

Schweizerische Stiftung für Solidarität im
Tourismus

Swiss Foundation for Solidarity in Tourism

Annual Report and Financial Statement
2003

3rd Annual Report, 2003

Report on the Board's Activities

The process of setting up the organisational structure of the Foundation can be considered as more or less completed. The Board met four times during the year under review. By delegating the preparatory work to standing committees and by assigning tasks to individual members of the Board, the work load for the Board as a whole was reduced considerably. This way, the number of Board meetings required can be limited to quarterly meetings.

The finance and investment committee continuously reviews transactions in the field of asset management and prepares financial status reports for Board meetings. The investment guidelines were reviewed in November 2003 and adapted to the current situation. Also in November 2003, the annual consultation was held with the portfolio manager in charge at Basellandschaftliche Kantonalbank which has been entrusted with the Foundation's asset management. It was noted, among other things, that the investment guidelines of the foundation have been fully observed.

The funding committee reviews all incoming funding applications and checks whether they are in line with the objectives of the Foundation and the guidelines for applicants. All proposals and applications are submitted to the Board for their decision. The committee monitors the implementation of the projects funded and ensures that the resources which have been made available are used in accordance with the funding proposal. As a delegate of the Board, Esther Ineichen participated in the „International Conference on Sustainable Tourism” at Fortaleza, Brazil from 12th to 15th May, 2003, which had been made possible with funding from the Foundation. Contacts with possible grant recipients were developed. As a consequence, a large portion of the grants made in 2003 went to projects in the North-East of Brazil.

Outlook

As the Foundation is getting more widely known, the number of funding requests is increasing. As gains on investment can not be expected to increase substantially in 2004, the resources available for grant disbursements will continue to amount to the same as in 2003 (CHF 125,000.-). In 2004, for the first time, an award for existing innovative projects shall be offered.

Grants and Awards

In the year under review, grants amounting to a total of CHF 127,322.- were disbursed.

Overview: Projects and Organisations Supported in 2003

1. Helvetas Tourism Project, Kyrgyzstan	CHF 10,000.-
2. Tourism at the World Social Forum 2004, Mumbai, India	EUR 30,000.-
3. National Seminar / Aspects of Sustainability in Tourism Development, Recife, Brazil	USD 5,000.-
4. Instituto Terramar, Fortaleza, Brazil/Participation in WSF 2004	USD 7,316.-
5. Community Tourism Project in Tatajuba, Ceará, Brazil	USD 18,894.-
6. Computer Centre Coopecantur, Prainha do Canto Verde, Brazil	CHF 5,000.-
7. Support for the Working Group on Tourism & Development, Basle	CHF 25,000.-

Projects and Organisations Supported in 2003

1. Helvetas Tourism Project in Kyrgyzstan, CHF 10,000.-

Tourism is regarded as one out of a very few possibilities to provide an external income for remote rural areas in Kyrgyzstan. The scenery and culture of Kyrgyzstan are very attractive and tourism has considerable potential for growth. However, this requires an improved tourism infrastructure and more customer-friendly services. Through support and training, Helvetas wants to increase quality standards to a level that meets the requirements of tourist groups as well as individual travellers. In cooperation with tour operators in Kyrgyzstan, including NoviNomad, the project is pro-actively marketed in Western Europe, and particularly in Switzerland.

In 2003, 33 courses with a total of 514 participants were held. They focused, among other things, on the development of business plans, international cooking, accommodation of visitors, the economy and ecotourism. A total of 4,218 tourists were received by members of the tourism promotion organisation, a major increase as compared to the figure of 2,292 tourists recorded in 2002, generating an additional income of a total of (converted) USD 87,579.-.

The project work will continue in 2004 in order to promote micro-enterprises, expand tourism offers in the region concerned and in this way increase the income of the rural population. The tourism promotion organisations will continue to improve on ensuring the quality of their products and will develop new ones.

The project phase is from 2003 to 2005, the project budget totals around CHF 550,000.-.

During the project phase, the Foundation contributes CHF 10,000.- annually.

Information: www.cbtkyrgyzstan.kg
www.helvetas.ch/deutsch/projekte/laender/asien/kirgistan.html

2. Tourism at the World Social Forum in Mumbai / India 16th – 21st January, 2004, EUR 30,000.-

At the World Social Forum (WSF) which took place in Mumbai from 16th to 21st January, 2004, tourism issues were - for the first time at a WSF – raised and discussed with a wide audience at several events.

The WSF was shifted from Porto Alegre to Mumbai in order to increasingly reach NGOs and grassroots movements from Asia, representing more than half of the global population, and to involve them in the debate on globalisation. The WSF in Mumbai was attended by more than 100,000 participants.

