Schweizerische Stiftung für Solidarität im Tourismus

Swiss Foundation for Solidarity in Tourism

Annual Report and Financial Statement 2007
7th Annual Report, 2007

Report on the Board’s Activities

In 2007, the Board held four regular meetings. The agenda was mainly dominated by the evaluation of the quarterly financial reports and by decisions on funding proposals. According to the rules of procedure, the preparatory work has been delegated to the foundation’s offices, standing committees and individual members of the Board.

Two perfectly qualified and committed members joined the Board: Barbara Affolter Gómez and Elena Obreschkow were unanimously elected to the Board at its meeting on 15th December, 2006. At its meeting on 29th March, 2007, the Board constituted itself in its new composition. Hansjörg Ruf was unanimously confirmed as President of the Board, Hans Ulrich Schudel as Vice President. Barbara Affolter Gómez, Esther Ineichen, Elena Obreschkow and Hansjörg Ruf were elected as members of the Funding Committee. Michael Andres, Hansjörg Ruf and Hans Ulrich Schudel were confirmed as members of the Finance and Investment Committee.

Board member T.S. was recalled with effect from 23rd March, 2006. He filed a complaint against the Board’s decision with the Swiss Federal Supervisory Authority. In its decision of 28th September, 2007, the Supervisory Authority rejected the complaint filed by T.S. in all respects. T.S filed a complaint against this decision with the Swiss Federal Administrative Court. The court’s decision is pending.

Funding Committee

In the year documented, the funding committee reviewed a total of 17 proposals to determine whether they are in line with the foundation’s objectives and guidelines for grant applicants, and presented them to the Board for their decision. Nine project proposals were supported by the foundation. Furthermore, the Working Group on Tourism & Development (akte) in Basle received a substantial amount on the basis of a project approval made earlier, covering projects of several years’ duration. From its returns in 2007, the foundation made grants amounting to a total of CHF 151,454.-. Since it was founded, the foundation has provided grants and awards totalling more than CHF 700,000.-. Further information on the projects supported by the foundation can be found in the section on grants and awards, and at www.sst-foundation.org.

TO DO! Contest on Socially Responsible Tourism

On the occasion of the International Tourism Exchange (ITB) 2007 the two winners of the TO DO! 2006 contest received a prize money of CHF 5,000.- each. The SST Foundation was represented at the award ceremony by Hansjörg Ruf and Hans Ulrich Schudel. For more than ten years, the Institute for Tourism and Development (Studienkreis für Tourismus und Entwicklung e.V.), Ammerland/Starnberger See has been giving socially responsible tourism awards to projects which take into account different interests and needs of the local population and which are being implemented with the participation of local people. The award winners receive a prize money of CHF 5,000.- from the SST Foundation. In 2007, the Foundation also joined the group of organisations supporting the TO DO! contest and supports this internationally renowned contest with a financial contribution. Elena Obreschkow represented the foundation as a delegate in the contest jury selection process for the winners of the TO DO! 2007. In the year under review, the contest has been announced again. The three winners of the TO DO! 2007 will be announced at the 42nd ITB in 2008 and will receive their awards.
Grants and Awards

In 2007 the year under review, grants and awards amounting to a total of CHF 151,454.- were disbursed.

Overview: Projects and Organisations Supported in 2007

1. Working Group on Tourism & Development, Basle CHF 25,000.-
2. Workcamp Switzerland CHF 10,000.-
3. Community Tourism and Fair Trade Network State of Ceará, Brazil CHF 15,000.-
5. Fair Trade in Tourism South Africa (FTTSA) CHF 10,000.-
6. Poverty Reduction and Creation of Sustainable Employment through Promotion of Tourism in the Indigenous Communities of the Ancash Region, Peru (USD 10,000.-) CHF 12,200.-
7. Tourism Project Ong Manda, Madagascar CHF 10,000.-
8. II. International Conference on Sustainable Tourism, Fortaleza, Brazil CHF 25,000.-
9. Fair tourism development and sustainable tourism training centre in Northern Cambodia CHF 9,254.-
10. Contribution TO-DO! Contest on Socially Responsible Tourism CHF 5,000.-
11. Awards for TO DO! contest winners 2007, 3 x CHF 5,000.- CHF 15,000.-

Detailed descriptions of the projects and organisation supported by the foundation are available online at www.sst-foundation.org.

