year of purchase.

2.7. Property, plant and equipment

112. Property, plant and equipment (PPE) is presented at cost less accumulated depreciation and impairment. Heritage assets are not recognized in the Financial Statements.

Additions

113. The cost of an item of PPE is recognized as an asset if it is probable that future economic benefits or service potential associated with the item will flow to UNWTO and the cost of the item can be measured reliably. In most instances, an item of PPE is recognized at its cost. When an asset is donated, it is recognized at fair value as at the date of acquisition. Additions to PPE are subject to a threshold of EUR 1,500 below which they are fully expensed in the year of purchase.

Disposals

114. On sale or disposal of assets any difference between the net book value and disposal price is recognized as revenue or expense.

Subsequent costs

115. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to UNWTO, the cost of the item can be measured reliably exceeding the cost threshold applicable to the class of assets (except for leased premises), and the relevant PPE must have a remaining estimated useful life of more than one year. Subsequent expenditures on leased premises are capitalized if the cost exceeds EUR 50,000 and comply with some conditions.

Depreciation

116. Depreciation on PPE is provided on a straight-line basis over the expected useful life of the asset. The useful lives of major classes of assets have been estimated as follows:

Asset classes	Estimated useful life (in years)
Communication and IT Equipment	5
Vehicles and Machinery	10
Furniture and Fixtures	12
Other Equipment	5
Building	50
Land	No depreciation
Leasehold Improvements	The lesser of the lease term or useful life of the improvements

Impairment

117. The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. Impairment is included in the Statement of Financial Performance.
118. A review of all assets is made annually to identify impairment.

Heritage assets

119. UNWTO also has a limited number of "Works of Art" (also referred to as heritage assets), including paintings, statues and various other objects, which have been mainly donated by governments and other partners. The value of these works is not recognized in the Financial Statements of UNWTO in compliance with IPSAS 17.

2.8. Intangible assets

120. Intangible assets are presented at cost less accumulated amortization and impairment. Recognition of intangible assets is subject to a threshold of EUR 50,000 for software internally developed or EUR 5,000 for any other intangible asset classes below which they are fully expensed in the year of purchase.

Amortization

121. Amortization of intangible assets is provided on a straight-line basis over the expected useful life of the asset. The useful lives of the major intangible asset classes have been estimated as follows:

Intangible asset classes	Estimated useful life (in years)
Software acquired externally	6
Software internally developed	6
Licences and rights	6 or period of licence/right

2.9. Leases

Finance leases

122. Leases under which substantially all of the risk and reward of ownership have been transferred to the Organization through the lease agreement are treated as finance leases.
123. Assets purchased under a finance lease are shown as assets at the lower of the fair value of the asset and the present value of the minimum lease payments. An associated lease obligation is recognized at the same value.
124. Lease payments made under a finance lease are apportioned between payment of finance charges and reduction of the balance of the liability.
125. Assets acquired through a finance lease are depreciated over the shorter of the lease term or the useful life of the asset, except where such assets become the property of the Organization on completion of the lease term. In such cases, the asset is depreciated over its useful life. The finance charge will be calculated so as to produce a constant periodic rate of interest on the annual balance of the liability.

Operating leases

126. Leases which are not categorized as finance leases, with a balance of risk and reward remaining with the lessor, are considered to be operating leases.
127. Expenditure incurred under an operating lease is charged on a straight-line basis over the life of the lease.

2.10. Employee benefits

128. UNWTO recognizes the following employee benefits:

(a) Short-term employee benefits

Short-term employee benefits are those which fall due wholly within twelve months after the end of the accounting period in which employees render the related service. Short-term employee benefits comprise first-time employment benefits (assignment grants); regular monthly benefits (wages, salaries, allowances) compensated absences (annual leave, sick leave, maternity/paternity leave) and other short-term benefits (education grant, reimbursement of

taxes). These are treated as current liabilities. Some elements of normally short-term benefits may not be expected to be settled within 12 months of the reporting date. This is the case of annual leave entitlement, which is expected to be settled more than 12 months after the end of the reporting date and is therefore reported as a non-current liability.

(b) **Post-employment benefits**

Post-employment benefits include the pension plan and the post-employment medical care payable after the completion of employment. Post-employment benefit plans are classified as either defined contribution or defined benefit plans.

United Nations Joint Staff Pension Fund (UNJSPF)

UNWTO is a member organization participating in the United Nations Joint Staff Pension Fund (the UNJSPF or the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization, which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, the plan assets and costs to individual organizations participating in the plan. UNWTO and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify UNWTO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence UNWTO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 25. UNWTO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

After Service Health Insurance (ASHI)

The After Service Health Insurance programme extends subsidized health insurance coverage to retirees and their dependants under the same health insurance schemes as for active staff based on certain eligibility requirements. The ASHI programme at UNWTO is a defined benefit plan. Accordingly a liability is recognized to reflect the present value of the defined benefit obligation.

Actuarial gains and losses which may arise from experience and adjustments and changes in actuarial assumptions are recognized in the period in which they occur as a separate item directly in Statement of Changes in Net Assets/Equity.

(c) **Other long-term employee benefits**

Other long-term employee benefits are benefits which are expected to be settled more than 12 months after the end of the reporting period. These are treated as non-current liabilities.

(d) **Termination benefits**

Termination benefits include indemnities upon termination, and are expected to be settled within 12 months of the reporting date.

2.11. Provisions and contingencies

129. UNWTO recognizes a provision for future liabilities where a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
130. Provisions are established to reflect an approximation of sales returns for publications using a percentage of the previous financial year sales based on the historical levels of returns.
131. Provision for refunds to donors is based on past experience of refunds.
132. Other commitments which do not meet the recognition criteria for liabilities are disclosed in the notes to the Financial Statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of UNWTO.
133. Possible assets arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of UNWTO, and where the inflow of economic benefits or service potential is probable, are disclosed in the notes to the Financial Statements as contingent assets.

2.12. Revenue recognition

134. Revenue is recognized when it is probable that future economic benefits or service potential will flow to UNWTO and those benefits can be measured reliably.
135. Accrual accounting for non-exchange transactions under IPSAS does not require the matching of revenue to related expenses. The cash flows arising from revenue and related expenses can take place in current and future accounting periods.

Non-exchange revenue

136. Revenue from non-exchange transactions is measured from an increase in net assets recognized. Where the full criteria for recognition of an asset under a non-exchange agreement are not fulfilled, a contingent asset may be disclosed.
137. Assessed contributions are assessed and approved for a two-year budget period. The amount of these contributions is then apportioned between the two years of the budget period. Assessed contributions are recognized as revenue in the Financial Statements at the beginning of the apportioned year in the relevant two-year budget period.
138. Other contributions, voluntary contributions and trust funds which are supported by written confirmation or agreement are recognized as revenue at the time the confirmation is received or agreement becomes binding and when control of the asset is deemed to be present, unless the confirmation or agreement establishes a condition on transferred assets that requires recognition of a liability. In such cases, revenue is recognized as the liability is discharged. Voluntary contributions which are not supported by written confirmation or binding agreement are recognized as revenue when received.
139. In-kind contributions that directly support approved operations and activities and can be reliably measured, are recognized and valued at fair value at the time of receipt. These contributions include PPE, the use of premises or conference rooms and donated travel. In-kind contributions that cannot be reliably measured will be disclosed by way of note only if they are considered material to the objectives of the UNWTO.

140. Revenue from in-kind contributions is matched by a corresponding expense in the Financial Statements except for PPE which is capitalized.

Exchange revenue

141. Revenue from exchange transactions is measured at the fair value of the consideration received and is recognized as the goods are delivered, with the exception of inventories under consignment held by distributors. Where the consideration is in cash or in a monetary amount, the measurement is at this amount. Revenues from exchange transactions mainly arise from the sale of publications.

2.13. Expense recognition

142. Expenses are recognized on an accrual basis when the transaction occurs and on the basis of goods or services delivered and represent outflows or consumption of assets or incurrences of liabilities during the reporting period.

2.14. Budget comparison

143. UNWTO prepares the Regular Budget on a modified accrual basis, which is the same basis as prior to IPSAS adoption.
144. The Statement of Comparison of Budget and Actual Amounts compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the bases used to prepare the budget and Financial Statements differ (modified accrual basis and accrual basis respectively), a disclosure note provides reconciliation between the Statement of Comparison of Budget and the Statement of Financial Performance.

Note 3 – Accounting estimates

145. The preparation of Financial Statements in accordance with IPSAS necessarily includes the use of accounting estimates and management assumptions and judgement. The areas where estimates, assumptions or judgement are significant to UNWTO's Financial Statements include, but are not limited to: post-employment benefit obligations, provisions for litigation, financial risk on inventories and accounts receivable, accrued charges, contingent assets and liabilities, and degree of impairment of fixed assets. Actual results could differ from those estimates. Changes have been made to the estimates of the allowances for doubtful debts as set out under Notes on Contributions receivable. Changes in estimates are reflected in the period in which they are applied.

Note 4 – Segment reporting

146. The Financial Statements are prepared on a fund accounting basis, showing, at the end of the period, the consolidated position of all UNWTO funds. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Fund balances represent the accumulated residual of revenue and expenses and in the VCF and FIT represent the unspent portion of contributions that are intended for utilization for future operations.
147. UNWTO classifies all programmes, projects, operations and activities into two segments as follows:

(a) The Programme of Work Services (PoWS)

The Programme of Work Services segment, mainly financed from the assessed contributions of Members, covers (i) the main operations of the Organization for which programme appropriations for the financial period are voted by the General Assembly and, (ii) other activities within the GF (i.e., the publications store activities). This segment comprises the General Fund.

(b) Other Services (OS)

The Other Services segment mainly relates to projects and activities financed from voluntary funding provided by donors through agreements or other legal authority. This segment comprises the Voluntary Contributions Fund and the Fund In Trust. The main sub-funds under this category are the Voluntary Contributions, the United Nations Development Programme and the Trust Funds.

**Statement of financial position by segment
at 31 December 2017**

Euros

	Programme of work services	Other services	Inter-segment elimination*	Total UNWTO
Assets	16,481,340.80	6,364,718.00	-2,532,038.86	20,314,019.94
<i>Current assets</i>	<i>15,147,520.42</i>	<i>6,364,718.00</i>	<i>-2,532,038.86</i>	<i>18,980,199.56</i>
Cash and cash equivalents	10,012,055.79	4,351,450.28	0.00	14,363,506.07
Inventories	52,349.78	0.00	0.00	52,349.78
Members assessed contributions receivable, net	3,282,672.23	0.00	0.00	3,282,672.23
Other contributions receivables, net	0.00	793,381.60	0.00	793,381.60
Other receivables, net	412,550.19	49,590.00	0.00	462,140.19
Other current assets	1,387,892.43	1,170,296.12	-2,532,038.86	26,149.69
<i>Non-current assets</i>	<i>1,333,820.38</i>	<i>0.00</i>	<i>0.00</i>	<i>1,333,820.38</i>
Investments	125,715.91	0.00	0.00	125,715.91
Members assessed contributions receivable, net	411,173.72	0.00	0.00	411,173.72
Property, plant and equipment	321,557.76	0.00	0.00	321,557.76
Intangible assets, net	468,856.45	0.00	0.00	468,856.45
Other non-current assets	6,516.54	0.00	0.00	6,516.54
Liabilities and Net Assets/Equity	16,481,340.80	6,364,718.00	-2,532,038.86	20,314,019.94
Liabilities	24,808,641.91	1,103,378.13	-2,532,038.86	23,379,981.18
<i>Current liabilities</i>	<i>5,448,988.69</i>	<i>1,103,378.13</i>	<i>-2,532,038.86</i>	<i>4,020,327.96</i>
Payables and accruals	1,039,159.89	230,880.82	0.00	1,270,040.71
Transfers payable	22,428.96	262,535.02	0.00	284,963.98
Employee benefits	803,158.28	0.00	0.00	803,158.28
Advance receipts	1,498,664.77	0.00	0.00	1,498,664.77
Provisions	16,842.24	108,702.80	0.00	125,545.04
Other current liabilities	2,068,734.55	501,259.49	-2,532,038.86	37,955.18
<i>Non-current liabilities</i>	<i>19,359,653.22</i>	<i>0.00</i>	<i>0.00</i>	<i>19,359,653.22</i>
Employee benefits	19,339,984.20	0.00	0.00	19,339,984.20
Advance receipts	7,200.00	0.00	0.00	7,200.00
Other non-current liabilities	12,469.02	0.00	0.00	12,469.02
Net Assets/Equity	-8,327,301.11	5,261,339.87	0.00	-3,065,961.24
Accumulated surplus/(deficit)	-12,774,538.10	5,261,339.87	0.00	-7,513,198.23
Reserves	4,447,236.99	0.00	0.00	4,447,236.99

*Internal activities lead to transactions between segments. They are reflected here to accurately present this financial statement

Statement of financial performance by segment
for the year ended 31 December 2017
Euros

	Programme of work services	Other services	Inter-segment elimination*	Total UNWTO
Revenues	16,824,815.36	5,406,624.69	-1,890,852.34	20,340,587.71
Members assessed contributions	13,627,323.00	0.00	0.00	13,627,323.00
Other contributions (VC and FIT), net of reduction	0.00	2,256,928.00	0.00	2,256,928.00
Publications revenue, net of discounts and returns	432,997.69	0.00	0.00	432,997.69
Other revenues	2,764,494.67	3,149,696.69	-1,890,852.34	4,023,339.02
Expenses	17,736,452.41	6,922,357.95	-1,890,852.34	22,767,958.02
Wages, salaries and employee benefits	11,969,311.68	1,738,560.81	0.00	13,707,872.49
Grants and other transfers	233,611.04	190,137.08	0.00	423,748.12
Travel	1,758,056.08	684,280.77	0.00	2,442,336.85
Supplies, consumables and running costs	2,075,909.79	2,051,629.46	0.00	4,127,539.25
Currency exchange differences	99,574.16	559,192.18	0.00	658,766.34
Depreciation, amortization and impairment	79,416.44	0.00	0.00	79,416.44
Other expenses	1,520,573.22	1,698,557.65	-1,890,852.34	1,328,278.53
Surplus/(deficit) for the year	-911,637.05	-1,515,733.26	0.00	-2,427,370.31

*Internal activities lead to transactions between segments. They are reflected here to accurately present this financial statement

148. Internal activities lead to accounting transactions that create inter-segment assets and liabilities as well as inter-segment revenue and expenses. Inter-segment transactions are eliminated in the Statement of Financial Position by segment and the Statement of Financial Performance by segment respectively to accurately present these Financial Statements.

