“Another tourism is possible and urgent!” – Under this title a resolution on tourism was passed at the World Social Forum in Belém/Brazil. In January 2009, NGOs and social movements from all continents met to reflect on the global financial and economic crisis, on the impact of climate change and on more equitable and sustainable economic models – also in tourism. Another tourism is possible thanks to countless initiatives for equitable and environmentally friendly tourism in many countries. Supporting such initiatives and projects with financial contributions is the objective of the SST foundation. During the year documented, it was possible to make grants and awards amounting to a total of CHF 150,000.-.

Report on the Board’s Activities

In 2008, 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.

With a decision by the Federal Court of 22nd December, 2008, the charge filed by former Board member Theodor Schmid was dismissed. Board member T.S. had been recalled with effect from 23rd March, 2006. He had filed a complaint against the Board’s decision with the Swiss Federal Supervisory Authority. In its decision of 28th September, 2007, the Supervisory Authority had rejected the complaint filed by T.S. in all respects. T.S had filed a complaint against this decision with the Swiss Federal Administrative Court. The Federal Administrative Court had dismissed the action in its judgment of 14th October, 2008, is so far as it was admissible. Under civil law, T.S. filed a Federal Court appeal against this decision. The Federal Court dismissed the action (Decision of 22nd December, 2008), thus definitively closing the case.

Funding Committee

In the year documented, the funding committee reviewed the proposals submitted in order 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. Six 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 2008, the foundation made grants amounting to a total of CHF 139,538.-. Since it was founded, the foundation has provided grants and awards totalling more than CHF 800,000.-. 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) 2008, the three winners of the TO DO! 2006 contest received a prize money of CHF 5,000.- each. The Institute for Tourism and Development (Studienkreis für Tourismus und Entwicklung e.V., Ammerland/Starnberger See) gives the award for socially responsible tourism to projects which are implemented with the participation of local people. The SST foundation gives a prize money of CHF 5’000.- to each of the winners, and a delegate of the Board of SST is represented in the contest jury. Since 2007, the foundation has been one of the regular supporters of the TO DO! contest and supports this internationally renowned contest with a financial contribution of CHF 5,000.-. In the year documented, the contest has been announced again. The three winners of the TO DO! 2008 will be announced at the ITB 2009 and will receive their awards.

Award Winners 2007

- Western Australian Indigenous Tourism Operators Committee, WAITOC
- Haciendas del Mundo Maya, Mexico
- Direct Action Centre for Peace and Memory (DACPM), Cape Tourism and Heritage Project, South Africa

For further information on the award winners and the TO DO! contest, see www.todo-contest.org.

Grants and Awards

In 2008, the year under review, grants and awards amounting to a total of CHF 139,538.- were disbursed.

<table>
<thead>
<tr>
<th>Overview: Projects and Organisations Supported in 2008</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Working Group on Tourism &amp; Development, Basle</td>
<td>25,000.-</td>
</tr>
<tr>
<td>2. Workcamp Switzerland</td>
<td>10,000.-</td>
</tr>
<tr>
<td>3. Participatory Rural Development in the Tourism Sector on the Island ‘Ile aux Nattes’,</td>
<td>10,000.-</td>
</tr>
<tr>
<td>Madagascar</td>
<td></td>
</tr>
<tr>
<td>4. Poverty Reduction and creation of sustainable employment through Promotion of Tourism</td>
<td>11,704.-</td>
</tr>
<tr>
<td>in the indigenous Communities of the Ancash Region, Peru (USD 10,200.-)</td>
<td></td>
</tr>
<tr>
<td>5. Sustainable Tourism at the World Social Forum 2009, Belém</td>
<td>25,000.-</td>
</tr>
<tr>
<td>6. KASAPA Centre, Ghana</td>
<td>29,308.-</td>
</tr>
<tr>
<td>7. Responsible Tourism in North Peru, Region of Piura, Montero District</td>
<td>8,526.-</td>
</tr>
<tr>
<td>8. Contribution TO-DO! Contest on Socially Responsible Tourism</td>
<td>5,000.-</td>
</tr>
<tr>
<td>9. Awards for TO DO! contest winners 2008, 3 x CHF 5,000.-</td>
<td>15,000.-</td>
</tr>
</tbody>
</table>

Detailed descriptions of the projects and organisations supported by the foundation between 2001 and 2008 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 2008, 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

Despite the gloomy prospects in the financial markets, and an expected lower yield on assets as compared to the previous years, the Board of the foundation again budgeted a total of CHF 150,000.- to support projects and organisations in 2009. In the coming year, it can be expected that due to the global economic crisis small organisations in particular will find it more difficult to access funding. In view of this situation, the budget for grants and awards has been retained unchanged by the board as in the previous years. By providing this support, the foundation wants to keep up its commitment to sustainable tourism development within its scope and in line with its objectives.

Annotations to the Financial Statement

As at 31/12/2008, the foundation’s assets amounted to CHF 6,016,333.-. Despite a defensive, low-risk investment strategy, the foundation’s assets reduced by CHF 1,023,081.- as compared to the previous year, as a consequence of the financial crisis in the stock markets. While the revenues amounted to CHF 294,134.- (including unrealised capital gains on securities of CHF 123,621.--) the expenses (including grants and unrealised capital losses on securities of CHF 1,086,290.--) amounted to CHF 1,315,900.-. According to the accounting regulations applicable, a loss of CHF 1,021,766.- is reported for 2008. With -11.99 % the investment performance in 2008 was negative.

As at 31/12/2008, fixed-interest investments dominated, with a percentage of 77.81 % of total assets. The percentage of shares was 19.99 % (the maximum, according to the investment policy, is 30 %) while 2.20 % were liquid assets.

A reduction of operational and administrative costs by 13.9% was achieved, to CHF 53,028.- (2007: CHF 61,569.-) which is below the budget.
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 37th Board meeting on 26th March, 2009