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### Report of the Secretary-General

#### Part I: Current situation and activities

##### (b) Management vision and priorities

#### Towards 2030: Making tourism smarter, more competitive and more responsible

#### I. Introduction

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1. The sustained growth of tourism over the last decades bring immense opportunities for socio-economic welfare, poverty alleviation and the overall advancement of the 17 Goals of the 2030 Sustainable Development Agenda.
2. Tourism explicitly features as a target in three of the Sustainable Development Goals (SDGs): Goals 8, 12 and 14 on inclusive and sustainable economic growth, jobs, sustainable consumption and production (SCP), and the sustainable use of oceans and marine resources, respectively. Yet, given the sheer size, crosscutting nature and links with other sectors along its vast value chain, tourism has the potential to contribute—directly and indirectly—to all 17 SDGs.
3. This framework is reflected in the results of the UNWTO Members Survey for the 2018-2019 Programme of Work which fully converge with the scope of the 2030 Agenda in placing tourism at the forefront of development.
4. As we move towards a future guided by the universal 17 SDGs, a strong focus will be placed on building partnerships with the public and private sector, fostering jobs and opportunities for all, advancing technology and innovation and addressing sustainability and the fight against climate change.

#### II. Management vision

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##### Tourism - a key sector for the 2030 Agenda



5. In 2017, international tourist arrivals grew by 7% reaching 1,322 million. 2017 was the eighth consecutive year of sustained growth following the 2009 global economic and financial crisis. No comparable sequence of uninterrupted solid growth has been recorded since the 1960s.

6. Tourism is an important driver of economic growth and development, with significant impact on job creation, investment, development of infrastructure, and the promotion of social inclusion. As one of the world's key sectors of trade in services and the third bigger export-earning category, after fuels and chemicals in 2016, the sector is a vital pillar for national export strategies and economic diversification.

7. The value, growth and resilience of tourism to external shocks over the past decades testify to the capacity of the sector to play a decisive role in the achievement of the 2030 Agenda and the SDGs.

8. As an organization that represents such an important global socioeconomic sector, we need to work closer together to ensure that tourism contributes to a better future for all, leaving no one behind.

9. With the above in mind, the below will guide the objectives of our management vision:

### **Position tourism as a policy priority**

10. Ensuring that the tourism sector is a major force for sustainable development requires a holistic and integrated policy framework and an effective and accountable system of governance that enable and encourage multi-stakeholder collaboration in tourism planning, development and management. This entails strengthening policies and governance structures to ensure a resilient and well-defined framework and implementation of sustainable tourism development strategies.

11. The shift from commitment to actions and results can only be achieved if tourism moves from the periphery to the core of decision-making in both the public and private domains allowing for a truly national, cross-cutting approach to the sector.

12. In that sense, we propose:

- (a) To advocate for the inclusion of tourism as a priority in national, regional and international agendas;
- (b) To promote cross-cutting government coordination for tourism development; and
- (c) To build better policies and institutions.

### **Lead in knowledge creation and policy**

13. UNWTO's main role is to guide the development of appropriate tourism policies that make it possible to maximize the socioeconomic value of the sector and minimize its possible negative effects. Doing so requires robust and comprehensive knowledge about tourism flows and trends, and the impact of the sector on the economy, the society and the environment.

14. To that end, we propose:

- (a) To develop international standards, policy recommendations and guidelines;
- (b) To carry out market research on programmatic priority areas;
- (c) To advance national capacity to compile tourism data and its comparability; and

- (d) To exchange good practices on tourism policies.

### **Build better value for Members and expand membership**

15. Addressing the needs of the Members and expanding membership are key features of our management vision. This entails strengthening the dialogue with our Members as well as prospective Members while reinforcing the capacity of the Organization to deliver.

16. Inclusive growth is a policy imperative in not only in developing countries, but also in the world's richest nations. We need to create a new and strategic approach to lead in knowledge creation and capacity building, supported by efficient resource mobilization. New important work streams and areas of work should focus on innovation, the digital economy, smart destinations, investment and SMEs uptake. A change of mindset is required to mainstream our work, increase our competence and to fully benefit from the new tourism business models. Our action will thus be focused on:

- (a) Responding to Members' needs and offering fit-for-purpose services;
- (b) Strengthening technical expertise to deliver more and better services to the Members and support the mainstreaming of tourism in their national agendas;
- (c) Encouraging the sharing of good practices in tourism policies; and
- (d) Attracting new Member States.