Note 5 – Cash and cash equivalents

Cash and cash equivalents

Euros

	31/12/2017	31/12/2016
Cash and cash equivalents	14,363,506.07	16,226,782.08
Cash in banks	9,566,915.53	11,058,019.84
Cash on hand	30,835.66	16,000.95
Imprest funds	5,000.00	5,000.00
Short term deposits	4,760,754.88	5,147,761.29

149. Cash is principally held in UNWTO Headquarters interest-bearing EUR and US dollar (USD) bank accounts. Limited amounts of cash are also held in local currency in the RSOAP.

Note 6 – Investments

Investments

Euros

	31/12/2017	31/12/2016
Investments	125,715.91	227,503.12
<i>Non-current investments</i>	<i>125,715.91</i>	<i>227,503.12</i>
Investments in Joint Venture	125,715.91	227,503.12

150. Fixed-term deposits are held by banks and maturing between three and twelve months (current) and in more than twelve months (non-current).

151. The non-current investment is the UNWTO's investment in its joint venture with Themis accounted for using the equity method, i.e., Themis is recognized as an asset adjusted at the end of the year to include UNWTO's share in any surplus or deficit of the joint venture.

Note 7 – Inventories

Publications inventory		
Euros		
	31/12/2017	31/12/2016
Publications inventory, net realizable value	52,349.78	53,828.60
Publications inventory, carrying cost	87,796.03	83,339.34
Publications on hand	82,157.04	78,042.44
Publications on consignment	5,638.99	5,296.90
Impairment	-35,446.25	-29,510.74

152. Publication inventories are publications held for sale.
153. Inventory quantities are validated by physical stock counts. The cost of publication inventories includes all costs of production, including costs incurred in bringing the publications into their present condition and location. Cost is determined using the weighted average cost formula. The current year's cost per page is derived from the division of the total of the carrying cost of the beginning inventory and the production cost of pages produced during the year by the total of the number of pages in the beginning inventory and the number of pages produced during the year. The impairment of inventories represents the write down of inventories of publications to zero when that publication is equal or more than seven years from publications date.
154. Inventories include consignment stock held at distributor premises for which the Organization continues to bear the risk and reward until the point of sale by the distributor.

Note 8 – Contribution receivables

Contributions receivable		
Euros		
	31/12/2017	31/12/2016
Contributions receivable, net	4,487,227.55	4,107,654.12
<i>Current contributions receivable, net</i>	<i>4,076,053.83</i>	<i>4,024,096.12</i>
Members assessed contributions, net	3,282,672.23	3,223,418.28
Other contributions, net	793,381.60	800,677.84
<i>Non-current contributions receivable, net</i>	<i>411,173.72</i>	<i>83,558.00</i>
Members assessed contributions, net	411,173.72	53,558.00
Other contributions, net	0.00	30,000.00

155. All contributions receivable, whether assessed or voluntary relate to non-exchange transactions.
156. Contributions receivable represent unpaid assessed contributions by Full, Associate and Affiliate Members, unpaid voluntary and trust fund contributions and receivables to the Working Capital Fund (WCF).
157. Non-current contribution receivables are those contributions and advances which are expected to be received, on the basis of agreed payment plans, more than 12 months after the reporting date.
158. The allowance for doubtful accounts of assessed contributions receivable from Full, Associate and Affiliate Members and of the WCF is estimated as follows:

- (a) No allowance is applied to those receivables outstanding for two years or less;
- (b) An allowance of 100% is applied to receivables outstanding for over two years.
159. Write-offs of contributions receivables from Full and Associate Members are approved on a case-to-case basis by the General Assembly.
160. Affiliate Members unpaid receivables for more than five years and without an approved payment plan are written off upon recommendation of the Secretary-General in accordance with Detailed Financial Rules²⁶.
161. The allowance for doubtful accounts of contributions receivable from donors of Other contributions receivable (Voluntary Contributions and Funds In Trust) is calculated as follows:
- (a) No allowance is applied to receivables outstanding for two years or less.
- (b) An allowance of 100% is applied to receivables outstanding for over two years.
162. Write-offs of Other contributions receivable (Voluntary Contributions and Funds In Trust) are on a case-by-case basis.

Contributions receivable by type

Euros

	31/12/2017	31/12/2016
Contributions receivable, net	4,487,227.55	4,107,654.12
Members assessed contributions, net	3,693,845.95	3,276,976.28
Members assessed contributions receivable	17,908,797.33	17,010,586.48
Allowance for doubtful accounts	-14,214,951.38	-13,733,610.20
Voluntary contributions, net	793,381.60	827,677.77
Voluntary contributions receivable	1,131,469.50	1,242,934.81
Allowance for doubtful accounts	-338,087.90	-415,257.04
Miscellaneous contributions receivable	0.00	3,000.07

163. For assessed and voluntary contribution receivables due, adjustments or allowances are made to reflect the fair value of the receivables in the Financial Statements because of the uncertainty surrounding the timing of the future cash flows from the receivables. However such adjustments or allowances constitute neither a formal write-off of the receivable nor do they release members/donors from their obligation.
164. The following table illustrates the composition of the Members assessed contributions receivables only:

Members assessed contributions receivable by year of assessment

Euros

Year of assessment	31/12/2017	%	31/12/2016	%
Members assessed contributions receivable	17,908,797.33	100.00%	17,010,586.48	100.00%
2014 and earlier	13,286,108.11	74.19%	13,733,642.77	80.74%
2015	928,843.27	5.19%	1,248,271.65	7.34%
2016	1,391,729.22	7.77%	2,028,672.06	11.93%
2017	2,302,116.73	12.85%	0.00	0.00%

165. The movements of the allowance for doubtful accounts during 2017 are as follows:

²⁶ DFR IV.2 and DFR IV.3

Allowance for doubtful accounts movements

Euros

	01/01/2017	Utilization	Increase/ (decrease)	31/12/2017
Allowance for doubtful accounts movements	14,148,867.24	384,061.46	788,233.50	14,553,039.28
Members assessed contribution	13,733,610.20	275,502.09	756,843.27	14,214,951.38
Voluntary contributions	415,257.04	108,559.37	31,390.23	338,087.90

Note 9 – Other receivables**Other receivables**

Euros

	31/12/2017	31/12/2016
Other receivables	462,140.19	458,000.66
VAT receivable	189,315.86	181,893.63
Receivables from exchange transactions	272,824.33	276,107.03
Publications sales receivables, net	35,983.71	43,394.97
Publications sales receivables	41,224.71	49,076.22
Allowance for doubtful accounts	-5,241.00	-5,681.25
Employee receivables	56,275.90	47,193.05
Accrued interest receivable	153.79	115.90
Miscellaneous receivables	180,410.93	185,403.11

166. Other receivables is composed by receivables from exchange transactions (publications sales receivable, employee receivables, interest accrued receivable and other miscellaneous receivables from exchange transactions) and by the value-added tax (VAT) recoverable of goods and services from the government of the host country (Spain) under the terms of the relevant host country agreement²⁷.
167. Miscellaneous receivables from exchange transactions mainly include receivables for donations paid in advance and other miscellaneous receivables. Receivables for donations paid in advance mainly refer to donated air tickets where the Organization advances the cost of the donated tickets, thus it expects to be reimbursed in exchange for the amount it paid out.
168. The allowance for doubtful accounts for publications sales receivables is estimated as follows:
- No allowance is applied to receivables outstanding for two years or less;
 - An allowance of 100% is applied to receivables outstanding for over two years.
169. Receivables from sales of publications which have been fully provided for shall be written-off after being outstanding for five years, although, a write-off may be made earlier upon approval of the Secretary General.
170. An updated calculation of the allowance for doubtful accounts for publications sales receivables has also been applied in 2017.

²⁷ Headquarters agreement between the Kingdom of Spain and the World Tourism Organization / Article 10, and BOE of Spain no. 182 of 31 July 2015 / Article 10, applicable since 25 June 2015.

Note 10 – Other assets

Other assets		
Euros		
	31/12/2017	31/12/2016
Other assets	32,666.23	91,277.95
<i>Other current assets</i>	<i>26,149.69</i>	<i>84,285.41</i>
Advances	26,149.69	80,650.64
Pre-paid expenses	0.00	3,634.77
<i>Other non-current assets</i>	<i>6,516.54</i>	<i>6,992.54</i>

171. Other current assets are composed of advances, prepaid expenses and miscellaneous assets.

172. Advances include:

- (a) Employee advances such as education grant, home leave travel, DSA (daily subsistence allowance) on mission travel and others in accordance to the UNWTO Staff Regulations and Rules;
- (b) Advances made to UNDP to deliver services in the field on the Organization's behalf, through the Service Clearing Account arrangement;
- (c) Advances to implementing partners made under contracts with national bodies and similar organizations which deliver technical cooperation activities on UNWTO's behalf; and,
- (d) Advances to suppliers.

173. Other non-current assets include guarantees and deposits and miscellaneous non-current assets.

Note 11 – Property, plant and equipment

Property, Plant and Equipment (PPE) at 31 December 2017							
Euros							
	Communication and IT equipment	Vehicles	Furnitures and fixtures	Other equipment	Leasehold	Communication & IT equipment under development	Total
<i>01/01/2017</i>							
Historical cost / fair value	480,535.24	94,855.00	18,324.60	430,448.43	104,775.31	0.00	1,128,938.58
Accumulated depreciation and impairment	-361,854.29	-94,855.00	-18,107.48	-422,529.89	-1,587.81	0.00	-898,934.47
Opening carrying amount	118,680.95	0.00	217.12	7,918.54	103,187.50	0.00	230,004.11
Movement for the year							
Additions	29,870.87	0.00	0.00	20,571.98	96,850.00	23,722.45	171,015.30
Disposals	-25,728.00	-34,082.00	0.00	-8,457.07		-14,066.04	-82,333.11
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	-21,139.16	34,082.00	-162.84	-383.54	-9,525.00	0.00	2,871.46
Total movements for year	-16,996.29	0.00	-162.84	11,731.37	87,325.00	9,656.41	91,553.65
<i>31/12/2017</i>							
Historical cost / fair value	484,678.11	60,773.00	18,324.60	442,563.34	201,625.31	9,656.41	1,217,620.77
Accumulated depreciation and impairment	-382,993.45	-60,773.00	-18,270.32	-422,913.43	-11,112.81	0.00	-896,063.01
Closing carrying amount	101,684.66	0.00	54.28	19,649.91	190,512.50	9,656.41	321,557.76

174. At 31 December 2017, UNWTO holds fully depreciated PPE which is still in use.

175. Assets are reviewed annually to determine if they are impaired.

176. The UNWTO Headquarters building is not part of property, plant and equipment as it is treated as a donated right to use under the provisions of IPSAS 23. Further disclosures on the treatment of this lease are provided in the Note on Revenue.

Note 12 – Intangible assets

Intangible Assets at 31 December 2017					
Euros					
	Software acquired externally	Software developed internally	Licences and rights	Software under development	Total
<i>01/01/2017</i>					
Historical cost / fair value	12,373.20	0.00	6,301.31	285,541.77	304,216.28
Accumulated amortization and impairment	-4,124.40	0.00	-1,260.27	0.00	-5,384.67
Opening carrying amount	8,248.80	0.00	5,041.04	285,541.77	298,831.61
Movements for year					
Additions	8,840.00	421,601.69	0.00	33,210.24	463,651.93
Disposals	0.00	0.00	0.00	-285,541.77	-285,541.77
Impairment	0.00	0.00	0.00	0.00	0.00
Amortization	-3,044.28	0.00	-5,041.04	0.00	-8,085.32
Total movements for year	5,795.72	421,601.69	-5,041.04	-252,331.53	170,024.84
<i>31/12/2017</i>					
Historical cost / fair value	21,213.20	421,601.69	6,301.31	33,210.24	482,326.44
Accumulated amortization and impairment	-7,168.68	0.00	-6,301.31	0.00	-13,469.99
Closing carrying amount	14,044.52	421,601.69	0.00	33,210.24	468,856.45

177. The capitalized value of the internally developed software excludes those costs related to research and maintenance.
178. The costs recognized as “Software developed internally” relate to external contractual services expenses incurred by the Organization in the development work on the implementation of new modules in Athena (UNWTO financial management information system) under Athena phase II. Costs are identified based on payment schedules and project milestones of the development phase of the project. The Athena phase II modules were implemented at 31 December 2017 when its costs were classified from the account “Software under development” to “Software developed internally”, so amortization will commence in 2018.

Note 13 – Payables and accruals

Payables and accruals		
Euros		
	31/12/2017	31/12/2016
Payables and accruals	1,270,040.71	838,141.34
Accounts payable - personnel	176,109.51	155,755.38
Accounts payable - others	1,042,567.94	509,930.05
Accrued expenses	51,363.26	172,455.91

179. Accounts payable – others relate to amounts due for goods and services for which invoices have been received. Accounts payable – personnel refer to amounts due to staff, collaborators and other temporary services. Accrued expenses represent estimates for the value of goods and services that have been received or provided to UNWTO during the period and which have not been invoiced to UNWTO.