At the WSF, relevant tourism issues were taken up in a plenary for 3000 – 4000 participants, in several workshops for 200 to 500 participants each, and in a follow-up strategy meeting for NGOs. The exchange of experiences and networking at the WSF are to contribute to strengthening worldwide efforts for sustainable, equitable tourism.

The tourism interventions at the WSF 2004 were organized by [EQUATIONS](#), Bangalore/India in cooperation with the ECUMENICAL COALITION ON TOURISM (ECOT), Hong Kong and EED-TOURISM WATCH, Bonn. They were actively supported by different NGOs from various parts of the world.

The Foundation contributed an amount of EUR 30,000.- to the total costs of the conference which amounted to EUR 141,000.-. The contribution was utilized as follows:

- Contribution to the costs of the conference (printing, translation and production of brochures, posters and other printed matter)
- Setting up and operation of a conference office for and a stall at WSF
- Logistical support, media relations and event management
- Contribution to the conference report and mailing to network partners and participants

On the occasion of a strategy workshop which took place right after WSF in Mumbai, the about 40 participants from Africa, Asia, Latin America and Europe issued a „Statement of Concern“ which includes their continued cooperation in the form of a „Global Tourism Interventions Forum“. The views of those affected by tourism shall be a focus and shall be highlighted in contrast to the views of decision-makers in politics, industry and leading tourism organisations – such as the World Tourism Organisation – who point the way ahead for tourism development. Motivated by the responses to the tourism interventions at WSF, it was decided to carry on the insights from Mumbai and expand the network, with the objective of continuing the discussion at the World Social Forum 2005 in Porto Alegre and to develop, in cooperation with grassroots movements, strategies for a tourism that is equitable and sustainable.

Information: www.wsf-tourism.org, www.wsfindia.org
 www.equitabletourism.org (Equations/India)
 www.akte.ch >kurznachrichten / April 2004

3. National Seminar / Aspects of Sustainability in Tourism Development, Recife, Brazil, 21st/22nd November, 2003, USD 5,000.-

Discussing the dimensions of inequality in tourism development and defining strategies to promote social justice through sustainable tourism were the objectives of a "NATIONAL SEMINAR – Aspects of sustainability in tourism development" which took place from 21st to 22nd November, 2003 at Recife. Personalities from the government and civil society participated, as well as representatives from the industry, universities and communities living in areas that are targeted by tourism investors in the country (about 250 participants).

The demands for tools and mechanisms to regulate tourism at national, local and international levels were subject of a discussion on legal aspects of tourism development, looking at the contribution of practices in the fields of environmental, economic and gender justice to the sustainability of tourism. New paradigms for tourism were also discussed at the seminar. Another focus was on highlighting examples of sustainable and community-based tourism.

The seminar was organised by a group of non-governmental organisations who are part of a "Gender Initiative" (Iniciativa de Gênero), a network of NGOs who have since 1999 been carrying out the programme "Prodetur" (programme for tourism development). The following organisations were partners in implementing the seminar: Network of Brazilian Women (national), Women's Centre Cabo (Pernambuco), Study Centre Josué de Castro (Pernambuco), Collective Leila Diniz (Rio Grande do Norte), Esplar (Ceará), Fase (national), Instituto Terramar (Ceará), Brazilian Network on multilateral institutions (national).

The funding proposal was submitted by Soscorpo Genero e Cidadania, Recife, Brazil. The feminist women's organisation SOS – Corpo with headquarters at Recife, Pernambuco, has existed since 1981 and has been promoting democratic gender relations and social justice.

Co-funding was provided by the Heinrich-Böll-Foundation and the German Development Service (DED). The part not covered, amounting to USD 5,000.-, was funded by the SST Foundation.

Information:

www.soszonacosteira.hpg.ig.com.br/

4. Instituto Terramar, Fortaleza, Brazil, Co-funding for Participation in WSF 2004, USD 7,316.-

Instituto Terramar has provided advice and support for communities on the north-eastern coast of Brazil (Ceará) in the planning and implementation of socially responsible tourism projects. One of the highlights in the context of this work in the field of capacity building was the International Conference on Sustainable Tourism in May 2003 at Fortaleza, which was co-funded by the SST Foundation to a significant extent. At the conference and in the workshops, in which 500 persons from Brazil and abroad participated, the relevance of the discussion on socially responsible tourism and the importance of an exchange of experiences at national and international level became evident. In the follow-up to the conference, some possibilities for co-operation at national and international level and for the financing of tourism projects on the coast of Ceará were created. In order to provide continuity for the discussion and to share the positive experiences from the implementation of community-based tourism projects and to make them known internationally, Instituto Terramar considered it as very important to participate in international events such as WSF 2004 in Mumbai.

Two representatives (community leaders) from communities in Brazil and one staff person from Instituto Terramar participated in the WSF.

The costs of participation were budgeted at a total of USD 18,691.-. The budget included above all travel costs for three participants, the costs of preparation and the production of information material (folders, posters, etc.).