### **Increase resources and strengthen UNWTO's capacity through partnerships**

17. We need to explore new and innovative ways to increase our regular budget and extra budgetary resources. To accomplish this objective, it is necessary to better equip the Organization and Members with tools and knowledge on fundraising.

18. The growing recognition of tourism's important contribution to sustainable development—including its mention in the SDGs—offers new opportunities for increased Official Development Assistance (ODA) to the sector. The OECD Development Assistance Committee (DAC) recently included UNWTO in the DAC list, recognizing its development function. Member States can now report their voluntary contributions and fees to UNWTO as ODA. However, tourism only accounted for a mere 0.14% of total ODA between 2011 and 2015.

19. In order to make real strides in the delivery of development cooperation, it is also essential that tourism policymakers, together with the Secretariat, fully engage with the development mechanisms at the country level, such as the participation in the United Nations Development Assistance Framework (UNDAF) System at the country level, as well as at the global level.

20. To this end, we propose:

- (a) To increase resource mobilization efforts and international public finance for tourism, including through ODA, Aid for Trade (AFT) and Foreign Direct Investment (FDI).
- (b) To build strategic partnerships to leverage more resources—both financial and non-financial (skills and competences).

- (c) To ensure the financial sustainability of the Organization in terms of the regular budget through close collaboration with the Member States, increased voluntary contributions and rigorous budget control.
- (d) To expand partnerships with the private sector and academia to enhance the technical and financial capacity of the Organization to deliver.

### **III. Programmatic priorities**

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21. In line with the Programme of Work for 2018-2019 approved by the UNWTO General Assembly at its 22nd session and the vision expressed above, the management proposes to focus on the following priorities in the period 2018-2019.

#### **Priority 1**

##### **22. Make tourism smarter: innovation and the digital transformation**

- (a) Advance smart destinations through the development of knowledge, recommendations and sharing of good practices.
- (b) Support start-up projects from around the world in order to showcase and learn about the most creative ideas and projects from all over the world.
- (c) Create regional tourism innovation centres.
- (d) Foster innovation in product development and marketing.
- (e) Develop partnerships with technology providers to create and share knowledge and set policy guidelines considering current technology advances and new business models.

#### **Priority 2**

##### **23. Grow our competitive edge: investments and entrepreneurship**

- (a) Develop knowledge on investment in tourism.
- (b) Foster the creation of business environment that is conducive to stimulating entrepreneurship and SMEs in tourism and other sectors along the tourism value chain.
- (c) Establish an Annual Global Tourism Investment Forum.
- (d) Support Member States in attracting investments through, among others, the promotion of specific tourism lines within existing funding institutions.

#### **Priority 3**

##### **24. Create more and better jobs: education and employment**

- (a) Create a UNWTO Academy and international centres to improve skills, education and specialized training programmes.
- (b) Strengthen Members' capacity in tourism education.

- (c) Support Members in the development of frameworks and policies that enable job creation.
- (d) Advance research on the impact of tourism on jobs and the future of work in the sector.
- (e) Promote talent development and the image of employment in tourism.

#### **Priority 4**

##### **25. Build resilience and facilitate travel: safe, secure and seamless travel**

- (a) Enhance Members' resilience through crisis preparedness and communication.
- (b) Strengthen cooperation with international transport organizations to carry out research and support Members to increase connectivity.
- (c) Advance research and advocacy on travel facilitation and promote Members' progress in this area.

#### **Priority 5**

##### **26. Protect our heritage: social, cultural and environmental sustainability**

- (a) Advance the measurement of tourism economic, social and environmental impacts through the Measuring Sustainable Tourism Initiative (MST) and UNWTO's International Network of Sustainable Tourism Observatories (INSTO).
- (b) Advance sustainable consumption and production in the tourism sector, notably through the One Planet Tourism network.
- (c) Support Members in tourism congestion management in urban destinations and cultural and environmental sites.
- (d) Evaluate the impact of tourism on climate change and set recommendations on how to adapt and mitigate.
- (e) Support the implementation of the Global Code of Ethics, emphasizing the social dimensions of tourism—accessibility, inclusive tourism, gender equality, and child protection—and advance the UNWTO Convention on Tourism Ethics.