Note 14 – Transfers payable

Transfers payable		
Euros		
	31/12/2017	31/12/2016
Transfers payable (TP)	284,963.98	478,532.66
TP for technical cooperation and grants	284,931.85	420,976.96
TP to donors	0.00	57,523.57
Miscellaneous TP	32.13	32.13

180. Transfers payable include technical cooperation and grants payable to recipients and to the UN for jointly funded activities. It also includes transfers due to donors of unspent project funds, accrued interest payable, and the other payables to Full and Associate Members arising from distributions of surpluses, if applicable.

Note 15 – Employee benefits

Employee benefits by valuation type		
Euros		
	31/12/2017	31/12/2016
Employee benefits	20,143,142.48	19,235,975.91
<i>UNWTO valuation</i>	<i>438,268.26</i>	<i>111,725.47</i>
<i>Actuarial valuation</i>	<i>19,704,874.22</i>	<i>19,124,250.44</i>
After Service Health Insurance (ASHI)	17,584,293.53	16,737,595.81
Accumulated annual leave (AAL)	997,167.04	1,105,444.61
End of service benefits (EoSB)	1,123,413.65	1,281,210.02

181. Employee benefit liabilities are determined by professional actuaries and calculated by UNWTO based on personnel data and past experience.

Employee benefits		
Euros		
	31/12/2017	31/12/2016
Employee benefits	20,143,142.48	19,235,975.91
<i>Current employee benefits</i>	<i>803,158.28</i>	<i>361,767.10</i>
Short-term and other current employee benefits	438,268.26	111,725.47
After-service employee benefits	364,890.02	250,041.63
<i>Non-current employee benefits</i>	<i>19,339,984.20</i>	<i>18,874,208.81</i>
After-service employee benefits	19,339,984.20	18,874,208.81
After Service Health Insurance (ASHI)	17,442,624.10	16,614,281.75
Accumulated annual leave (AAL)	889,354.76	1,036,591.81
End of service benefits (EoSB)	1,008,005.34	1,223,335.25

Employee benefits – current

182. Current employee benefits mainly include accrued employee benefits (salary, post adjustment, family allowance and language allowance), overtime, education grant, home leave travel and after-service employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service.

Employee benefits – non-current

183. Non-current employee benefits relate to post-employment and other long-term employee benefits. These include: After Service Health Insurance, Accumulated Annual Leave and End of Service Benefits (repatriation grant, end of service transport costs and removal expenses).
184. **After Service Health Insurance (ASHI)** – UNWTO operates the ASHI scheme which is a defined employee benefit plan. Under the scheme, staff retiring from UNWTO, at the age of 55 or above and with at least ten years' of service from the date of entry at UNWTO, may opt to remain (indefinitely) in that ASHI scheme with UNWTO responsible for the continued partial funding of insurance premiums. UNWTO performs periodical actuarial valuation of the ASHI scheme to measure its employee benefits obligation.
185. **Accumulated Annual Leave (AAL)** – UNWTO staff can accumulate unused annual leave up to a maximum of 60 working days. On separation from UNWTO, staff members are entitled to receive a sum of money equivalent to their pay for the period of AAL that they hold at the date of separation. Although annual leave is a short-term employee benefit, the right to receive payment for unused annual leave, and consequently the Organization's liability for this balance, is shown as a long-term employee benefit as that right only crystallizes on separation, typically more than twelve months from the reporting date.
186. **End of Service Benefits (EoSB)** – A non-locally recruited staff member who has completed one year of service outside the country of his/her recognized home is entitled upon separation from UNWTO to a repatriation grant payable on the basis of completed years and months of qualifying service outside the country of his/her recognized home. Staff members are also entitled to travel and removal costs for repatriation on separation from UNWTO.

Actuarial valuations

187. Liabilities arising from ASHI, accrued annual leave and end of service benefits are determined by consulting actuaries. The following assumptions and methods have been used to determine the value of post-employment and other separation-related employee liabilities for UNWTO as at 31 December 2016 and movements in 2017:

Measurement date		31 December 2016		
Actuarial method		Projected unit credit		
Discount rate		ASHI	2.56%	Based on the Defined Benefit Obligation cash flows from the 31 December 2016 valuations and the interest rates from a custom Spanish government bond yield curve as of 31 December 2016.
		AAL	1.88%	
		EoSB	1.88%	
Expected rate of return of assets		Not applicable		
General inflation rate		1.6%		
Salary growth		2.1% (1.6% inflation rate plus 0.5% productivity growth rate plus merit component).		
Future exchange rates		Equal to United Nations spot rates at 31 December 2016.		
Mortality rates		Based on those in the 31 December 2015 valuation of the United Nations Joint Staff Pension Fund.		
Disability rates		Based on those in the 31 December 2015 valuation of the United Nations Joint Staff Pension Fund.		
Withdrawal rates		Based on those in the 31 December 2015 valuation of the United Nations Joint Staff Pension Fund.		
Retirement rates		It was assumed that all participants hired prior to 2014 retire at age 62 and that those hired after retire at age 65.		
Advance payments		No future advance payments are assumed.		
New hires		It is assumed to maintain a level headcount and stable demographics for the active staff population.		
ASHI	Medical costs increases	Initial 5.1%	Ultimate 3.1%	Year ultimate increase reached 2037
	Average annual medical claim cost	EUR 3,423 per adult in 2017		
	Future participants contributions	In the long run, premiums will be adjusted if needed to stabilize the percentage of retiree claims and administrative expenses covered by retiree contributions.		
	Participation and lapse rates	90% of future retirees will elect coverage and retain coverage for life.		
	Coverage of adult dependents for future retirees	85% of male and 55% of female retirees have an adult dependent who elects coverage in the plan.		
AAL	Accumulated balance	As the accumulation of annual leave by employee historically remains stable year on year, it is assumed that the total accumulated balance is a long-term employee benefit taken by staff members on separation from UNWTO.		
	Annual leave days	It is assumed to accrue (up to the 60-day cap) at rates of 10.0 days per year for the first four years of service, 0.8 days per year for the next 26 years, and 0.0 days per year thereafter.		
EoSB	Members receiving benefits	It is assumed that 100% of eligible members claim the repatriation grant. Repatriation travel and removal expenses are assumed to be payable to 80% of eligible staff members upon separation.		
	Repatriation travel and removal costs	It is assumed at EUR 4,500 per staff member in 2017, reflecting the impact of expected inflation over the average expected future working years by staff members.		

188. UNWTO conducts actuarial valuation of after-service liabilities on a periodical basis longer than annually.
189. The following table provide additional information and analysis on employee benefit liabilities calculated by actuaries:

After service employee benefits actuarial valuation

Euros

	ASHI	AAL	EoSB	Total
Defined benefit obligation at 01/01/2017	16,737,595.81	1,105,444.61	1,281,210.02	19,124,250.44
<i>Movements for period ended 31/12/2017</i>	<i>846,697.72</i>	<i>-108,277.57</i>	<i>-157,796.37</i>	<i>580,623.78</i>
Service costs	575,352.00	59,323.00	58,169.00	692,844.00
Interest costs	425,589.00	19,323.00	21,387.00	466,299.00
Recognition of (gain) / loss	0.00	0.00	0.00	0.00
(Benefit payments UNWTO)	-154,243.28	-186,923.57	-237,352.37	-578,519.22
Defined benefit obligation at 31/12/2017	17,584,293.53	997,167.04	1,123,413.65	19,704,874.22

190. The actuarial valuation of the defined benefit obligation is determined by discounting the probable future payment required to settle the obligation resulting from employee service rendered in the current and prior periods.
191. Actuarial gains or losses arise when the actuarial assessment differs from the long-term expectation on the obligations: they result from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and the effects of change in actuarial assumptions.
192. Actuarial gains or losses relating to ASHI are accounted for using the "reserve recognition" approach, and are recognized in the Statement of Changes in Net Assets/Equity. Those relating to AAL and EoSB are recognized through the Statement of Financial Performance. No actuarial gains and losses (ASHI, AAL or EoSB) have been calculated for 2017.
193. The annual expense amounts recognized in the Statement of Financial Performance are as follows:

After service employee benefits recognized in the Statement of financial performance

Euros

	ASHI	AAL	EoSB	Total
Total expenses recognized at 31/12/2017	1,000,941.00	78,646.00	79,556.00	1,159,143.00
Service costs	575,352.00	59,323.00	58,169.00	692,844.00
Interest costs	425,589.00	19,323.00	21,387.00	466,299.00

194. Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Interest cost is the increase during the period in the present value of the defined benefit obligation which arises because the benefits are one period closer to settlement.
195. Two of the principal assumptions in the valuation of the ASHI are the rate of future medical cost increases (3.1%) and the discount rate (2.56%). The table below shows the estimated impact of unfavourable 1% per year changes in these assumptions on the liability at 31 December 2016:

ASHI sensitive analysis

Euros

Discount rate	Long-term medical inflation rate	
	3.10% per year	4.10% per year
2.56%	16,736,939	20,630,393
1.56%	20,841,468	26,071,974

196. One of the principal assumptions in the valuation of accrued leave and end of service benefits is the discount rate (1.88%). The table below shows the estimated impact of unfavourable 1% per year in that rate on the liability at 31 December 2016:

AAL and EoSB sensitive analysis

Euros

Discount rate	Accumulated Annual Leave	End of Service Benefits
1.88%	1,281,210	1,105,445
0.88%	1,381,041	1,236,492

United Nations Joint Staff Pension Fund (UNJSPF)

197. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.
198. UNWTO's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.
199. During 2017, the Fund identified that there were anomalies in the census data utilized in the actuarial valuation performed as of 31 December 2015. As such, as an exception to the normal biannual cycle, a roll forward of the participation data as of 31 December 2013 to 31 December 2016 was used by the Fund for their 2016 financial statements. An actuarial valuation as of 31 December 2017 is currently being performed.
200. The roll forward of the participation data as of 31 December 2013 to 31 December 2016 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 150.1% (127.5% in the 2013 valuation). The funded ratio was 101.4% (91.2% in the 2013 valuation) when the current system of pension adjustments was taken into account.
201. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2016, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.
202. The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

Contributions paid to UNJSPF

Euros

	31/12/2017	Estimated 2018
Contributions paid to UNJSPF	1,486,191.07	1,543,400.00

Note 16 – Advance receipts

Advance receipts		
Euros		
	31/12/2017	31/12/2016
Advance receipts	1,505,864.77	1,621,754.90
<i>Current deferred liabilities</i>	<i>1,498,664.77</i>	<i>1,609,099.84</i>
Advance receipts - Contributions	1,498,664.77	1,609,099.84
<i>Non-current deferred liabilities</i>	<i>7,200.00</i>	<i>12,655.06</i>
Advance receipts - Contributions	7,200.00	12,655.06

203. UNWTO recognizes as a liability amounts received under non-exchange contracts where either a binding agreement is not considered to be in place yet or where the payments received will be due in the following or more financial years. Those payments received for contributions which are actually due after 12 months or more are classified under non-current advance receipts.

204. At 31 December 2017 there are no liabilities related to conditional contributions.

Note 17 – Provisions

Provisions		
Euros		
	31/12/2017	31/12/2016
Provisions	125,545.04	133,234.58
<i>Current provisions</i>	<i>125,545.04</i>	<i>133,234.58</i>
Provisions for refunds to donors	102,820.01	98,132.29
Provisions for sales return	2,548.01	1,028.35
Other current provisions	20,177.02	34,073.94

205. UNWTO mainly recognizes a provision for probable liabilities that would result from return of sold publications to distributors, from obligations on the Organization where there is probability of outflow of resources and from refunds of unspent balances of closed projects to donors. The level of the provisions is based on past experience.

Note 18 – Other liabilities

Other liabilities		
Euros		
	31/12/2017	31/12/2016
Other liabilities	50,424.20	24,413.79
<i>Other current liabilities</i>	<i>37,955.18</i>	<i>24,413.79</i>
Finance lease liabilities	3,789.18	6,630.74
Miscellaneous other current liabilities	34,166.00	17,783.05
<i>Other non-current liabilities</i>	<i>12,469.02</i>	<i>0.00</i>
Finance lease liabilities	12,469.02	0.00

206. Falling under other liabilities UNWTO recognizes miscellaneous liabilities (inter-segment payables) and financial lease liabilities.

Finance leases

207. The Organization has finance leases in place for high-volume photocopiers. The difference between the minimum lease payments due and the present value of such payments is analysed in the table below:

Finance leases
at 31 December 2017
Euros

	Minimum payments due	Finance charges	Present value of minimum payments
Finance lease liabilities	16,258.20	0.00	16,258.20
< 1 year	3,789.18	0.00	3,789.18
> 1 year and < 5 years	12,469.02	0.00	12,469.02

208. There are no sublease payments to be received on these leased assets. Ownership does not transfer to the Organization on conclusion of the lease, nor are there any options in place to purchase the equipment at that time.