Finance and Investment Committee

Apart from continuously subjecting the transactions made by the asset management to scrutiny, the finance and investment committee had, in November 2007, a detailed consultation with the portfolio manager in charge at Basellandschaftliche Kantonalbank. It was concluded that the principles of the investment strategy formulated in the investment guidelines had been observed. According to the foundation’s statutory regulations, the investment of assets has to be in line with ethical, ecological and social criteria. To fulfil these conditions, the investments are subject to exclusion criteria as specified in the Swissca Green Invest criteria. In addition, investments have to be predominantly in the shares of companies and corporations that have undergone detailed sustainability research and have been included in the “ZBK Sustainable Investments” of Zürcher Kantonalbank.
Outlook

The foundation continues, within its possibilities and in accordance with its mission, to promote sustainable tourism development. Tourism is one of the most important sectors of the global economy. In 2007, international tourism continued to grow fast. The UN World Tourism Organization (UNWTO) recorded more than 900 million international arrivals in 2007; up more than 6 percent on 2006. In all parts of the world, this raises hopes for new income, foreign exchange and jobs. It is beyond controversy that tourism does create jobs and that it can offer new perspectives for people in the destinations. In most cases, however, new tourism projects only help a few to enrich themselves, and usually these are not people from the locality, while the population in the destination has to face increasing scarcity of resources, commercialisation of their culture, disregard for their rights, human rights violations, and exploitation.

NGOs and local groups in tourist destinations are increasingly involved in projects that work along the principles of sustainable tourism development. These projects particularly include those which involve the local population and from which local people benefit. However, they often lack the financial means for their implementation. By giving grants the foundation can directly contribute to the implementation of such initiatives in Switzerland and abroad, and can create awareness of tourism and development issues among the general public.

For the year 2008, the Board earmarked a total of CHF 150'000.- in the foundation’s budget in order to support projects and organisations.

Annotations to the Financial Statement

As at 31/12/2007, the foundation’s assets amounted to CHF 7,072,628.-. While the revenues amounted to CHF 450,122.85 (including unrealised capital gains on securities) the expenses (including grants and unrealised capital losses on securities) were CHF 363,645.25. The books thus show a profit of CHF 86,477.60 in 2007. The net return on investment was 4.34 %. As compared to the Pension Fund Index (investments structured in a similar way) with a performance of 1.8 % in 2007, this means a very good rate of return. As at 31/12/2007, fixed-interest investments dominated, with a percentage of 70.37 % of total assets. The percentage of shares was 29.57 % while 0.6 % were liquid assets. The foundation’s investment policy is long-term and cautious, yet income-oriented. This is to ensure the long-term protection of assets, while grants are made from the return on investment, which also covers running operational and administrative costs.

A reduction of operational and administrative costs by 9.5 % was achieved, to CHF 61,569.- (2006: CHF 67,999.-), which is slightly below the budget.

The capital gains realised from the sale of securities and the revenues from securities amount to CHF 255,991.95, which is slightly more than the amount budgeted.
Board of Directors
Hansjörg Ruf, President
Hans Ulrich Schudel, Vice President
Barbara Affolter Gómez
Michael Andres, Treasurer
Esther Ineichen
Elena Obreschkow

Auditors
Ernst & Young, auditors, Basle

Board Committees
Finance and Investment:
Michael Andres
Hansjörg Ruf
Hans Ulrich Schudel

Funding:
Barbara Affolter Gómez
Esther Ineichen
Elena Obreschkow
Hansjörg Ruf

Approved at the 33rd Board meeting on 5th March, 2008