Part of the costs were covered by a contribution of USD 8,000.- from ICCO. The amount applied for from the SST Foundation and approved was USD 7,316.-. The participation of Instituto Terramar and community representatives enhanced the success of the conference which had taken place in May 2003, financed by the SST Foundation, and enabled successful projects to network at an international level.

Information: www.prainhadocantoverde.com
 www.fortalnet.com.br/~fishnet/
 www.soszonacosteira.hpg.ig.com.br/
 www.turismosust.hpg.ig.com.br/

5. Community Tourism Project in Tatajuba / Ceará, Brazil, USD 18,894.-

The communal land of Tatajuba (Ceará, Brazil) is of great interest for both industry and government investment in mass tourism. In this context, the community resisted in a land conflict with a real estate company claiming 5,275 hectares of land in an ecologically sensitive area with dunes and mangrove forest. For more than a century, the land has been inhabited by 180 families living on fishing and agriculture and very little tourism. For three years, the community has been receiving advice and support from Instituto Terramar. Tatajuba is part of a community tourism network in Ceará which supports communities in their fight for land rights and the strengthening of local identities.

The main objectives of the project are to support the development of community-based tourism in the community of Tatajuba, with emphasis on the creation of jobs to improve the living conditions of people in the community.

The project development and implementation phase will be from December 2003 to December 2004. The total costs budgeted are USD 22,936.-. The SST Foundation contributes a grant of USD 18,894.- towards the project costs. The resources are above all used to train and qualify young people and adults and to refurbish and expand the community centre.

To buy computers and finance internet access, a donation from Switzerland of about USD 5,000.- has been made available.

Information: www.geocities.com/novatatajuba/

6. INFORMATICS/INTERNET "Tourism and Handicraft Cooperative and the School Council of the Bom Jesus dos Navegantes School" / Coopecantur – Prainha do

Canto Verde, Brazil, CHF 5,000.-

The Cooperative is responsible for the management and development of a community tourism programme which serves as a model for many communities in Brazil. The school council submitting the proposal is in charge of running an "Elementary High School" and guarantees the participation of the community in the affairs of the school. It is also in charge of raising the funds needed to run the school. The school is financially supported by the Ministry of Education, contributions from individuals and donations.

The school aims at qualifying young people and adults for the labour market. Jobs are available in the fields of fishing, tourism, artisan and handicraft production and information technology. The tourism and handicraft cooperative increasingly requires skills in the field of communication technology in order to pursue their marketing activities and in order to sell their products and services via internet. As many as 180 families – 400 women, 350 men and 200 youths – benefit from the programme.

Partners of this project are: Instituto Terramar, CDI Ceará (Committee for the Democratization of Informatics), CVT (Center of Technology Training), IDER (Institute for the Development of Renewable Energies).

Building the computer centre serves, among other things, the promotion of community-based tourism. The centre also pursues other objectives that do not correspond to the objectives of the Foundation (Internet access for visitors and local people, marketing of products, IT education, etc.). Nevertheless, a contribution under the aspect of promoting community-based tourism does make sense. The infrastructure and the skills developed through this project can also be used well in the field of tourism. The Foundation therefore contributes an amount of CHF 5,000.- to the costs of CHF 23,000.- applied for.

Information: www.prainhadocantoverde.com
 www.fortalnet.com.br/~fishnet/
 www.soszonacosteira.hpg.ig.com.br/

7. Support for the Working Group on Tourism & Development, Basle, CHF 25,000.-

The Working Group on Tourism & Development (akte) is the only development-related specialised office in Switzerland with a focus on tourism and has for more than 25 years been continuously working in the field of information and education.

The working group has regularly been reporting on current trends and new developments in tourism worldwide, both in their website as well as in the quarterly „Kurznachrichten“ Bulletin which is being distributed to more than one thousand addressees, most of them multipliers in German-speaking countries.

The working group is a competent address for various target groups, especially for the media, development experts from governmental institutions, NGOs and churches as well as teachers in schools, adult education and vocational training, who are looking for expertise and advice. To meet this demand, the Working Group maintains a continuously updated specialised documentation, and presents papers and contributes to the media coverage upon request.

The Working Group points the way through projects developing basic principles and tangible approaches for an equitable, sustainable development of tourism, seeks funding and guarantees the quality of the projects implemented.

The Working Group on Tourism & Development receives its main funding from a federal contribution of CHF 60,000.-, by the Swiss Agency for Development and Cooperation (DEZA) and from contributions by donor organisations (Swiss Catholic Lenten Fund, Swissaid, Bread For All, HEKS, terre des hommes Switzerland), from contributions by individuals as well as benefactors and sponsors.