Note 19 – Net assets / equity

Changes in net assets/equity - detailed
for the year ended 31 December 2017
Euros

	Restricted Accumulated Surplus	Unrestricted accumulated surplus	Total accumulated surplus	Surplus	Working capital fund	Replacement reserve	Special reserve for contingency	Total net assets
Net assets, 31/12/2016	7,476,585.48	-12,589,355.45	-5,112,769.97		2,798,121.37	1,191,962.75	484,514.92	-638,170.93
Directly recognized revenues and expenses								
Net change in reserves	-74.39	151,890.87	151,816.48			-137,637.32	-14,179.16	0.00
Other adjustments	-1,620.00	1,200.00	-420.00					-420.00
<i>Net rev/exp recognized directly in net assets</i>	<i>-1,694.39</i>	<i>153,090.87</i>	<i>151,396.48</i>		<i>0.00</i>	<i>-137,637.32</i>	<i>-14,179.16</i>	<i>-420.00</i>
Result for the period				-2,427,370.31				-2,427,370.31
Direct transfers from result	-1,581,407.20	-970,417.54	-2,551,824.74	2,427,370.31	0.00	124,454.43	0.00	0.00
Other adjustments in accumulated surplus	-144,000.00	144,000.00	0.00					0.00
<i>Total recognized surplus for the period</i>	<i>-1,725,407.20</i>	<i>-826,417.54</i>	<i>-2,551,824.74</i>	<i>0.00</i>	<i>0.00</i>	<i>124,454.43</i>	<i>0.00</i>	<i>-2,427,370.31</i>
Net assets, 31/12/2017	5,749,483.89	-13,262,682.12	-7,513,198.23	0.00	2,798,121.37	1,178,779.86	470,335.76	-3,065,961.24

209. UNWTO accumulated surplus consists of: (a) Unrestricted accumulated surplus (deficit), and (b) Restricted accumulated surplus. The latter are mainly balances relating to projects funded by donors held for use on specific identified projects and project support costs (PSC), and as such are considered to be restricted.

210. The Working Capital Fund (WCF) has been established in an amount and for the purposes to be fixed by the General Assembly²⁸. It is financed by contributions from Members made in accordance with the scale of contributions as determined by the General Assembly and by any other transfer from net equity which the Assembly decides may be so used²⁹.

211. In addition to the WCF the statutory reserves comprise the Replacement Reserve³⁰ and the Special Contingency Reserve³¹ which have been established in accordance with the UNWTO Financial Rules and Regulations.

212. UNWTO recognizes actuarial gain and losses for ASHI directly in Statement of Changes in Net Assets/Equity. Actuarial valuations are made every two years and actuarial gains and losses are recorded accordingly.

²⁸ FR10.2(a) and FR 10.2(b)

²⁹ FR 10.2(c)

³⁰ DFR VI21 to VI.23

³¹ DFR VI24 to VI.28

Note 20 – Revenues

Revenues		
Euros		
	31/12/2017	31/12/2016
Revenues	20,340,587.71	22,538,535.55
<i>Members assessed contributions</i>	<i>13,627,323.00</i>	<i>13,584,888.64</i>
<i>Other contributions, net of reduction</i>	<i>2,256,928.00</i>	<i>4,953,512.82</i>
Voluntary contributions	2,482,982.36	5,035,585.17
Funds in trust contributions	92,000.00	92,000.00
Project support cost	178,806.57	0.00
Reduction in contribution revenues	-496,860.93	-174,072.35
<i>Publications revenues, net of discounts and returns</i>	<i>432,997.69</i>	<i>303,956.40</i>
Publications revenues	513,372.95	359,077.55
Discounts and returns	-80,375.26	-55,121.15
<i>Currency exchange differences</i>	<i>0.00</i>	<i>90,530.96</i>
<i>Other revenues</i>	<i>4,023,339.02</i>	<i>3,605,646.73</i>
In-kind contributions	3,358,470.03	2,829,417.13
Donated use of premises/equipment	2,185,528.41	2,125,864.17
Donated travel	1,172,941.62	703,552.96
Miscellaneous revenues	664,868.99	776,229.60
Revenue from deposits and investments	21,041.46	35,911.57
Other miscellaneous	643,827.53	740,318.03

213. Assessed contributions are recognized as revenue at the beginning of the year to which they are apportioned in the relevant two-year budget period³².
214. Voluntary Contributions and Funds In Trust are recognized as revenue at the signing of the corresponding binding funding agreement except for those which contain performance conditions as defined under IPSAS. These revenues include project support costs³³ and are shown net of the provision for return to donors and refunds to donors (Reduction in contribution revenues line).
215. The sale of UNWTO publications is the only material exchange revenue producing activity of the Organization.
216. Currency exchange differences are composed of the difference between gains and loss on currency exchange differences.
217. Other revenues are composed by miscellaneous revenues, which include application of Members' allowance and in-kind contributions. UNWTO receives donations in-kind in the form of the use of premises for no or nominal rent and paid travel expenses. The use of premises is valued at the fair market value of the rental due on similar premises, while travel is valued (a) at the fair market value of the donated airfare and, (b) based on the DSA for other travel expenses. These in-kind contributions are recognized as revenue while a corresponding expense is also recognized.
218. Donated use of premises also includes:
- (a) The UNWTO Headquarters building located at Madrid, Spain, in accordance with the agreements between UNWTO and the Government of Spain³⁴. The commercial rate of renting the UNWTO

³² FR Annex II. 1

³³ The UNWTO Financial Report and Audited Financial Statements for the Year Ended 31 December 2016 disclosed under Other revenues the project support costs revenue amounting to EUR 252,020.05.

³⁴ "Special Agreement on the Headquarters Building of the World Tourism Organization, as Provided for under Article 24 of the Convention between the World Tourism Organization and Spain Concerning the Organization's Legal Status in Spain".

Headquarters building was calculated by an independent appraisal in 2013 and adjusted by the variation of the rental level in the Madrid business district³⁵.

- (b) The UNWTO liaison office located at Geneva whose commercial rate of renting is calculated based on the rental level in Geneva.

Note 21 – Expenses

Expenses		
Euros		
	31/12/2017	31/12/2016
Expenses	22,767,958.02	22,151,793.39
<i>Wages, salaries and employee benefits</i>	<i>13,707,872.49</i>	<i>14,103,944.53</i>
Salaries and benefits - regular staff	8,965,659.95	8,836,945.31
After-services benefits - regular staff	1,159,143.00	1,405,521.33
Salaries and benefits - non-regular staff	3,583,069.54	3,861,477.89
<i>Grants and other transfers</i>	<i>423,748.12</i>	<i>945,006.48</i>
<i>Travel</i>	<i>2,442,336.85</i>	<i>1,623,504.47</i>
Non-donated travel	1,269,395.23	919,951.51
Donated travel expenses	1,172,941.62	703,552.96
<i>Supplies, consumables and other running costs</i>	<i>4,127,539.25</i>	<i>3,940,822.42</i>
Expendables	76,959.24	129,412.17
Supplies, consumables and others	610,884.29	556,194.64
Publishing expenses	65,719.83	71,375.76
Rental expense (included in-kind rental expense)	2,277,298.06	2,152,374.12
Rental expense	91,769.65	26,509.95
Rental expense in-kind	1,261,053.39	1,271,306.96
Rental Headquarters	924,475.02	854,557.21
Contractual services	1,096,677.83	1,031,465.73
<i>Currency exchange differences</i>	<i>658,766.34</i>	<i>0.00</i>
<i>Depreciation and amortization</i>	<i>79,416.44</i>	<i>74,941.29</i>
Depreciation and impairment - PPE	65,395.61	71,618.82
Amortization and impairment - Intangible Assets	8,085.32	3,322.47
Impairment - Publications	5,935.51	0.00
<i>Other expenses</i>	<i>1,328,278.53</i>	<i>1,463,574.20</i>
Doubtful accounts expense	1,204,843.26	1,418,009.79
Bank costs	12,681.44	14,735.23
Other miscellaneous	110,753.83	30,829.18

Wages, salaries and employee benefits

219. Wages, salaries and employee benefits include: (a) regular staff expenses related to wages, salaries and benefits and the movements in the actuarial liability for ASHI, Accumulated Annual Leave and End of Service Benefits, and (b) the cost of contracting collaborators and consultants and other temporary services, including their medical insurance.

Grants and other transfers

220. This item includes: (a) expenses for external training and seminars which are mainly travel and per diem costs for participants, (b) technical cooperation and grants which represent subventions and sponsorships, (c) contributions made to UN joint activities, and (d) other contributions.

³⁵ See "Office Market Snapshot" Madrid/Spain by Cushman & Wakefield of third quarter 2017 (www.cushmanwakefield.com).

Travel

221. Travel costs are for UNWTO staff, collaborators and consultants and other temporary service providers relate principally, to transportation and DSA expenses.

Supplies, consumables and other running costs

222. Included under this heading are items of expendable equipment and furniture and fittings which do not meet the criteria for capitalization as PPE (included donated goods in-kind) as well as items of expendable software and licences which do not meet the criteria for capitalization as intangible assets.
223. Supplies, consumables and others include offices and other supplies, insurances, utilities maintenance and repairs, hospitality and other running costs.
224. Publishing expenses include those costs related to the production of publications.
225. Rental expense represents premises rental cost including the expense which corresponds to the in-kind contribution for premises provided to UNWTO at no or nominal cost.
226. Contractual services represent expenses where UNWTO has engaged a third party to perform work on behalf of UNWTO. Major categories of these types of arrangements include professional services and research.

Depreciation, amortization and impairment

227. Depreciation is the annual expense resulting from the systematic allocation of the depreciable amounts of property, plant and equipment over their useful lives. Amortization is the annual expense resulting from the systematic allocation of the amortizable amount of intangible assets over their useful lives.
228. This item also includes impairment of PPE, intangible assets and publication inventories.

Other expenses

229. Doubtful accounts expense corresponds to the changes in the allowance for doubtful accounts for assessed, WCF, voluntary and trust fund contributions. It also includes an amount for doubtful publication receivables.
230. The other expenses are largely composed of bank charges and miscellaneous expenses.

Note 22 – Statement of comparison of budget and actual amounts – Regular Budget**Reconciliation of financial performance with budgetary result of the Regular Budget
for the year ended 31 December 2017**

Euros

	31/12/2017
Financial deficit in the Statement of financial performance	-2,427,370.31
Entity differences	-1,303,425.49
<i>Add: Revenues of</i>	<i>6,774,941.23</i>
Other funds than the GF (VC and FIT)	5,406,624.69
Other projects within GF	1,368,316.54
<i>Less: Expenses of</i>	<i>8,078,366.72</i>
Other funds than the GF (VC and FIT)	6,922,357.95
Other projects within GF	1,156,008.77
Basis differences	-1,749,963.41
<i>Add:</i>	<i>2,414,283.18</i>
(a) Unbudgeted revenues under Regular Budget	2,255,814.26
(b) Budgeted transfer to the Replacement Reserves	124,454.43
(c) Budgeted PPE, IA and finance lease liabilities	34,014.49
<i>Less:</i>	<i>4,164,246.59</i>
(a) Unbudgeted expenses under Regular Budget	4,020,246.59
(b) Budgeted transfers from net assets	144,000.00
Budgetary result in the Statement of comparison of budget and actual amounts	626,018.59

231. As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget are, where the Financial Statements and the budget are not prepared on a comparable basis, reconciled to the actual amounts presented in the Financial Statements, identifying any differences.
232. In order to reconcile the Statement of Comparison of Budget and Actual Amounts to the Statement of Financial Performance, the following differences have to be taken into account.

(a) Entity differences

These occur when the approved Regular Budget excludes projects, funds or entities which are nonetheless reported in the Financial Statements. At UNWTO the Voluntary Contributions Fund, Funds In Trust and the non-regular budget projects within the General Fund are not part of the approved Regular Budget.

(b) Basis differences

These occur when the approved Regular Budget is prepared on a basis other than the accounting basis. At UNWTO, the Regular Budget is prepared on a modified accrual basis whereas the Financial Statements are prepared on a full accrual basis in compliance with IPSAS.

In order to reconcile the budgetary result (Statement of Comparison of Budget and Actual Amounts) to the financial performance (Statement of Financial Performance), the non-accrual elements of the Regular Budget (e.g., property, plant and equipment is budgeted when it is planned that the payments will be made) are removed as basis differences.

(c) Timing differences

These occur when the budget period differs from the reporting period reflected in the Financial Statements. At UNWTO, there are no timing differences.

(d) Presentation differences

These are due to differences in the format and classification schemes adopted for the Statement of Financial Performance and the Statement of Comparison of Budget and Actual Amounts. At UNWTO, the Statement of Financial Performance is classified by nature while the Statement of Comparison of Budget and Actual Amounts is classified by groups of programmes. The financial impact of this presentation is zero.

Note 23 – Commitments and contingencies**Legal commitments**

233. UNWTO has outstanding commitments related to operating costs mainly in the form of issued contracts and purchase orders which will be expensed in the Financial Statements upon delivery in the forthcoming financial years and recorded against the corresponding annual budget. At 31 December 2017, legal commitments amount to some:

Legal commitments	
Euros	
	31/12/2017
Legal commitments	1,598,530.00

Operating lease commitments

234. UNWTO enters into operating lease arrangements mainly for the use of office premises and for the use of photocopying and printing equipment. Future minimum lease rental payments for the following periods are:

Operating leases		
Euros		
	31/12/2017	31/12/2016
Operating lease commitments	113,547.27	126,472.97
< 1 year	72,015.15	46,336.81
> 1 year and < 5 years	41,532.12	80,136.16

Contingent liabilities

235. On 31 December 2017, there are no contingent liabilities arising from legal actions and claims that are likely to result in a significant liability to UNWTO.

Contingent assets

236. At 31 December 2017, there are no contingent assets depending upon future events.

Note 24 – Losses, ex-gratia payments and write-offs

Losses, ex-gratia payments and write-offs		
Euros		
	31/12/2017	31/12/2016
Losses, ex-gratia payments and write-offs	103,037.21	17,579.44
Losses and write-offs	103,037.21	17,579.44

237. Financial Regulation 13.5 provides that "The Secretary-General may make such ex gratia payments as are deemed to be necessary in the interest of the Organization, provided that a statement of such payments is included in the accounts of the Organization".

