



Schweizerische Stiftung für Solidarität im Tourismus
Swiss Foundation for Solidarity in Tourism

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Annual Report
2012

12th Annual Report, 2012

Worldwide, there are an increasing number of organisations and project initiatives working towards fairer and more sustainable economic models in tourism. According to surveys, many 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.

The project Afnan Al Galil, which the SST Foundation has supported to be set up and developed over a period of three years, shows this in an exemplary manner.

In a restored building in the old centre of Arraba in Israel, a cultural, arts and educational centre was set up which also serves meetings with tourists. At this centre, tourists from Israel and abroad may get information on the living conditions in an Arab village, may buy traditional handicraft or participate in a cultural event. The project focuses on empowering Arab women and girls through education and training. Furthermore, the centre creates income opportunities for disadvantaged Arab/Palestinian families in Israel.

The project creates income opportunities for groups of the local population through tourism. Furthermore, the project promotes a better understanding of the living conditions of the Arab population in Israel.

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 116,000.-. Since it was founded in 2001, the Foundation has supported organisations and projects with a total of CHF 1.3 million.

Report on the Board's Activities

In 2012, the Board held four regular meetings.

The regular meetings held by the Board mainly focussed 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.

New Logo and Corporate Design of the Foundation

Since the Foundation was founded in 2001, the logo and corporate design of the Foundation were not changed significantly. The Board took the need to reprint of stationary as an opportunity to get a new logo for the Foundation designed. Following this, the website of the Foundation was fully reconceptualised and renewed.

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. Ten project proposals were presented to the Board, six 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 2013, the two winners of the TO DO! contest 2012 received a prize money of CHF 5,000.- each. The Institute for Tourism and Development (Seefeld), Germany gives the awards 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 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.-.

Award Winners 2012

- The Blue Yonder – River Nila, Kerala, India (www.theblueyonder.com)
- Uganda Community Tourism Association (UCOTA) - Pearls of Uganda (www.pearlsofuganda.com)

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

Grants and Awards

In 2012, the year under review, grants and awards amounting to a total of CHF 115,751.- were disbursed.

Overview: Projects and Organisations Supported in 2012

1. Working Group on Tourism & Development, Basle, Contribution 2012	CHF 25,000.-
2. Women's cooperative and cultural centre Afnan Algalil, Arraba, Israel	CHF 30,000.-
3. Workcamp Switzerland	CHF 10,000.-
4. Benedictine monastery Engelberg/Sustainable hotel industry at Mount Febé, Cameroon	CHF 10,000.-
5. KEEP Nepal / Porters' Awareness – Workshop	CHF 5,751.-
6. Elsbeth Flüeler / Journalist work on the pilgrims trails Ruta del Peregrino, Mexico	CHF 2,000.-
7. The African Safari Lodge Foundation / 2012 Hospitality Students support costs	CHF 18,000.-
8. Contribution TO-DO! Contest on Socially Responsible Tourism	CHF 5,000.-
9. Awards for TO DO! contest winners 2012, 2 x CHF 5,000.-	CHF 10,000.-

A list of the projects and organisations supported by the foundation between 2001 and 2012 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 had a detailed consultation with the portfolio manager in charge at Basellandschaftliche Kantonalbank. According to the foundation's statutory regulations, the investment of assets must 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 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 of 30th October, 2012, regarding retrocessions for the portfolio management handled by a bank, the committee has in a letter of 26th November, 2012, 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. The Basellandschaftliche Kantonalbank has acknowledged receipt of the letter and suggested a mutually agreed solution of the matter by the end of the first quarter of 2013.

Outlook

The Board of the Foundation again budgeted a total of CHF 150,000.- to support projects and organisations in 2013. 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 31/12/2012, the foundation's assets amounted to CHF 5,678,657.- While the revenues amounted to CHF 215,136.- (including unrealised capital gains on securities), the expenses (including grants and unrealised capital losses on securities) amounted to CHF 296,666.-. The books thus show a loss of CHF 81,530.- in 2012. The net return on investment was 1.61 %. As at 31/12/2012 fixed-interest investments dominated, with a percentage of 80.73 % of total assets. The percentage of shares was 16.10 %, 3.18 % were liquid assets.

The operational and administrative costs amounted to CHF 58,344.- (2011: 47,137.-). As compared to the previous year, they increased by CHF 11,000.-, due to the costs incurred by reconceptualising the Foundation's corporate design as well as the website, and by the necessary reprinting of stationary. However, the expenditures could be kept 7.6 % below budget.

The capital gains realised from the sale of securities and the revenues from securities amount to CHF 158,088.- which is 7 % less than budgeted.

The economic year 2012 was marked by the debt crisis in Southern Europe, problems with economic growth, low interest rates and a strong Swiss Franc. In the last quarter of the year, share values have increased, but because of the small percentage of shares in the portfolio, the Foundation was able to benefit from this only to a limited degree. Due to low interest rates, the potential return on bonds was modest. Due to the investment guidelines, which stipulate a relatively small percentage of 30 % at most and are limited to a sustainable investment portfolio, a limited performance in 2012 was to be expected because of this market environment.

Board of Directors

Hansjörg Ruf, President (since 2001)
Hans Ulrich Schudel, Vice President (since 2001)
Barbara Affolter Gómez (since 2007)
Michael Andres, Kassier (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
Esther Ineichen
Elena Obreschkow
Hansjörg Ruf

Approved at the 53rd Board meeting on 18 April, 2013