## **IV. Organizational structure**

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### **Management and structure**

27. The Secretary-General has decided to make some adjustments to the current structure in order to effectively support the priorities as presented above and optimize the efficiency of the Organization.

28. In accordance with the structure foreseen in the legal framework of the Organization, the Secretary-General has also decided to appoint Mr. Jaime Alberto Cabal Sanclemente (Colombia), as Deputy Secretary-General from 1 June 2018 to 31 December 2021, to support him in guiding the Organization in this new era. In accordance with Staff Regulation 15 (b), the Secretary-General kindly requests the approval of the Executive Council.

29. Further, in order to ensure continuity in the Management of the Organization, the Secretary-General wishes to inform the members of the Executive Council of the appointment of Mr. Zhu Shanzhong (China) on 1 January 2018 as Executive Director for a period of two years.

30. The Secretary-General has also decided to invite to his cabinet Mr. Manuel Butler (Spain) as Executive Director for a period of two years starting 1 May 2018.

### **Strengthening internal governance**

31. In order to fulfil his oversight responsibilities in respect of the resources and staff of the Organization in accordance with UNWTO Internal Oversight Charter (as endorsed by the Executive Council through decision 5(LXXXVIII)) and with the aim of ensuring the responsible and efficient administration of resources, as well as a culture of accountability and transparency, the Secretary-General has conducted a review of the internal control systems in relation to strategic activities of the Organization.

32. Pursuant to a competitive procurement process among international firms with previous experience in providing similar consultancy services with the United Nations, the selected company, KPMG, has submitted a comprehensive report to the Secretary-General with recommendations on concrete actions to be taken in order to establish an appropriate Governance, Risk and Compliance model in a cost-efficient and timely manner.

33. The Secretary-General will further analyse these recommendations, taking into account the financial constraints of the Organization and previous relevant decisions taken by the Governing Bodies and will report to the next session of the Executive Council on any actions taken and a roadmap for implementation.

34. The soundness of internal control mechanisms is not only an essential pillar to the rigorous budget control and ethical culture of all UN Organizations but is also essential to attract new Donors that are increasingly demanding assurances on the governance, risk management and control processes and reporting of the Organizations to which they seek to entrust funds<sup>1</sup>.

## **V. The way forward: UNWTO Strategic Plan Towards 2030**

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35. As the world set a new universal agenda for sustainable development, UNWTO and its Members have the opportunity to shape the tourism agenda for the next 10 years.

36. In a collaborative effort between the Secretariat and its Members, the new UNWTO Strategic Plan Towards 2030 should fully integrate the specificities of our sector, a rapidly changing business model, new world emerging challenges and the United Nations Reform. It should carefully set an agenda to mitigate global challenges and provide a roadmap for the Secretariat and all stakeholders on how working together we can make tourism smarter, more competitive and more responsible, by placing people, the planet and prosperity at its core.

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<sup>1</sup> For more information, please refer to the following United Nations Joint Inspection Unit reports on “Review of donor reporting requirements across the United Nations system” (JIU/REP/2017/7), “State of the internal audit function in the United Nations system (JIU/REP/2016/8) and “Oversight lacunae in the United Nations system” (JIU/REP/2006/2), available at: <https://www.unjiu.org/content/reports>.

37. The Management proposes to initiate the process leading to the presentation of the UNWTO Strategic Plan towards 2030 at the 23rd session of the UNWTO General Assembly in 2019.

## VI. Action by the Executive Council

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### DRAFT DECISION<sup>2</sup>

*The Executive Council,*

*Having examined* the report of the Secretary-General on the management vision and priorities,

1. *Endorses* the priorities presented by the Secretary-General for the period 2018-2019;
2. *Takes note* of the new organizational structure;
3. *Welcomes* his proposal to revise the top-level management of the Secretariat, in order to comply with the legal framework of the Organization and optimize programme performance and coordination;
4. *Approves* the appointment of Mr. Jaime Alberto Cabal Sanclemente (Colombia) as Deputy Secretary-General in accordance with Staff Regulation 15 (b); and
5. *Supports*, in the context of the restructuring of the Secretariat, the continuity of Mr. Zhu Shanzhong (China) and the appointment of Mr. Manuel Butler (Spain) as Executive Directors, and wishes them successful tenures in the Secretary-General's cabinet.

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<sup>2</sup> 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.