238. Financial Regulation 13.4 provides that "The Secretary-General may, after full investigation, authorize the writing off of losses of cash, stores, and other assets, provided a statement thereof is submitted to the External Auditors with the accounts".
239. During the period 1 January to 31 December 2017, UNWTO did not incur any ex-gratia payments. Losses correspond to the loss in the value of the investment in the joint venture and write-offs correspond to approved uncollectible receivables analysed on a case-by-case basis.
240. There were no reported cases of fraud or presumptive fraud in 2017.

Note 25 – Related party and key management disclosures

Governing bodies and related parties

241. UNWTO is governed by a General Assembly, consisting of the representatives of the Full and Associate Members of the Organization. They do not receive any remuneration from the Organization.
242. The General Assembly elects the Full Members which form the Executive Council in a ratio of one for every five Full Members. The Executive Council assures the overall management of UNWTO and meets twice a year. As a norm, the Organization does not pay for travel costs or any other costs incurred by the representatives of the Full Members in the execution of their duties as Members.
243. Representatives of Full Members are appointed separately by the Government of each Full Member, and are not considered as key management personnel of UNWTO as defined under IPSAS.
244. The Organization's only related party within the meaning of IPSAS 20 (Related party disclosures) is the Themis Foundation. During 2017, UNWTO provided EUR 109,000 as annual grant to the Themis Foundation.

Key management personnel

245. Key management personnel of UNWTO are personnel with a level of D2 and above as they have the authority and responsibility for planning, directing and controlling the activities of UNWTO. At UNWTO the key management personnel is composed of the Secretary-General, the Executive Directors and the Director of Administration.
246. The aggregate remuneration paid to key management personnel includes: net salaries, post adjustment, benefits and allowances as well as the employer pension and health insurance contributions.

Key management personnel
at 31 December 2017
Euros

	Number of individuals	Salary & post adjustment	Benefits & allowances	Pension & health plans	Total remuneration	Outstanding advances
Key management personnel	6	935,773.46	127,328.65	314,730.46	1,377,832.57	0.00

247. Key management personnel are also qualified for post-employment benefits at the same level as other employees. Key management personnel of UNWTO are participants of UNJSPF.
248. Advances are those made against salary, benefits and allowances in accordance with financial rules and regulations³⁶. Advances against salary, benefits and allowances are available to all UNWTO staff.

³⁶ DFR VI.13

Unaudited Annexes

Annex I: Contact information

Name		Address
UNWTO	World Tourism Organization	Capitán Haya 42. Madrid, Spain
Actuary	Aon Hewitt	100 Half Day Road. Lincolnshire, Illinois 60069, United States of America
Principal banker	Banco Sabadell	Pº de la Castellana 135. Madrid, Spain
External Auditor	Intervención General de la Administración del Estado, Spain	Maria de Molina 50. 28006 Madrid, Spain

Annex II: Revised appropriations in accordance to programmes structure and appropriations transfers - Regular Budget

Revised appropriations for the year ended 2017 as approved by A/RES/688 (XXII) and in accordance to the new programmes structure made by the Secretary-General

Appropriations authorized for 2017 by major programmes and programmes

at 31 December 2017

Euros

2017 appropriations approved by A/RES/688(XXII)

2017 revised appropriations in accordance to new structure proposed by the Secretary-General

Major programmes / programmes	P	G	Appropriations ¹ (EUR)			Major programmes / programmes	P	G	Appropriations ² (EUR)		
			Staff	Non-staff	Total				Staff	Non-staff	Total
Grand total		106						106			
Total	55	51	9,800,000	3,692,000	13,492,000	Total	55	51	9,800,000	3,692,000	13,492,000
<i>A Member Relations</i>	<i>13</i>	<i>7</i>	<i>1,655,000</i>	<i>546,000</i>	<i>2,201,000</i>	<i>A Member Relations</i>	<i>13</i>	<i>7</i>	<i>1,655,000</i>	<i>546,000</i>	<i>2,201,000</i>
A01 Regional Programme, Africa	3	1	357,000	120,000	477,000	A01 Regional Programme, Africa	3	1	357,000	120,000	477,000
A02 Regional Programme, Americas	2	1	235,000	120,000	355,000	A02 Regional Programme, Americas	2	1	235,000	120,000	355,000
A03 Regional Programme, Asia and the Pacific	3	1	357,000	120,000	477,000	A03 Regional Programme, Asia and the Pacific	3	1	357,000	120,000	477,000
A04 Regional Programme, Europe	2	1	235,000	69,000	304,000	A04 Regional Programme, Europe	2	1	235,000	69,000	304,000
A05 Regional Programme, Middle East	2	1	235,000	69,000	304,000	A05 Regional Programme, Middle East	2	1	235,000	69,000	304,000
A06 Affiliate Members (Knowledge Network)	1	2	236,000	48,000	284,000	A06 Affiliate Members (Knowledge Network)	1	2	236,000	48,000	284,000
<i>B Operational</i>	<i>16</i>	<i>13</i>	<i>2,688,000</i>	<i>881,000</i>	<i>3,569,000</i>	<i>B Operational</i>	<i>15</i>	<i>13</i>	<i>2,566,000</i>	<i>881,000</i>	<i>3,447,000</i>
B01 Sustainable Development of Tourism	3	2	479,000	110,000	589,000	B01 Sustainable Development of Tourism	3	2	479,000	110,000	589,000
B02 Technical Cooperation	2	3	414,000	79,000	493,000	B02 Technical Cooperation	2	3	414,000	79,000	493,000
B03 Statistics, Trends and Policy	5	4	837,000	252,000	1,089,000	B03 Statistics, Trends and Policy	5	4	837,000	252,000	1,089,000
B04 Destination Management and Quality	2	1	301,000	44,000	345,000	B04 Destination Management and Quality	1	1	179,000	44,000	223,000
B05 Ethics and Social Responsibility	1	1	178,000	44,000	222,000	B05 Ethics and Social Responsibility	1	1	178,000	44,000	222,000
B06 Education and Training (Themis)	0	0	0	122,000	122,000	B06 Themis - Education and Training	0	0	0	122,000	122,000
B07 Institutional Relations and Resource Mobilization	2	1	301,000	125,000	426,000	B07 Institutional Relations and Resource Mobilization	2	1	301,000	125,000	426,000
B08 Special Field Projects	1	1	178,000	33,000	211,000	B08 Special Field Projects	1	1	178,000	33,000	211,000
B09 UNWTO Liaison Offices	0	0	0	72,000	72,000	B09 UNWTO Liaison Offices	0	0	0	72,000	72,000
<i>C Support - Direct to Members</i>	<i>19</i>	<i>15</i>	<i>3,633,000</i>	<i>708,000</i>	<i>4,341,000</i>	<i>C Support - Direct to Members</i>	<i>20</i>	<i>15</i>	<i>3,755,000</i>	<i>708,000</i>	<i>4,463,000</i>
C01 Conferences Services	5	2	724,000	163,000	887,000	C01 Conferences Services	5	2	724,000	163,000	887,000
C02 Management	12	9	2,439,000	352,000	2,791,000	C02 Management	13	9	2,561,000	352,000	2,913,000
C03 Communications and Publications	2	4	470,000	193,000	663,000	C03 Communications and Publications	2	4	470,000	193,000	663,000
<i>D Support - Indirect to Members</i>	<i>7</i>	<i>16</i>	<i>1,824,000</i>	<i>1,557,000</i>	<i>3,381,000</i>	<i>D Support - Indirect to Members</i>	<i>7</i>	<i>16</i>	<i>1,824,000</i>	<i>1,557,000</i>	<i>3,381,000</i>
D01 Budget and Finance	2	2	357,000	166,000	523,000	D01 Budget and Finance	2	2	357,000	166,000	523,000
D02 Human Resources	2	2	357,000	105,000	462,000	D02 Human Resources	2	2	357,000	105,000	462,000
D03 Information and Communication Technologies	2	3	414,000	353,000	767,000	D03 Information and Communication Technologies	2	3	414,000	353,000	767,000
D04 General Services	1	9	696,000	633,000	1,329,000	D04 General Services	1	9	696,000	633,000	1,329,000
D05 Provisions	0	0	0	300,000	300,000	D05 Provisions	0	0	0	300,000	300,000

Remarks:

¹ Before transfers. In accordance to Programmes structure and appropriations approved originally by A/RES/651(XXI) of document A/21/8(I)(b), its structure update approved by CE/DEC/8(CIII) of document CE/103/7(a), its structure update approved by CE/DEC/8(CIV) of document CE/104/7(a), its structure update approved by CE/DEC/8(CV) of document CE/105/5(b) and its structure update approved by A/RES/688(XXII) of document A/22/10(II).

² Before transfers. In accordance to Programmes structure and appropriations approved originally by A/RES/651(XXI) of document A/21/8(I)(b), its structure update approved by CE/DEC/8(CIII) of document CE/103/7(a), its structure update approved by CE/DEC/8(CIV) of document CE/104/7(a), its structure update approved by CE/DEC/8(CV) of document CE/105/5(b), its structure update approved by A/RES/688(XXII) of document A/22/10(II) and the Secretary-General proposal of structure modification.

Appropriation transfers for the year ended 2017 – Regular Budget

Appropriation transfers - Regular Budget ¹
for the year ended 31 December 2017
Euros

	Approved appropriations			Actual expenditure			Budget deviation	Transfer of appropriations		Revised appropriations	Balance
	Staff cost	Non-staff cost	Total	Staff cost	Non-staff cost	Total		From:	To:		
Total	9,800,000.00	3,692,000.00	13,492,000.00	8,957,129.40	3,644,258.03	12,601,387.43	890,612.57	-363,988.59	363,988.59	13,492,000.00	890,612.57
A Member Relations	1,655,000.00	546,000.00	2,201,000.00	1,629,745.06	592,442.10	2,222,187.16	-21,187.16	-119,414.59	140,601.75	2,222,187.16	0.00
A01 Regional Programme, Africa	357,000.00	120,000.00	477,000.00	367,531.44	106,962.81	474,494.25	2,505.75	-2,505.75	0.00	474,494.25	0.00
A02 Regional Programme, Americas	235,000.00	120,000.00	355,000.00	243,030.60	111,326.06	354,356.66	643.34	-643.34	0.00	354,356.66	0.00
A03 Regional Programme, Asia and the Pacific	357,000.00	120,000.00	477,000.00	380,673.44	108,180.16	488,853.60	-11,853.60	0.00	11,853.60	488,853.60	0.00
A04 Regional Programme, Europe	235,000.00	69,000.00	304,000.00	230,361.85	189,184.37	419,546.22	-115,546.22	0.00	115,546.22	419,546.22	0.00
A05 Regional Programme, Middle East	235,000.00	69,000.00	304,000.00	240,413.23	76,788.70	317,201.93	-13,201.93	0.00	13,201.93	317,201.93	0.00
A06 Affiliate Members (Knowledge Network)	236,000.00	48,000.00	284,000.00	167,734.50	0.00	167,734.50	116,265.50	-116,265.50	0.00	167,734.50	0.00
B Operational	2,566,000.00	881,000.00	3,447,000.00	2,343,583.81	879,835.91	3,223,419.72	223,580.28	-158,993.91	137,806.75	3,425,812.84	202,393.12
B01 Sustainable Development of Tourism	479,000.00	110,000.00	589,000.00	507,178.59	97,906.99	605,085.58	-16,085.58	0.00	16,085.58	605,085.58	0.00
B02 Technical Cooperation	414,000.00	79,000.00	493,000.00	441,190.43	46,343.81	487,534.24	5,465.76	0.00	0.00	493,000.00	5,465.76
B03 Statistics, Trends and Policy	837,000.00	252,000.00	1,089,000.00	576,027.27	210,919.64	786,946.91	302,053.09	-158,993.91	0.00	930,006.09	143,059.18
B04 Destination Management and Quality	179,000.00	44,000.00	223,000.00	211,237.96	71,575.42	282,813.38	-59,813.38	0.00	59,813.38	282,813.38	0.00
B05 Ethics and Social Responsibility	178,000.00	44,000.00	222,000.00	188,065.76	74,140.81	262,206.57	-40,206.57	0.00	40,206.57	262,206.57	0.00
B06 Education and Training (Themis)	0.00	122,000.00	122,000.00	0.00	109,545.14	109,545.14	12,454.86	0.00	0.00	122,000.00	12,454.86
B07 Institutional Relations and Resource Mobilization	301,000.00	125,000.00	426,000.00	297,624.60	119,423.45	417,048.05	8,951.95	0.00	0.00	426,000.00	8,951.95
B08 Special Field Projects	178,000.00	33,000.00	211,000.00	122,259.20	56,279.43	178,538.63	32,461.37	0.00	0.00	211,000.00	32,461.37
B09 UNWTO Liaison Offices	0.00	72,000.00	72,000.00	0.00	93,701.22	93,701.22	-21,701.22	0.00	21,701.22	93,701.22	0.00
C Support - Direct to Members	3,755,000.00	708,000.00	4,463,000.00	3,459,999.06	880,980.02	4,340,979.08	122,020.92	-48,473.57	48,473.57	4,463,000.00	122,020.92
C01 Conferences Services	724,000.00	163,000.00	887,000.00	585,389.44	160,967.22	746,356.66	140,643.34	-48,473.57	0.00	838,526.43	92,169.77
C02 Management	2,561,000.00	352,000.00	2,913,000.00	2,508,264.12	453,209.45	2,961,473.57	-48,473.57	0.00	48,473.57	2,961,473.57	0.00
C03 Communications and Publications	470,000.00	193,000.00	663,000.00	366,345.50	266,803.35	633,148.85	29,851.15	0.00	0.00	663,000.00	29,851.15
D Support - Indirect to Members	1,824,000.00	1,557,000.00	3,381,000.00	1,523,801.47	1,291,000.00	2,814,801.47	566,198.53	-37,106.52	37,106.52	3,381,000.00	566,198.53
D01 Budget and Finance	357,000.00	166,000.00	523,000.00	336,090.51	224,016.01	560,106.52	-37,106.52	0.00	37,106.52	560,106.52	0.00
D02 Human Resources	357,000.00	105,000.00	462,000.00	283,352.19	75,121.83	358,474.02	103,525.98	-37,106.52	0.00	424,893.48	66,419.46
D03 Information and Communication Technologies	414,000.00	353,000.00	767,000.00	397,425.37	281,041.39	678,466.76	88,533.24	0.00	0.00	767,000.00	88,533.24
D04 General Services	696,000.00	633,000.00	1,329,000.00	506,933.40	440,820.77	947,754.17	381,245.83	0.00	0.00	1,329,000.00	381,245.83
D05 Provisions	0.00	300,000.00	300,000.00	0.00	270,000.00	270,000.00	30,000.00	0.00	0.00	300,000.00	30,000.00

Remarks:

¹ This information is presented in accordance to Programmes structure and appropriations approved originally by A/RES/651(XXI) of document A/21/8(I)(b), its structure update approved by CE/DEC/8(CIII) of document CE/103/7(a), its structure update approved by CE/DEC/8(CIV) of document CE/104/7(a), its structure update approved by CE/DEC/8(CV) of document CE/105/5(b), its structure update approved by A/RES/688(XXII) of document A/22/10(II) and the Secretary-General proposal of structure modification.

