

Schweizerische Stiftung für Solidarität im
Tourismus

Swiss Foundation for Solidarity in Tourism

Annual Report and Financial Statement
2002

2nd Annual Report, 2002

Report on the Board's Activities

The Board held seven meetings in 2002. In the second year since the Foundation had been set up, the Board's work continued to be dominated by developing the foundation, by organising and structuring its activities and by assessing the management of assets which is handled by Basellandschaftliche Kantonalbank.

In order to efficiently and effectively fulfil its tasks in line with the objectives of the Foundation and to structure processes in a clear and transparent manner, the Board has developed rules of procedure to determine the organisation and working methods of the Board. Standing committees and departments were set up to do preparatory work for the Board.

The Board has also developed guidelines for applicants, describing the criteria applied to funding proposals submitted to the Foundation. This creates a framework for the qualitative assessment of funding proposals and for ensuring that grants are being made in line with the objectives of the Foundation. The guidelines hold applicants accountable for achieving the objectives of their projects, thus enabling the Board to gain transparency with regard to the utilisation of the resources that have been made available.

In view of the expected low return on investment, the Board exercised caution in the funding of projects. Nevertheless, it was possible to make grants amounting to a total of CHF 50,000.-.

Because of a long-term stay abroad, Dominique Leuba has resigned from the Board with effect from 31st July, 2002. The Board agreed that for the meantime, no other member should be newly appointed to the Board in replacement of Dominique Leuba.

Outlook

In the coming year and in the following years, it will be of central importance for the Foundation to develop contacts with organisations and projects which, in line with the objectives of the Foundation and within the given financial framework, could be supported by the foundation. To this effect, the Foundation needs to become more widely known in the respective circles. The final version of the Foundation's website, which is yet to be created, will help to achieve this. The website is also designed to serve as a platform of information, for the former members of the founder, SSR Travel, Swiss Student Travel Office (cooperative), among others. On the other hand, it is expected that the projects supported so far will help to build new contacts with possible applicants.

Grants and Awards

In the year reviewed, grants totalling CHF 50,000.- have been made:

1. Instituto Terramar, Prainha do Canto Verde, Brazil, CHF 25,000.-

Instituto Terramar has asked for support of about CHF 25,000.- to conduct two workshops and one international seminar for socially responsible tourism in spring 2003. The objective of the three events is „to demonstrate to the public and the government that there are meaningful alternatives to mainstream tourism development, and that many consumers and NGOs – especially in Europe – regard it as important that tourism also helps to reduce poverty and to protect the identity of the local population.“

Prainha do Canto Verde is considered a successful model for community-based tourism, i.e. a participatory form of tourism which should above all benefit local communities. The inhabitants of the village located on the north-eastern coast of Brazil have for years successfully resisted land appropriation and a big speculative tourism project and have at the same time developed an alternative tourism project. This is how they managed to develop new sources of income and prevent out-migration to the big cities. Instituto Terramar, founded in 1993 by former Swissair manager René Schärer, has contributed decisively to this success. It pursues, according to its own mission, the objectives of „promoting sustainable coastal development and influencing the government’s development policy“.

Further information: www.turismosust.hpg.com.br or www.fortalnet.com.br/-fishnet

2. Awareness Campaign on Fair Trade in Tourism, Working Group on Tourism & Development (AKTE), Basle, CHF 15,000.-

In early 2003, the Working Group on Tourism & Development will launch a broad-based campaign at tourism trade fairs in Switzerland and Germany under the title „Fair Trade on Holidays“, in order to raise the issue of fair trade in tourism with tourists as well as the tourism industry and to show what is already possible in this regard, and how the various actors can act fairly themselves.

With the contribution from the SST Foundation, AKTE wants to realise a postcard campaign and stalls at the most important trade fairs in Switzerland and Germany. A set of several postcards contains commitments for tourists that they can sign to declare their readiness to respect and meet criteria for fair trade in tourism. The postcard campaign shall be widely publicised through media work and above all at public trade fairs.

The amount applied for to finance this project was CHF 25,000.-. The Board decided to partially fund this project with an amount of CHF 15,000.-.

Further information: www.akte.ch

3. Birthday Gift on the occasion of the 25th anniversary of the Working Group on Tourism & Development, Basle, CHF 10,000.-

On the occasion of their 25th anniversary, the Working Group on Tourism & Development expressed their wish for donations from members, related organisations and the public.

