

**ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ
ИСПОЛНИТЕЛЬНЫЙ
СОВЕТ**



СЕ/74/12
Мадрид, ноябрь 2004 года
Оригинал: английский

Семьдесят четвертая сессия
Сальвадор-де-Байя, Бразилия, 2-3 декабря 2004 года
Пункт 12 предварительной повестки дня

ИНИЦИАТИВА ST-EP

Примечание Генерального секретаря

Настоящий документ призван информировать Исполнительный совет о шагах, предпринятых с целью осуществления этой инициативы.

БОРЬБА С НИЩЕТОЙ С ПОМОЩЬЮ ТУРИЗМА, В ТОМ ЧИСЛЕ ИНИЦИАТИВЫ ST-EP

- Продолжается последовательная реализация Инициативы ST-EP, утвержденной на пекинской сессии Ассамблеи.
- На основе плана действий Генеральному секретарю было предложено учредить фонд, обеспечить средства и создать организационную структуру с тем, чтобы представить на утверждение Генеральной ассамблеи в 2005 году законченную систему. Доклады о ходе работы были представлены региональным комиссиям и Исполнительному совету.
- Период, предшествующий Ассамблее, может рассматриваться в качестве этапа развертывания. Предстоят юридическое учреждение Фонда, открытие/начало функционирования его служебных помещений, создание Совета Фонда и проведение его первого заседания, осуществление представительских функций и налаживание отношений с донорами, спонсорами и сопутствующая исследовательская/практическая деятельность.
- В этот период будет проделана на глобальном уровне значительная координационная работа, связанная с конечным согласованным механизмом взаимодействия с ВТО и другими институциональными партнерами ST-EP (ООН и другими учреждениями), новыми партнерами по финансированию (государственным и частным секторами), а также внешними заинтересованными сторонами. Генеральный секретарь будет осуществлять надзор за этой деятельностью с целью обеспечения плавной интеграции, а его специальный советник продолжит руководство программой ST-EP.
- Со времени хайдарабадской сессии Исполнительного совета произошли следующие основные события:
 - 24 сентября 2004 года было подписано Соглашение с Республикой Корея о размещении на ее территории Фонда ST-EP ЮНВТО. На счет Фонда ST-EP ЮНВТО в Сеуле была перечислена первая часть из обещанных 5 миллионов долларов (2 миллиона долларов). В соответствии с законодательством Кореи и соответствующими процедурами ООН был подготовлен проект устава Фонда (приложение 1)
 - С Агентством Нидерландов по вопросам развития (SNV) подписано соглашение о сотрудничестве в осуществлении проектов ST-EP путем внесения взносов натурой. В настоящее время ведутся переговоры о расширении охвата этого первоначального

соглашения, которое будет дополнено взносом Нидерландов в 2 миллиона евро на цели оказания Всемирной туристской организацией технической помощи, связанной со ST-EP. Поддерживаются контакты и с другими учреждениями.

- Макао до конца текущего года внесет в Фонд ST-EP первоначальный взнос в размере 200 тысяч долларов.
- В соответствии с решением Совета, взнос ВТО в размере 500 тысяч долларов был отнесен на бюджет технического сотрудничества для финансирования проектов в рамках инициативы ST-EP.
- Учрежден Подготовительный комитет Фонда под совместным председательством Генерального секретаря и посла Дхо, который провел в сентябре заседание с целью выработки устава, бюджета и принципов управления. С правительством Республики Корея подписано соглашение о штаб-квартире Фонда ST-EP (приложение 3).
- ВТО разрабатывает оперативные процедуры для инициативы ST-EP, механизм взаимодействия с Фондом, экспериментальные проекты и взаимодействие с формирующимися программами в области борьбы с нищетой, обеспечения устойчивости и технического содействия.
- В Эфиопию и Камерун были направлены миссии ВТО с целью выявления возможных экспериментальных проектов ST-EP на основе, согласованной в ходе хайдарабадской сессии Исполнительного совета. Сформулированы 15 таких предварительных проектов, так что к моменту создания Фонда и поступления финансовых средств будет готов пакет проектов для незамедлительного осуществления. Совместно с Национальной администрацией Вьетнама по туризму и SNV разрабатывается экспериментальная программа для Вьетнама, а в начале декабря 2004 года состоится миссия в Замбию.
- ВТО вступила в контакты с международными, региональными и национальными агентствами по финансированию развития с целью создания системы координации проектов в области развития, включая проекты ST-EP, призванной исключить дублирование/параллелизм и максимизировать финансовый синергизм. В октябре 2004 года в Вашингтоне с большим успехом прошли конференция и совещание агентств по вопросам развития.