Appropriation transfers between programmes within the same part of the budget and from one part of the budget to another

Transfer	EUR	Description		
		Part	Programme	
Appropriation transfers between programmes within the same part of the budget ¹				
1	-2,505.75	From	A Member Relations	A01 Regional Programme, Africa
	-643.34	From	A Member Relations	A02 Regional Programme, Americas
	-91,209.97	From	A Member Relations	A06 Affiliate Members (Knowledge Network)
	94,359.06	To	A Member Relations	A04 Regional Programme, Europe
Transfer needed to mainly cover the excess in expenditure due to the increase in the activities carried out.				
2	-11,853.60	From	A Member Relations	A06 Affiliate Members (Knowledge Network)
	11,853.60	To	A Member Relations	A03 Regional Programme, Asia and the Pacific
Transfer needed to cover excess expenditure on staff due to the existing difference between the average cost per post used in calculating the budget of each programme and the actual staff costs in the programme.				
3	-13,201.93	From	A Member Relations	A06 Affiliate Members (Knowledge Network)
	13,201.93	To	A Member Relations	A05 Regional Programme, Middle East
Transfer needed to cover excess expenditure due both to the existing difference between the average cost per post used in calculating the budget of each programme and the actual staff costs in the programme as well as to the increase in the activities carried out.				
4	-16,085.58	From	B Operational	B03 Statistics, Trends and Policy
	16,085.58	To	B Operational	B01 Sustainable Development of Tourism
Transfer needed to cover excess expenditure on staff due to the existing difference between the average cost per post used in calculating the budget of each programme and the actual staff costs in the programme.				
5	-59,813.38	From	B Operational	B03 Statistics, Trends and Policy
	59,813.38	To	B Operational	B04 Destination Management and Quality
Transfer needed to cover excess expenditure due both to the existing difference between the average cost per post used in calculating the budget of each programme and the actual staff costs in the programme as well as to the increase in the activities carried out.				
6	-40,206.57	From	B Operational	B03 Statistics, Trends and Policy
	40,206.57	To	B Operational	B05 Ethics and Social Responsibility
Transfer needed to cover excess expenditure due both to the existing difference between the average cost per post used in calculating the budget of each programme and the actual staff costs in the programme as well as to the increase in the activities carried out.				
7	-21,701.22	From	B Operational	B03 Statistics, Trends and Policy
	21,701.22	To	B Operational	B09 UNWTO Liaison Offices
Transfer needed to mainly cover the excess in expenditure due to the increase in the activities carried out.				
8	-48,473.57	From	C Support - Direct to Members	C01 Conferences Services
	48,473.57	To	C Support - Direct to Members	C02 Management
Transfer needed to mainly cover the excess in expenditure due to the increase in the activities carried out.				
9	-37,106.52	From	D Support - Indirect to Members	D02 Human Resources
	37,106.52	To	D Support - Indirect to Members	D01 Budget and Finance
Transfer needed to mainly cover the excess in expenditure due to the increase in the activities carried out.				
Appropriation transfers from one part of the budget to another ²				
10	-21,187.16	From	B Operational	B03 Statistics, Trends and Policy
	21,187.16	To	A Member Relations	A04 Regional Programme, Europe
Transfer needed to mainly cover the excess in expenditure due to the increase in the activities carried out.				

Remarks:

¹ Appropriation transfers between sections within the same part of the budget were carried out by the Secretary General subject to confirmation by the Programme and Budget Committee and the Executive Council (FR5.3(a) and CE/DEC/6(LIII))

² Appropriation transfers between different parts of the budget were carried out by the Secretary General, subject to confirmation by the Programme and Budget Committee and the Executive Council (FR5.3(b) and decision CE/DEC/6(LIII))

Annex III: Working Capital Fund available balance and advance to the Regular Budget**Working Capital Fund (WCF) available balance at 31 December 2017****Working Capital Fund available balance****at 31 December 2017**

Euros

Balance at 01/01/2017	2,559,724.98
<i>Movements during the year</i>	
Additions:	0.00
New Members	0.00
Arrear contributions applied to reimburse the advance made during previous years	0.00
Less:	-511,201.98
Members which have left the Organization	0.00
Advance made to the GF to cover budgetary expenditure pending receipt of unpaid contributions ¹	-511,201.98
Balance at 31/12/2017	2,048,523.00

¹ Part of intersegment transactions

Budgetary cash balance of the Regular Budget and WCF advance at 31 December 2017

Budgetary cash balance of the Regular Budget and WCF advance

at 31 December 2017

Euro

	2017	%	2016	%
Approved budget	13,492,000.00	100.00	13,492,000.00	100.00
<i>Budgetary income</i>	<i>11,091,150.96</i>	<i>82.21</i>	<i>11,560,723.15</i>	<i>85.69</i>
Assessed contributions	10,947,150.96	81.14	11,227,723.15	83.22
Amount spent from the allocations approved by the GA	144,000.00	1.07	333,000.00	2.47
Allocation from accumulated surplus - Publications store	144,000.00	1.07	333,000.00	2.47
<i>Budgetary expenditure</i>	<i>-12,601,387.43</i>	<i>-93.40</i>	<i>-12,349,691.10</i>	<i>-91.53</i>
Cash deficit/advance made from the WCF (FR 10.2(b))	-1,510,236.47		-788,967.95	
<i>Arrear contributions receipts in the financial year</i>	<i>999,034.49</i>	<i>7.40</i>	<i>1,084,524.85</i>	<i>8.04</i>
WCF advance to the RB	-749,598.37		-238,396.39	

Annex IV: Contributions due to the General Fund and the Working Capital Fund

Statement of contributions due to the General Fund at 31 December 2017

Statement of contributions due to the General Fund

at 31 December 2017

Euros

Members	Years	Arrear Contributions	Contributions due 2017	Total
Total		15,604,444.75	2,302,116.73	17,906,561.48
<i>Full Members</i>		<i>14,133,046.73</i>	<i>1,905,555.22</i>	<i>16,038,601.95</i>
Afghanistan	81-87,89-08,10,12,14	703,988.77	0.00	703,988.77
Albania	-	0.00	0.00	0.00
Algeria	-	0.00	0.00	0.00
Andorra	-	0.00	0.00	0.00
Angola	-	0.00	0.00	0.00
Argentina	-	0.00	0.00	0.00
Armenia	-	0.00	0.00	0.00
Austria	-	0.00	0.00	0.00
Azerbaijan	-	0.00	0.00	0.00
Bahamas	-	0.00	0.00	0.00
Bahrain	78-84,02,10	331,715.05	0.00	331,715.05
Bangladesh	-	0.00	0.00	0.00
Barbados	-	0.00	0.00	0.00
Belarus	-	0.00	0.00	0.00
Benin	12,14-16	104,451.00	0.00	104,451.00
Bhutan	-	0.00	0.00	0.00
Bolivia	81-87, 89-98	416,180.57	0.00	416,180.57
Bosnia and Herzegovina	-	0.00	0.00	0.00
Botswana	-	0.00	53,558.00	53,558.00
Brazil	-	0.00	257,187.00	257,187.00
Brunei Darussalam	-	0.00	53,558.00	53,558.00
Bulgaria	-	0.00	0.00	0.00
Burkina Faso	12,16	51,622.00	26,779.00	78,401.00
Burundi	77-07,11-13,15-16	759,923.78	26,779.00	786,702.78
Cambodia	82-92	270,225.39	0.00	270,225.39
Cameroon	-	0.00	23,758.33	23,758.33
Cape Verde	-	0.00	0.00	0.00
Central African Republic	07-16	242,151.10	26,779.00	268,930.10
Chad	12-16	129,784.56	26,779.00	156,563.56
Chile	-	0.00	0.00	0.00
China	-	0.00	0.00	0.00
Colombia	-	0.00	0.00	0.00
Congo	16	442.38	32,134.00	32,576.38
Costa Rica	-	0.00	0.00	0.00
Côte d'Ivoire	-	0.00	7,887.85	7,887.85
Croatia	-	0.00	0.00	0.00
Cuba	-	0.00	0.00	0.00
Cyprus	-	0.00	0.00	0.00
Czech Republic	-	0.00	0.00	0.00
Democratic People's Republic of Korea	-	0.00	26,779.00	26,779.00
Democratic Republic of the Congo	98-00,02-06,08-12,16	286,175.26	26,779.00	312,954.26
Djibouti	03-16	306,953.00	24,101.00	331,054.00
Dominican Republic	16	64,268.00	64,268.00	128,536.00
Ecuador	16	1,568.84	0.00	1,568.84
Egypt	-	0.00	0.00	0.00
El Salvador	-	0.00	0.00	0.00

Members	Years	Arrear Contributions due		Total
		Contributions	2017	
Equatorial Guinea	13-15	81,218.00	33,656.00	114,874.00
Eritrea	-	0.00	0.00	0.00
Ethiopia	-	0.00	26,779.00	26,779.00
Fiji	-	0.00	0.00	0.00
France	-	0.00	0.00	0.00
Gabon	15-16	106,753.56	53,558.00	160,311.56
Gambia	97-05,08-10,13	262,709.33	0.00	262,709.33
Georgia	-	0.00	0.00	0.00
Germany	-	0.00	0.00	0.00
Ghana	15-16	34,268.00	32,134.00	66,402.00
Greece	-	0.00	0.00	0.00
Guatemala	-	0.00	0.00	0.00
Guinea	96,98-00,07-09,14-16	212,507.01	26,779.00	239,286.01
Guinea-Bissau	92-96,99-16	503,584.55	26,779.00	530,363.55
Haiti	-	0.00	0.00	0.00
Honduras	-	0.00	0.00	0.00
Hungary	-	0.00	0.00	0.00
India	-	0.00	0.00	0.00
Indonesia	-	0.00	0.00	0.00
Iran, Islamic Republic of	15	6,267.00	81,217.00	87,484.00
Iraq	91-06,12	1,750,627.70	0.00	1,750,627.70
Israel	-	0.00	0.00	0.00
Italy	-	0.00	0.00	0.00
Jamaica	-	0.00	0.00	0.00
Japan	-	0.00	0.00	0.00
Jordan	-	0.00	0.00	0.00
Kazakhstan	-	0.00	0.00	0.00
Kenya	16	465.79	0.00	465.79
Kuwait	98-16	194,980.21	160,671.00	355,651.21
Kyrgyzstan	96-10,12-15	449,000.30	0.00	449,000.30
Lao People's Democratic Republic	90-95,04	140,252.53	0.00	140,252.53
Lebanon	-	0.00	107,114.00	107,114.00
Lesotho	-	0.00	0.00	0.00
Liberia	12-16	129,791.00	26,779.00	156,570.00
Libya	14-16	163,054.00	64,268.00	227,322.00
Lithuania	-	0.00	0.00	0.00
Madagascar	14-16	46,203.03	26,779.00	72,982.03
Malawi	11-16	152,565.99	26,779.00	179,344.99
Malaysia	-	0.00	0.00	0.00
Maldives	-	0.00	0.00	0.00
Mali	-	0.00	0.00	0.00
Malta	-	0.00	0.00	0.00
Mauritania	78-05,15-16	683,184.16	26,779.00	709,963.16
Mauritius	-	0.00	0.00	0.00
Mexico	-	0.00	0.00	0.00
Monaco	-	0.00	0.00	0.00
Mongolia	16	31,480.00	12,334.00	43,814.00
Montenegro	-	0.00	0.00	0.00
Morocco	-	0.00	0.00	0.00
Mozambique	-	0.00	26,779.00	26,779.00
Myanmar	-	0.00	0.00	0.00
Namibia	08	44,358.00	0.00	44,358.00
Nepal	-	0.00	24,361.55	24,361.55
Netherlands	-	0.00	0.00	0.00
Nicaragua	01-02,08,09	68,412.04	0.00	68,412.04