The Working Group works on the basic principles of sustainable tourism development and raises awareness in a way that fully corresponds with the objectives of the SST Foundation. The Foundation benefits from the network of the Working Group and can involve the Working Group as consultants when assessing funding proposals.

The Foundation supports the Working Group on Tourism & Development with a contribution to the operating costs 2004 of CHF 25,000.-.

Information: www.akte.ch

Annotations to the Financial Statement

As at 31/12/2003, the Foundation's assets amounted to CHF 6,371,545.-. While the revenues amounted to CHF 333,434.- (including unrealised capital gains on securities), the expenses (including grants and unrealised capital losses on securities) were CHF 278,741.-. While in 2002 the books showed a loss of CHF 238,696.-, in 2003 the profit was CHF 54,693.-. Despite a persistently difficult stock market environment in 2003, the return on investment was 3.66 %, which can be considered satisfactory. Fixed-interest investments dominate, with a continuously high percentage of 85 % of the total assets, in line with the rather conservative investment policy of the Foundation. A medium term shift towards shares has not been envisaged. However, if, as expected, share prices show a stable recovery in 2004, resources expected from the liquidation surplus of the SSR Travel, Swiss Student Travel Office (cooperative), can increasingly be invested in shares. The administrative costs were greatly reduced as compared to the previous year (2003: 44,150.- as compared to 67,480.- in 2002), thus achieving the target set by the Board.

Board of Directors

Hansjörg Ruf, President
Hans Ulrich Schudel, Vice President
Michael Andres, Treasurer
Esther Ineichen
Theodor Schmid

Auditors

Ernst & Young, Auditors, Basle

Committees

Finance and Investment:

Michael Andres
Hansjörg Ruf
Hans Ulrich Schudel

Funding:

Esther Ineichen
Hansjörg Ruf
Theodor Schmid

Basle, 17th March, 2004

Balance Sheet 2003

	2002	2003
	CHF	CHF
ASSETS		
Current Assets		
Cash and Cash Equivalents	7,528.84	10,427.47
Other Assets	89,213.45	39,527.42
Accrued income, deferred expenditure	0.00	0.00
	<u>96,742.29</u>	<u>49,954.89</u>
Fixed Assets		
Invested capital	<u>6,203,892.00</u>	<u>6,321,589.95</u>
	<u>6,203,892.00</u>	<u>6,321,589.95</u>
	<u><u>6,300,634.29</u></u>	<u><u>6,371,544.84</u></u>
LIABILITIES		
Borrowed capital		
Deferred Income	<u>28,543.20</u>	<u>24,760.70</u>
	<u>28,543.20</u>	<u>24,760.70</u>
Capital resources		
Total capital of the Foundation	6,668,406.70	6,688,406.70
Loss carried forward	-157,619.60	-396,315.61
Profit carried forward	0.00	0.00
Profit	0.00	54,693.05
Loss	<u>-238,696.01</u>	<u>0.00</u>
	<u>6,272,091.09</u>	<u>6,346,784.14</u>
	<u><u>6,300,634.29</u></u>	<u><u>6,371,544.84</u></u>

Profit & Loss Account 2003

	2002	Budget	2003
	CHF	CHF	CHF
EXPENDITURE			
Remuneration for participation in meetings	12,400.00	8,000.00	7,600.00
Extra expenses - Board	2,266.20	2,000.00	3,438.00
Board allowances	5,869.40	3,600.00	2,600.50
Public relations	23,672.70	12,000.00	4,240.35
Finance and Investment Committee	3,150.00	2,000.00	6,022.05
Funding Committee	112.50	5,000.00	4,303.00
President/Vice President	4,500.00	4,000.00	3,000.00
Office	2,400.00	2,400.00	2,400.00
Accounting	5,625.00	6,000.00	7,200.00
Administrative expenses	7,484.85	5,000.00	3,351.05
Operational and administrative expenses	67,480.65	50,000.00	44,154.95
Asset management	26,503.65	28,000.00	26,531.95
Bank charges	5,485.30	2,000.00	333.25
Unrealised capital gains on securities	-257,233.13	0.00	-143,036.75
Unrealised capital losses on securities	288,489.55	0.00	80,398.80
Realised capital losses on securities	264,272.33	0.00	0.00
Financial expenditure	327,517.70	30,000.00	-35,772.75
Grants	50,000.00	120,000.00	127,321.85
Grants and awards	50,000.00	120,000.00	127,321.85
Total expenditure	444,998.35	200,000.00	135,704.05

INCOME

Realised capital gains on securities	0.00	0.00	6,100.00
Gains on securities	206,302.34	200,000.00	184,297.10
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Financial returns	206,302.34	200,000.00	190,397.10
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Total income	206,302.34	200,000.00	190,397.10
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Profit	0.00	0.00	54,693.05
Loss	238,696.01	0.00	0.00
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	444,998.35	200,000.00	135,704.05
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