The Working Group was founded in 1977 by about 20 development agencies, development organisations, church bodies and open-minded tour operators, including the SSR Travel, Swiss Student Travel Office (cooperative). As the only tourism NGO in Switzerland, the Working Group has for more than a quarter of a century been lobbying actively for fair relations with people and nature in the tourism industry. The Working Group is today being supported by contributions from the Swiss Agency for Development and Cooperation (DEZA), by various major development organisations and to a lesser extent by membership fees. The Working Group, which is organised as an association, is today considered as the competent specialised office for questions related to sustainable tourism development in Switzerland. Due to scarce funding, however, the Working Group has for years been limited in its scope of activities. The birthday donations are to initiate a necessary increase in the capacities of the Working Group on Tourism & Development.

Further information: www.akte.ch

Annotations to the Financial Statement

As at 31/12/2002, the Foundation's assets amounted to CHF 6.3 million. While the revenues amounted to CHF 206,302.35, the expenses were CHF 444,998.35. The books thus show a loss of CHF 238,696.-. This loss is due to a realised loss on securities of about CHF 264,000.- because of the extremely bad stock market situation of 2002. The main investment is in fixed-interest deposits, with a percentage of 87 % of total assets, which accounts for the relatively good income. The operational and administrative costs were 67,480.-. While this was slightly below the budgeted amount of CHF 70,500.-, the Board considers this amount as too high in comparison with the grants made, which amounted to CHF 50,000.-. The high administrative costs can be explained by the rather high initial costs incurred by the Foundation. It can be expected that the operational and administrative costs will be significantly lower in the coming years.

Board of Directors

Hansjörg Ruf, President
Hans Ulrich Schudel, Vice President
Michael Andres, Treasurer
Esther Ineichen
Dominique Leuba (until 31st July, 2002)
Theodor Schmid

Auditors

Ernst & Young, auditors, Basle

Balance Sheet 2002

	<u>2002</u>	<u>2001</u>
	CHF	CHF
ASSETS		
Current Assets		
Cash and Cash Equivalents	7,528.84	3,551,610.45
Other Assets	89,213.45	32,393.75
Accrued income, deferred expenditure	0.00	4,466.65
	<u>96,742.29</u>	<u>3,588,470.85</u>
Fixed Assets		
Invested capital	<u>6,203,892.00</u>	<u>2,940,146.05</u>
	<u>6,203,892.00</u>	<u>2,940,146.05</u>
	<u><u>6,300,634.29</u></u>	<u><u>6,528,616.90</u></u>
LIABILITIES		
Borrowed capital		
Deferred Income	<u>28,543.20</u>	<u>17,829.80</u>
	<u>28,543.20</u>	<u>17,829.80</u>
Capital resources		
Total capital of the foundation	6,668,406.70	6,668,406.70
Loss carried forward	-157,619.60	0.00
Profit carried forward	0.00	0.00
Loss	<u>-238,696.01</u>	<u>-157,619.60</u>
	<u>6,272,091.09</u>	<u>6,510,787.10</u>

6,300,634.29 6,528,616.90

Profit & Loss Account 2002

	2002	Budget	2001
	CHF	CHF	CHF
EXPENDITURE			
Remuneration for participation in meetings	12,400.00	18,000.00	21,374.05
Extra expenses - Board	2,266.20	2,500.00	
Board allowances	5,869.40		
Public relations	23,672.70	25,000.00	
Finance and Investment Committee	3,150.00		
Funding Committee	112.50	5,000.00	
President/Vice President	4,500.00	2,600.00	
Office	2,400.00	2,400.00	
Accounting	5,625.00	5,000.00	
Administrative expenses	7,484.85	10,000.00	9,704.20
Operational and administrative expenses	67,480.65	70,500.00	31,078.25
Asset management	26,503.65	26,000.00	
Bank charges	5,485.30	4,000.00	
Unrealised capital gains on securities	-257,233.13		
Unrealised capital losses on securities	288,489.55		208,562.00
Realised capital losses on securities	264,272.33		
Financial expenditure	327,517.70	30,000.00	208,562.00
Grants	50,000.00	60,000.00	15,000.00
Grants and awards	50,000.00	60,000.00	15,000.00
Total expenditure	444,998.35	160,500.00	254,640.25

INCOME

Gain on securities	206302.34	160,500.00	92,554.00
Accrued interest	0.00		4466.65
	<hr/>		
Financial returns	206,302.34	160,500.00	97,020.65
Total income	206,302.34	160,500.00	101,487.30
Loss	238,696.01	0.00	157,619.60
	<hr/>		
	444,998.35	160,500.00	259,106.90
	<hr/> <hr/>		