Members	Years	Arrear Contributions due		Total
		Contributions	2017	
Niger	83-87, 90-07,10-11,14-16	653,353.81	26,779.00	680,132.81
Nigeria	15-16	40,299.74	40,608.00	80,907.74
Oman	-	0.00	0.00	0.00
Pakistan	15-16	2,352.82	5,153.44	7,506.26
Panama	-	0.00	0.00	0.00
Papua New Guinea	08-16	223,396.00	0.00	223,396.00
Paraguay	-	0.00	0.00	0.00
Peru	15	511.13	8,898.65	9,409.78
Philippines	-	0.00	0.00	0.00
Poland	-	0.00	0.00	0.00
Portugal	-	0.00	0.00	0.00
Qatar	-	0.00	0.00	0.00
Republic of Korea	-	0.00	0.00	0.00
Republic of Moldova	-	0.00	0.00	0.00
Romania	-	0.00	0.00	0.00
Russian Federation	-	0.00	0.00	0.00
Rwanda	12,15-16	56,081.04	26,779.00	82,860.04
Samoa	-	0.00	0.00	0.00
San Marino	-	0.00	0.00	0.00
Sao Tome and Principe	86-14	594,813.65	0.00	594,813.65
Saudi Arabia	03	101,628.00	0.00	101,628.00
Senegal	15	29,284.00	730.46	30,014.46
Serbia	-	0.00	0.00	0.00
Seychelles	-	0.00	0.00	0.00
Sierra Leone	80-00,03-16	798,148.12	26,779.00	824,927.12
Slovakia	-	0.00	0.00	0.00
Slovenia	-	0.00	0.00	0.00
South Africa	-	0.00	0.00	0.00
Spain	-	0.00	0.00	0.00
Sri Lanka	-	0.00	0.00	0.00
Sudan	86,89-03,06-08,13,14	479,189.92	32,134.00	511,323.92
Swaziland	-	0.00	0.00	0.00
Switzerland	-	0.00	0.00	0.00
Syrian Arab Republic	12-16	311,492.00	64,268.00	375,760.00
Tajikistan	-	0.00	0.00	0.00
Thailand	-	0.00	0.00	0.00
The former Yugoslav Republic of Macedonia	-	0.00	0.00	0.00
Timor-Leste	15-16	27,438.76	763.94	28,202.70
Togo	05-06	39,973.83	26,779.00	66,752.83
Trinidad and Tobago	-	0.00	0.00	0.00
Tunisia	-	0.00	0.00	0.00
Turkey	-	0.00	0.00	0.00
Turkmenistan	95-98,00-12,16	541,841.40	40,608.00	582,449.40
Uganda	96-00,02-04,10-12,15-16	269,357.05	32,134.00	301,491.05
Ukraine	-	0.00	0.00	0.00
United Arab Emirates	81-87	518,247.76	0.00	518,247.76
United Republic of Tanzania	13-16	122,804.31	32,134.00	154,938.31
Uruguay	02-03	103,577.22	0.00	103,577.22
Uzbekistan	-	0.00	0.00	0.00
Vanuatu	10-16	143,576.00	21,422.00	164,998.00
Venezuela	16	10,400.27	0.00	10,400.27
Viet Nam	-	0.00	0.00	0.00
Yemen	79-89,95,14-16	321,608.45	32,134.00	353,742.45
Zambia	14	12,539.55	26,779.00	39,318.55
Zimbabwe	-	0.00	0.00	0.00

Statement of contributions due to the General Fund
at 31 December 2017
Euros

Members	Years	Arrear Contributions due		Total
		Contributions	2017	
<i>Associate Members</i>		0.00	0.00	0.00
Aruba	-	0.00	0.00	0.00
Flemish Community of Belgium	-	0.00	0.00	0.00
Hong Kong, China	-	0.00	0.00	0.00
Macao, China	-	0.00	0.00	0.00
Madeira	-	0.00	0.00	0.00
Puerto Rico	-	0.00	0.00	0.00
<i>Affiliate Members</i>		498,115.99	391,761.51	889,877.50
<i>Former Full Members</i>		918,478.93	0.00	918,478.93
<i>Former Associate Members</i>		1,947.90	0.00	1,947.90
<i>Former Affiliate Members</i>		52,855.20	4,800.00	57,655.20

Remarks:

Full Members	Financial year start month
Bangladesh	July
Botswana	April
Colombia	May
Egypt	July
Gabon	June
Gambia	July
Indonesia	April
Iran, Islamic Republic of	March
Japan	April
Lesotho	April
Malawi	June
Mauritius	July
Pakistan	July
South Africa	April
Turkey	March
Uganda	July
United Republic of Tanzania	July

Statement of contributions due to the Working Capital Fund at 31 December 2017

Statement of contributions due to the Working Capital Fund

at 31 December 2017

Euros

	31/12/2017
Total	2,235.85
Liberia	1,242.15
Vanuatu	993.70

Annex V: UN ASHI Working Group

Background and progress made

250. UN General Assembly Resolution A/RES/68/244, adopted in December 2013, requested the UN Secretary-General to undertake a survey of current health care plans within the United Nations system to explore all options to increase efficiency and contain costs, and to examine the option of broadening the mandate of the UN Joint Staff Pension Fund (UNJSPF) to include administration of ASHI benefits. In response to this, the UNFBN established a Working Group on ASHI (UN ASHI WG), tasked with conducting a system-wide study on this issue.
251. The UN ASHI WG identified four principal areas (or pillars) to be studied as follows:
 - (a) Pillar A: Cost analysis and administrative arrangements;
 - (b) Pillar B: UN System ASHI framework review;
 - (c) Pillar C: Determination and disclosure of the liability; and
 - (d) Pillar D: Funding alternative of the liability;
252. The study provided a comprehensive view of the current situation of the health plans and ASHI funds and liabilities of each agency, providing the basis for further consideration of the options for increasing efficiency and containing costs. A report on the outcome of the study was prepared by the UN ASHI WG, and the report was submitted to the 70th session of the UN General Assembly in the form of a report of the UN Secretary-General (A/70/590).
253. This report provided an overview and analysis of the key elements of the health insurance schemes applied across the United Nations system, focusing on the management and actuarial liabilities of after-service health insurance, and contained eight (1-8) recommendations grouped by the four pillars. The report was first considered by the UN Advisory Committee on Administrative and Budgetary Questions (ACABQ) which also recommended that the UN SG maintain the UN ASHI WG in order to study further options for increasing efficiency and containing costs (A/70/7/Add.42).
254. The report of the UN SG (A/70/590) along with the related ACABQ report (A/70/7/Add.42) was considered by the UN GA in March 2016. The UN GA in its resolution A/70/248 B took note of the report of the UN SG, and endorsed the conclusions and recommendations contained in the report of the ACABQ. As a result, the UN ASHI WG continued its activities, and for the remainder of 2016 focused on furthering its work on each of the eight existing recommendations.
255. A report on its further work was prepared by the UN ASHI WG and submitted by the UN SG to the 71st session of the UN GA (A/71/698 and Corr.1). This report provided both a status update and a further seven recommendations (A-G; being recommendation F specific to the UN) in respect of the existing eight recommendations made a year earlier. As previously, the report was first considered by the ACABQ, which again requested that the UN SG maintain the UN ASHI WG and report to the UN GA at its 73rd session.
256. In March 2017 the UN GA considered this second report of the UN SG (A/71/698 and Corr.1), along with the related ACABQ report (A/71/815). The UN GA in its resolution A/RES/71/272 B subsequently took note of the report of the UN SG, and endorsed the conclusions and recommendations contained in the report of the ACABQ. The UN ASHI WG thus had a mandate to continue its work through the rest of 2017 and into 2018, following which a report will be submitted by the UN SG to the UN GA at its 73rd session.

257. The UN ASHI WG has established a provisional work plan for the remainder of its mandate through to 2018. The UN ASHI WG will focus its efforts on the following areas: furthering collective negotiations with third-party administrators; completing information gathering and analysis regarding access to national health insurance schemes of Member States; revisiting plan design and eligibility; and exploring options for achieving critical scale.
258. Annex V.1 to this Annex V shows Recommendations 1-8 as presented in UN SG report A/70/590, related recommendations of the ACABQ (A/70/7/Add.42) as endorsed by the UN GA A/70/248 B, new recommendations A-G a proposed in the UN SG report A/71/698 and Corr.1 and corresponding and related recommendations of the ACABQ (A/71/815) as endorsed by the UN GA A/71/272 B³⁷.

³⁷ Recommendations 1-8 as presented in UN SG report A/70/590, related recommendations of the ACABQ (A/70/7/Add.42) as endorsed by the UN GA A/70/248B and new recommendations A-G a proposed in the UN SG report A/71/698 and Corr.1 as presented in the UN document A/71/815 Annex I.

Annex V.1: Recommendations

Recommendations 1-8 as presented in UN SG report A/70/590, related recommendations of the ACABQ (A/70/7/Add.42) as endorsed by the UN GA A/70/248B, new recommendations A-G as proposed in the UN SG report A/71/698 and Corr.1 and corresponding and related recommendations of the ACABQ (A/71/815) as endorsed by the UN GA A/71/272B

Pillar	Topic	UN SG report (A/70/590): recommendations 1-8	ACABQ report (A/70/7/Add.42): recommendations endorsed by the UN GA (A/70/248 B)	UN SG report (A/71/698 and Corr.1): recommendations A-G	ACABQ report (A/71/815): recommendations endorsed by the UN GA (A/71/272 B)
<i>Pillar A: Cost analysis and administrative arrangements</i>					
<i>Collective negotiations with third-party administrators</i>					
		<p>Recommendation 1: United Nations system organizations should negotiate collectively with third-party administrators in order to optimize pricing for administrative services and network access. To support collective negotiation, United Nations system organizations should explore the feasibility of establishing and maintaining a common database that captures demographic and plan information, summarized claims data, terms and conditions of third-party administration agreements, staff costs and summarized fraud information. (para. 34)</p>	<p>The Advisory Committee recognizes the diversity of health insurance plans across the United Nations system both in terms of the markets in which they operate and the staffing categories they serve. In addition, the Committee recognizes the variations in the administration model under which the various plans operate. These barriers notwithstanding, the Committee is of the view that opportunities do exist for consolidation for the purpose of achieving economies and efficiencies while maintaining access to quality health care. In that regard, the Committee recommends that the General Assembly endorse recommendations 1 to 3 of the Working Group and encourages the Group to continue exploring opportunities for the consolidation of health insurance plans at the various levels. (para. 14)</p>	<p>Recommendation A: It is recommended that the Working Group established by the Secretary-General under the auspices of the Finance and Budget Network of the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination be maintained so as to ensure continuity in promoting terms and conditions of service aligned to best practice, cost containment and control in the area of third-party administration of health insurance plans. (para. 14)</p>	<p>The Advisory Committee recommends that the General Assembly endorse recommendations A, B and C contained in the report of the Secretary-General. (para. 13)</p>

Pillar	Topic	UN SG report (A/70/590): recommendations 1-8	ACABQ report (A/70/7/Add.42): recommendations endorsed by the UN GA (A/70/248 B)	UN SG report (A/71/698 and Corr.1): recommendations A-G	ACABQ report (A/71/815): recommendations endorsed by the UN GA (A/71/272 B)
		<i>Collective negotiations with health-care providers</i>			
		<p>Recommendation 2: The self-administered plans (International Labour Organization, World Health Organization and the United Nations Staff Mutual Insurance Society) have successfully conducted collective negotiations with health-care providers in the Geneva area. Self-administered plans should continue to identify areas where collective negotiations with health-care providers could result in material savings and/or operational improvements. The organizations concerned should develop common standard processes, enabling them to negotiate collectively with health-care providers and provider networks in order to obtain the best access to, and best pricing for, quality health care and to minimize pricing volatility. (para. 35) Those organizations should consider establishing a common database and provide additional information in relation to health-care provider practices, terms and conditions of agreements, fraud information and quality assessments. (para. 36)</p>			
		<p>Recommendation B: It is recommended that the Working Group pursue opportunities for the cooperation of organizations based in all locations in developing their health insurance plans' access to health-care provider networks in all regions, to ensure that best pricing for quality health care is achieved and pricing volatility is minimized. (para. 18)</p>			
		<i>Underwriting reviews and negotiations with insurers</i>			
		<p>Recommendation 3: To provide a robust basis for challenging the terms and conditions of insurers, organizations with externally insured plans should perform periodic underwriting reviews, the results of which should be shared within the United Nations system for benchmarking purposes. (para. 37)</p>			
		<p>Recommendation C: It is recommended that the Working Group urge organizations to adjust confidentiality clauses in insurance policies and contracts with third-party administrators that currently preclude the sharing of information within the United Nations system, and implement regular system-wide underwriting reviews aimed at enabling United Nations system organizations to leverage scale and technical experience in negotiating terms and conditions of insurance with health insurance carriers. It is further recommended that the Working Group promote risk pooling wherever practicable, including within captive insurance arrangements, where appropriate. (para. 33)</p>			

