Schweizerische Stiftung für Solidarität im Tourismus

Swiss Foundation for Solidarity in Tourism

Annual Report 2013
13th Annual Report, 2013

Worldwide, there are an increasing number of organisations and project initiatives working towards fairer and more sustainable business models in tourism. According to surveys, more and more tourists also demand socially responsible travel, i.e. fair working conditions and respect for the local population in tourist destinations. Various projects financially supported by the SST Foundation over the past few years have shown how successful and sustainable tourism development can be. The Foundation's grant policy focuses on projects which not only improve the living conditions of the population in tourist destinations, but also contribute to a kind of tourism that allows tourists special, authentic insights into the lives of people and their cultures.

To support such initiatives and projects with financial contributions is the main focus of the funding policy of the SST Foundation. During the year documented, it was possible to make grants and awards amounting to a total of around CHF 138,553.-. Since it was founded in 2001, the Foundation has supported organisations and projects with a total of CHF 1.5 million.

Report on the Board's Activities

In 2013, the Board held four regular meetings.

The regular meetings held by the Board mainly focus on the evaluation of the quarterly financial reports and on 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.

Resignation of Barbara Affolter Gómez

Barbara Affolter, who had been a Board member since 2007, resigned from the Board with effect from 30th September, 2013. The Board regrets Barbara's resignation and thanks her for her commitment over the past few years, and for the good cooperation.

According to the Foundation's statutes, the Board must consist of at least three members. After Barbara Affolter's resignation, the Board now has five members, with is in line with the statutes, and will, for the meantime, not add new members.

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. 21 project proposals were presented to the Board, eight out of which were supported by the foundation. Furthermore, the Working Group on Tourism & Development (akte) in Basle again received a substantial amount on the basis of a project approval made earlier, covering projects of several years' duration.

Further information on the projects supported by the foundation can be found in the section on grants and awards, and at www.sstfoundation.org.
TO DO! Contest on Socially Responsible Tourism

On the occasion of the International Tourism Exchange (ITB) in March 2014, the three winners of the TO DO! contest 2013 received a prize money of CHF 5,000.- each. The Institute for Tourism and Development (Seefeld-Hechendorf, Germany) gives the awards for socially responsible tourism to projects which are being 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 represents the Foundation in the contest jury. In addition, the Foundation has since 2007 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.-. For financial reasons, the Institute for Tourism and Development was able to nominate only two award winners in 2013. In order to allow for a third winner to be nominated and evaluated, the foundation approved an additional grant of CHF 5,000.- for the Institute for Tourism and Development in addition to the regular funding.

Award Winners 2013
- BOOMKOLBEH – TURKMEN ECOLODGE, Iran (www.turkmenecolodge.com)
- CHAMBOK COMMUNITY BASED ECOTOURISM, Cambodia (www.mlup-baitong.org)
- GRUPO ECOLÓGICO SIERRA GORDA (GESG), Mexico (www.sierragorda.net)

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

Grants and Awards

In 2013 the year under review, grants and awards amounting to a total of CHF 138,553.- were disbursed.

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<th>Overview: Projects and Organisations Supported in 2013</th>
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<td>2. Investours Mexico/Tanzania</td>
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<td>3. Workcamp Switzerland / Programme 2013 - various projects</td>
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<td>4. Startup Africa / construction of a rondavel in Zimbabwe</td>
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<td>5. Tourism for Help / Centre de Formation aux métier de l'hôtellerie, Sénégal</td>
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<td>6. Initiative Outdoor, Guiding Disadvantaged Youth to Professions</td>
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<td>7. Travnik Muzej / Nobel Prize Winner Ivo Adric as a Cultural and Tourist Brand of Travnik</td>
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A list of the projects and organisations supported by the foundation between 2001 and 2013 are available online at www.sstfoundation.org.

Finance and Investment Committee

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

Against the backdrop of the Supreme Court's judgement in 2012, regarding retrocessions for the portfolio management handled by a bank, the committee has asked the bank (Basellandschaftliche Kantonalbank - BLKB) in charge of the portfolio management to disclose the retrocessions received in connection with this mandate and to hand them over to the Foundation. In a first step, BLKB agreed to refund only the retrocessions collected for the year 2008. Further claims were refuted. The Foundation then put a business law firm in Zurich in charge of checking the compromise offered. Following the law firm's recommendation, settlement negotiations with the bank were taken up. In a revised offer of compromise, it was achieved that in addition to the retrocessions received for the business year 2008, those for the year 2009 would also be refunded. After scrutinising the compromise offered, the Foundation decided to agree to it. Weighing the pros and cons, the Board came to the conclusion that the Foundation should refrain from taking legal action. In view of the unclear legal situation, the risks of a lawsuit were considered too high for the Foundation. Furthermore, the expenses for the lawyer and the lawsuit were disproportionately high in relation to the maximum sum of retrocessions withheld.

Outlook

The Board of the Foundation again budgeted a total of CHF 150,000.- to support projects and organisations in 2014. 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 31/12/2013, the foundation’s assets amounted to CHF 5,721,499.-. While the revenues amounted to CHF 382,987.- (including unrealised capital gains on securities) the expenses (including grants and unrealised capital losses on securities) amounted to CHF 371,084.-. The books thus show a profit of CHF 11,903.- in 2013. The gross return on investment was 3.72 %. As at 31/12/2013 fixed-interest investments dominated, with a percentage of 72.5 % of total assets. The percentage of shares was 26.76 %, 0.74 % were liquid assets.

The operational and administrative costs amounted to CHF 65,465.- (2012: 58,344.-). As compared to the previous year, they increased by CHF 7,112.- due to the expenses for the law firm in connection with settlement negotiations regarding the payment of retrocessions. Adjusted for the lawyer's fees, the operational and administrative costs remained slightly below the amount budgeted for the year 2013.

The capital gains realised from the sale of securities and the revenues from securities amount to CHF 298,277.- which is 75.5 % more than budgeted.

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. This long-term goal was achieved in 2013.
Board of Directors

Hansjörg Ruf, President (since 2001)
Hans Ulrich Schudel, Vice President (since 2001)
Michael Andres, Treasurer (since 2001)
Esther Ineichen (since 2001)
Elena Obreschkow (since 2007)

Auditors

Ernst & Young, auditors, Basle

Board Committees

Finance and Investment:

Michael Andres
Hansjörg Ruf
Hans Ulrich Schudel

Funding:

Barbara Affolter Gómez (until 30/09/2013)
Esther Ineichen
Elena Obreschkow
Hansjörg Ruf

Annual Report 2013 approved by the Board at the 57th Board meeting on 10 April, 2014.