



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

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Annual Report  
2010

# 10<sup>th</sup> Annual Report, 2010

After a drop in 2009, caused by the global economic crisis, international tourist arrivals increased by about seven percent in 2010. Tourism continues to be one of the most important and fastest growing economic sectors worldwide. Despite crises, disasters and political unrest, tourism constantly shows high rates of growth. In 2010, many circles in the global development community continued to address the question how tourism can contribute to sustainable development. In addition to all the hope for prosperity from the income generated by tourism, the focus continued to be on whether fundamental human rights are being respected, whether tourism is environmentally sustainable, and how the local population can participate in tourism development. Tourism does not always benefit the local population in the destinations. The ones who profit the most are often foreign companies or domestic investors – with huge resorts, golf courses, and leisure parks that have adverse environmental impacts.

Worldwide, there is an increasing number of organisations and project initiatives working towards fairer and more sustainable economic models in tourism. 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 more than CHF 147,000.-. Since it was founded, the SST foundation has supported organisations and projects with a total of more than CHF 1.1 million. 78 percent of this support went to organisations and projects in Africa, Asia and South America. 22 percent were disbursed to applicants from Switzerland and other parts of Europe. One of the foundation's objectives was fully achieved – to focus on the efficiency of contributions and to support projects mainly in tourist destinations in the South.

## Report on the Board's Activities

In 2010, the Board held four regular meetings. On the occasion of the foundation's 10<sup>th</sup> anniversary in September, the Board held an additional two days' session to take a close look at the foundation's focus and objectives. One conclusion was that the objectives pursued by the foundation in line with its mission remain as relevant as ever. The financial support provided by the foundation, though it may seem small, due to the moderate return on investment, is urgently needed by the beneficiaries. Its impact should not be underestimated.

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.

## 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. 17 project proposals were presented to the Board, seven 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](http://www.sstfoundation.org).

## TO DO! Contest on Socially Responsible Tourism

On the occasion of the International Tourism Exchange (ITB) 2011, the three winners of the TO DO! contest 2010 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 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.-.

As a representative of the foundation, Hans Ulrich Schudel participated in the jury meeting in October 2010. The jury evaluates the projects and organisations that participated in the contest and selects the award winners. Furthermore, Hans Ulrich Schudel was invited by the contest organisers to hold the speech in honour of winners at this year's award ceremony.

### Award Winners 2010

- Andaman Discoveries, Thailand ([www.andamandiscoveries.com](http://www.andamandiscoveries.com))
- Centro Histórico y Educativo Ríj Ib'ooy, Guatemala ([www.rio-negro.info/che](http://www.rio-negro.info/che))
- Zerafshan Tourism Development Association (ZTDA), Tajikistan ([www.ztda-tourism.tj](http://www.ztda-tourism.tj))

For further information on the award winners and the TO DO! contest, see [www.todo-contest.org](http://www.todo-contest.org).

## Grants and Awards

In 2010, the year under review, grants and awards amounting to a total of CHF 147,325.- were disbursed.

### Overview: Projects and Organisations Supported in 2010

1. Working Group on Tourism & Development, Basle, Contribution 2010	CHF 25,000.-
2. ViaStoria - Center of Transport History / Trans-Himalayan Cultural Routes in Nepal	CHF 20,000.-
3. Stattdreisen Hannover e.V./Reisepavillon – international alternative travel trade fair	CHF 7,250.-
4. Namibia Community Based Tourism Assistance Trust (NACOBTA)	CHF 15,750.-
5. Centro Historico y Educativo Rio Negro, Baja Verapaz, Guatemala	CHF 9,325.-
6. African Safari Lodge Foundation / South African Tourism College	CHF 20,000.-
7. The Ecumenical Coalition On Tourism (ECOT)	CHF 10,000.-
8. Fair Trade in Tourism South Africa (FTTSA)	CHF 20,000.-
9. Contribution TO-DO! Contest on Socially Responsible Tourism	CHF 5,000.-
10. Awards for TO DO! contest winners 2010, 3 x CHF 5,000.-	CHF 15,000.-

Detailed descriptions of the projects and organisations supported by the foundation between 2001 and 2010 are available online at [www.sstfoundation.org](http://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.

## Outlook

The Board of the foundation again budgeted a total of CHF 150,000.- to support projects and organisations in 2011. 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.

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## Annotations to the Financial Statement

As at 31/12/2010, the foundation's assets amounted to CHF 6,050,794.47. While the revenues amounted to CHF 302,272.79 (including unrealised capital gains on securities) the expenses (including grants and unrealised capital losses on securities) amounted to CHF 551,292.24. The books thus show a loss of CHF 249,019.45 in 2010. The net return on investment was -0.43 %. As at 31/12/2010 fixed-interest investments dominated, with a percentage of 74.00 % of total assets. The percentage of shares was 23.89 %, 2.11 % were liquid assets.

The operational and administrative costs increased slightly, to CHF 55,464.66 (2009: 55,384.85), but remained 16.3 % below the budget.

The capital gains realised from the sale of securities and the revenues from securities amount to CHF 12,662.65, which is 84 % less than budgeted.

Due to the difficult situation on the stock and bond markets, the performance of the foundation's investments was poor and not satisfying. In the financial statement, it mainly shows as unrealised capital losses under expenditures. Furthermore, due to turbulences on the currency markets and the resulting low foreign exchange rates that applied to the repayment of two foreign bonds in euro and pound, a loss was incurred.

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, however, was obviously missed in 2010.

## 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 45th Board meeting on 14 April, 2011.