Pillar	Topic	UN SG report (A/70/590): recommendations 1-8	ACABQ report (A/70/7/Add.42): recommendations endorsed by the UN GA (A/70/248 B)	UN SG report (A/71/698 and Corr.1): recommendations A-G	ACABQ report (A/71/815): recommendations endorsed by the UN GA (A/71/272 B)
Pillar B: UN System ASHI framework review					
National health insurance schemes					
		Recommendation 4: The Working Group proposes to continue to support organizations that will further explore the value of national health insurance schemes in the context of United Nations system health insurance plans and in a framework whereby those plans would act as supplementary plans to level up the present terms and conditions provided to active and retired staff. The Working Group proposes that organizations approach Member States about broadening the eligibility of officials for primary coverage under those schemes. That concerns mainly retirees and their eligible dependents, but might also be extended to the active staff population in certain situations. (para. 51) Organizations should evaluate the appropriateness, practicality and financial effects of incorporating into their health insurance plan the requirement to enrol in a national insurance scheme with contributions to the national plan being borne by the organization plan. (para. 52)	While not being in a position to recommend the endorsement of recommendation 4 of the Working Group pending the receipt of more information on national health insurance plans, the Advisory Committee acknowledges the potential for savings, should the recommendation be implemented, and trusts that the necessary information will be obtained in the next phase of the Working Group survey. (para. 18)	See A/71/815, paras. 14-17.	
Broadening the mandate of the United Nations Joint Staff Pension Fund					
		Recommendation 5: Although the role of the United Nations Joint Staff Pension Fund, including the Investment Management Division, should not be broadened, the Fund could, pursuant to the recommendation of the Advisory Committee on Administrative and Budgetary Questions, be requested to share its best practice approach and its methods for centralization and administration of a complex multiple-employer plan with United Nations system organizations choosing to jointly provide after-service health insurance coverage. (para. 53)	While not being in a position to recommend the endorsement of recommendation 5 of the Working Group at the present time, the Advisory Committee acknowledges the views expressed by the Pension Board and the Working Group. The Committee remains of the view that the funding and administration of after-service health insurance benefits is an issue of system-wide concern that would best be resolved through a system-wide approach. In this regard, the Committee recommends that the Working Group continue to examine options for a system-wide approach to managing after-service health insurance benefits, without excluding a potential role for the Pension Fund, including sharing its best practices approach and its operating methods. (para. 24)	Recommendation D: It is recommended that the consideration of expanding the mandate of the United Nations Joint Staff Pension Fund cease and that the Working Group concentrate its efforts on promoting consistency in health insurance plan design and plan consolidation along geographical and organizational lines for the purpose of attaining critical scale. (para. 46)	The Advisory Committee is of the view that the role of the United Nations Joint Staff Pension Fund to provide a cost-effective solution in terms of investing assets set aside to fund future after-service health insurance benefits could be explored by system organizations whose governing bodies have approved such funding. The Committee is not in a position to recommend endorsement of recommendation D. (para. 21)

Pillar	Topic	UN SG report (A/70/590): recommendations 1-8	ACABQ report (A/70/7/Add.42): recommendations endorsed by the UN GA (A/70/248 B)	UN SG report (A/71/698 and Corr.1): recommendations A-G	ACABQ report (A/71/815): recommendations endorsed by the UN GA (A/71/272 B)
Pillar C: Determination and disclosure of the liability; and					
Standardizing general valuation methodology and the establishment and application of key after-service health insurance liability valuation factors					
	Recommendation 6:	In the context of completing its work under Pillar C, the Working Group should coordinate its efforts with the Task Force on Accounting Standards to harmonize the general after-service health insurance liability principles to establish factors and actuarial assumptions no later than the end of 2017, for implementation in the 2018 actuarial valuations. (para. 60)	The Advisory Committee recommends the endorsement of recommendation 6 of the Working Group and expects that, to the extent possible, measures will be taken to standardize the general valuation methodology for after-service health insurance liabilities across all organizations of the United Nations system. (para. 26)	Recommendation E: It is recommended that the Task Force remain actively engaged in harmonizing the principles guiding liability valuation. (para. 56)	The Advisory Committee recommends that the General Assembly endorse recommendation E. of the Working Group. The Committee looks forward to receiving information on actuarial valuations of after-service health insurance liabilities of the United Nations system organizations following a harmonized methodology. (para. 26)
Pillar D: Funding alternative of the liability					
	Adequate funding of the after-service health insurance liability				
	Recommendation 7:	The Working Group recommends that organizations adequately fund their after-service health insurance liability and build reserves at a minimum to fund the additional cost accrued during the current period, represented by service cost plus the corresponding interest costs. For those organizations that are still following a pay-as-you-go approach in relation to their after-service health insurance liabilities, that would mean a move to a pay-as-you-accrue approach, reflecting the true cost of current operations. (para. 68) In addition, organizations could consider embedding a funding mechanism into the standard staff costs used for budgeting. (para. 69) Organizations managing extrabudgetary funds should ensure that no account with an unfunded after-service health insurance liability is closed before the liability is cleared through the application of available funds to the recognized liability. (para. 70) Member States and other contributing stakeholders could also consider providing organizations, where required, with a one-off payment or specific time-limited funding methods to cover historic shortfalls in after-service health insurance funding. (para. 71)	The Advisory Committee notes that, while the General Assembly has requested the Secretary-General to submit proposals on managing after-service health insurance liabilities, the Assembly still considers that the existing pay-as-you-go approach is a viable option. The Committee also notes that the organizations of the United Nations system have complied with International Public Sector Accounting Standard 25, which stipulates the recognition in the financial statements of liabilities related to employee benefits but does not prescribe how those liabilities should be funded, leaving it to the discretion of the organizations to determine the optimal approach to ensuring that adequate resources are available to settle the recognized employee benefit liabilities as and when they fall due. Furthermore, the Committee is of the view that the rationale for setting aside budgetary resources meant for current activities to provide for expected future liabilities has not been sufficiently justified by the Secretary-General. In this regard, the Committee reiterates its recommendation to continue with the pay-as-you-go approach at the present time (A/68/550, para. 17), as endorsed by the General Assembly in its resolution 68/244. (para. 28)	Recommendation F: It is recommended that the General Assembly approve the principle of funding of the after-service health insurance liability in respect of officials recruited from 1 January 2020 so as to fully cover the United Nations pay-as-you-go obligation to those officials, as from the date of their retirement. It is also recommended that the proposed funding be confirmed by the Assembly at its seventy-second session based on a fully detailed projection reflecting the 1 January 2020 implementation date. (para. 72)	The Advisory Committee recalls that the General Assembly has considered that the existing pay-as-you-go approach remains a viable approach, and endorsed the Committee's recommendation that the Organization continue with the pay-as-you-go approach at the present time (resolutions 68/244 and 70/248 B). 37. Furthermore, the Advisory Committee is of the view that the current funding proposal for after-service health insurance liability is not presented in a comprehensive manner and fails to consider different scenarios and variables that could have a potential impact on the liability, such as: (a) information on access to national health insurance schemes and its potential impact pending the ongoing surveys and cost and benefit analysis (see paras. 14-17 above); (b) comparable information on liability valuations pending the methodology harmonization exercise (see paras. 22-26 above); and (c) inclusion of projections for peacekeeping operations ⁵ (see paras. 29 (b) and 31 above). 38. Taking into account the above, the Advisory Committee is not in a position to recommend endorsement of recommendation F. (para. 36-38)

Annex VI: Sub-funds reporting

Statement of financial position by sub-funds at 31 December 2017

Statement of financial position by sub-funds

at 31 December 2017

Euros

	Programme of work services	Voluntary Contributions	UNDP	Trust Funds	Inter-segment elimination*	Total UNWTO
Assets	16,481,340.80	5,795,404.90	452,188.15	117,124.95	-2,532,038.86	20,314,019.94
<i>Current assets</i>	<i>15,147,520.42</i>	<i>5,795,404.90</i>	<i>452,188.15</i>	<i>117,124.95</i>	<i>-2,532,038.86</i>	<i>18,980,199.56</i>
Cash and cash equivalents	10,012,055.79	4,131,651.92	102,673.41	117,124.95	0.00	14,363,506.07
Inventories	52,349.78	0.00	0.00	0.00	0.00	52,349.78
Members assessed contributions receivable, net	3,282,672.23	0.00	0.00	0.00	0.00	3,282,672.23
Other contributions receivables, net	0.00	477,526.54	315,855.06	0.00	0.00	793,381.60
Other receivables, net	412,550.19	48,890.75	699.25	0.00	0.00	462,140.19
Other current assets	1,387,892.43	1,137,335.69	32,960.43	0.00	-2,532,038.86	26,149.69
<i>Non-current assets</i>	<i>1,333,820.38</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1,333,820.38</i>
Investments	125,715.91	0.00	0.00	0.00	0.00	125,715.91
Members assessed contributions receivable, net	411,173.72	0.00	0.00	0.00	0.00	411,173.72
Property, plant and equipment	321,557.76	0.00	0.00	0.00	0.00	321,557.76
Intangible assets, net	468,856.45	0.00	0.00	0.00	0.00	468,856.45
Other non-current assets	6,516.54	0.00	0.00	0.00	0.00	6,516.54
Liabilities and Net Assets/Equity	16,481,340.80	5,795,404.90	452,188.15	117,124.95	-2,532,038.86	20,314,019.94
Liabilities	24,808,641.91	806,505.46	296,497.67	375.00	-2,532,038.86	23,379,981.18
<i>Current liabilities</i>	<i>5,448,988.69</i>	<i>806,505.46</i>	<i>296,497.67</i>	<i>375.00</i>	<i>-2,532,038.86</i>	<i>4,020,327.96</i>
Payables and accruals	1,039,159.89	181,565.37	49,315.45	0.00	0.00	1,270,040.71
Transfers payable	22,428.96	262,535.02	0.00	0.00	0.00	284,963.98
Employee benefits	803,158.28	0.00	0.00	0.00	0.00	803,158.28
Advance receipts	1,498,664.77	0.00	0.00	0.00	0.00	1,498,664.77
Provisions	16,842.24	108,702.80	0.00	0.00	0.00	125,545.04
Other current liabilities	2,068,734.55	253,702.27	247,182.22	375.00	-2,532,038.86	37,955.18
<i>Non-current liabilities</i>	<i>19,359,653.22</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>19,359,653.22</i>
Employee benefits	19,339,984.20	0.00	0.00	0.00	0.00	19,339,984.20
Advance receipts	7,200.00	0.00	0.00	0.00	0.00	7,200.00
Other non-current liabilities	12,469.02	0.00	0.00	0.00	0.00	12,469.02
Net Assets/Equity	-8,327,301.11	4,988,899.44	155,690.48	116,749.95	0.00	-3,065,961.24
Accumulated surplus/(deficit)	-12,774,538.10	4,988,899.44	155,690.48	116,749.95	0.00	-7,513,198.23
Reserves	4,447,236.99	0.00	0.00	0.00	0.00	4,447,236.99

* Internal activities lead to transactions between segments. They are reflected here to accurately present this financial statement

Statement of financial performance by sub-funds for the year ended 31 December 2017

Statement of financial performance by sub-funds

for the year ended 31 December 2017

Euros

	Programme of work services	Voluntary Contributions	UNDP	Trust Funds	Inter-segment elimination*	Total UNWTO
Revenues	16,824,815.36	4,661,580.62	652,992.39	92,051.68	-1,890,852.34	20,340,587.71
Members assessed contributions	13,627,323.00	0.00	0.00	0.00	0.00	13,627,323.00
Other contributions (VC and FIT), net of reduction	0.00	1,513,274.91	651,653.09	92,000.00	0.00	2,256,928.00
Publications revenue, net of discounts and returns	432,997.69	0.00	0.00	0.00	0.00	432,997.69
Other revenues	2,764,494.67	3,148,305.71	1,339.30	51.68	-1,890,852.34	4,023,339.02
Expenses	17,736,452.41	6,212,902.27	620,130.44	89,325.24	-1,890,852.34	22,767,958.02
Wages, salaries and employee benefits	11,969,311.68	1,515,911.20	134,824.37	87,825.24	0.00	13,707,872.49
Grants and other transfers	233,611.04	190,137.08	0.00	0.00	0.00	423,748.12
Travel	1,758,056.08	674,460.23	9,820.54	0.00	0.00	2,442,336.85
Supplies, consumables and running costs	2,075,909.79	1,632,014.00	418,115.46	1,500.00	0.00	4,127,539.25
Currency exchange differences	99,574.16	502,069.04	57,123.14	0.00	0.00	658,766.34
Depreciation, amortization and impairment	79,416.44	0.00	0.00	0.00	0.00	79,416.44
Other expenses	1,520,573.22	1,698,310.72	246.93	0.00	-1,890,852.34	1,328,278.53
Surplus/(deficit) for the year	-911,637.05	-1,551,321.65	32,861.95	2,726.44	0.00	-2,427,370.31

* Internal activities lead to transactions between segments. They are reflected here to accurately present this financial statement

Acronyms

A/RES: General Assembly Resolution

AAL: Accumulated Annual Leave

ACABQ: Advisory Committee on Administrative and Budgetary Questions

ASEB: After-Service Employee Benefits

ASHI: After Service Health Insurance

BOE: Boletín Oficial de Estado

CE/DEC: Executive Council Decision

CEB: Chief Executives Board

CJI: Control, Joint Control and Influence

DFR: Detailed Financial Rules

DSA: Daily Subsistence Allowance

EA: External Auditors

EC: Executive Council

EoSB: End of Service Benefits

EUR: Euro

FIT: Fund In Trust

FR: Financial Regulations

FS: Financial Statements

GA: General Assembly

GF: General Fund

IA: Intangible Assets

IPSAS: International Public Sector Accounting Standards

IT: Information Technology

IUOTO: International Union of Official Travel Organizations

IUOTPO: International Union of Official Tourist Propaganda Organizations

JIU: Joint Inspection Unit

JPY: Japanese yen

M: Million

OS: Other Services

PAYG: Pay-as-you-go approach

PoWS: Programme of Work Services

PPE: Property, Plant and Equipment

PSC: Project Support Costs

RB: Regular Budget

RSOAP: UNWTO Regional Support Office for Asia and the Pacific

TP: Transfers Payable

UN: United Nations

UNDP: United Nations Development Programme

UNFBN: United Nations Finance and Budget Network

UNJSPF: United Nations Joint Staff Pension Fund

UNORE: UN Operational Exchange Rate

UNWTO: World Tourism Organization

USD: United States dollar

VAT: Value Added Tax

VC / VCF: Voluntary Contributions / Voluntary Contributions Fund

WCF: Working Capital Fund

WG: Working Group

WTO: World Tourism Organization