- Правительство Иордании выразило согласие принять весной 2005 года первое заседание Совета ST-EP.
- Секретариат ВТО продолжает продвигать концепцию борьбы с нищетой с помощью туризма и Инициативы ST-EP. В этой связи старшие должностные лица ВТО приняли активное участие в следующих мероприятиях:
 - Региональной встрече на высшем уровне по вопросам микрокредитования для Африки и Ближнего Востока (Амман, Иордания, октябрь 2004 года);
 - Европейском совещании регионов по устойчивому туризму (Флоренция, Италия, ноябрь 2004 года);
 - сессии Подкомитета по туризму Парламентской ассамблеи Совета Европы (Родос, Греция, ноябрь 2004 года).

ANNEX 1

ST-EP FOUNDATION

DRAFT

Constitution of the UN-WTO ST-EP FOUNDATION

PREAMBLE

The UN-WTO ST-EP Foundation (hereinafter referred to as "ST-EP Foundation") is an international not-for-profit foundation established under the initiative of the World Tourism Organization (hereinafter referred to as "WTO"), a Specialized Agency of the United Nations (hereinafter referred to as "UN"), to contribute to the UN Millennium Development Goals, with the aim to promote poverty elimination through sustainable tourism development that can be carried out together with the preservation of culture and the natural environment.

The ST-EP Foundation shall contribute to the safeguarding of natural and cultural heritage and to socio-economic development by cooperating with international organizations, governments and related authorities, foundations, corporations, associations and individuals who are willing to contribute to countries and mankind through the Sustainable Tourism-Eliminating Poverty Initiative (hereinafter referred to as "ST-EP Initiative").

ARTICLE I TITLE

The title of the foundation will be the UN-WTO ST-EP Foundation as agreed in the Memorandum of Understanding between the Ministry of Culture & Tourism of the Republic of Korea and the WTO.

ARTICLE II STATUS AND CAPACITY

1. The ST-EP Foundation shall operate under Korean laws, as an autonomous

organization which is international in status and non-political in management, staffing and operations and shall have full juridical personality and legal capacity for the exercise of its functions and the fulfilment of its aims .

2. The ST-EP Foundation shall have the capacity to:

- (i) receive, acquire or otherwise lawfully obtain from any governmental authority or from any corporation, company, association, person, firm, foundation or other entity, whether international, regional or national, by donation, grant, exchange, bequest, purchase or lease, either absolutely or in trust, contributions consisting of such properties, real, personal, or mixed including funds and valuable effects or items, as may be useful or necessary to pursue its aims and activities and to hold, operate, administer, or use of the said assets;
- (ii) enter into agreements and contracts;
- (iii) employ persons according to its own regulations;
- (iv) institute, and defend in, legal proceedings; and
- (v) perform all acts and functions as may be found necessary, expedient, suitable or proper for the furtherance, accomplishment or attainment of any or all of the purposes and activities herein stated.

ARTICLE III

HEADQUARTERS AND SUBSIDIARY BODIES

The main office of the ST-EP Foundation shall be located within the Republic of Korea (hereinafter referred to as "Host Government") and if necessary, subsidiary offices may be established in locations within and outside of the Republic of Korea.

ARTICLE IV

GUIDING PRINCIPLES

The ST-EP Foundation provides support to countries and organizations for the conduct of research and development projects that aim at eliminating poverty through sustainable tourism development programmes and projects.

The ST-EP Foundation is a vital complementary institution which enhances the value of the WTO Sustainable Tourism Development programme for poverty elimination.

The ST-EP Foundation shall fully cooperate with the UN-WTO in determining the technical aspects and other areas of its programmes that relate to the mandate of the UN-WTO.

ARTICLE V ACTIVITIES AND PROJECTS

The ST-EP Foundation shall focus on work to encourage tourism that is socially, economically and ecologically sustainable, and that contributes to eliminating poverty.

To accomplish this it may:

- 1) strengthen international cooperation and forge new relations to achieve poverty alleviation objectives through sustainable tourism development in developing countries.
- 2) conduct promotions, events, fund-raising activities and other self-financed operations to reinforce ST-EP's own image and brand
- 3) implement ST-EP projects through close coordination with the UN-WTO
- 4) support research and tourism projects that are in line with the UN Millennium Development Goals and meet UN standards
- 5) cooperate and carry out projects with countries, international organizations and associations, and corporations focusing on sports, culture, education, human resource development as they relate to poverty elimination
- 6) provide training, operational support, technical assistance, human resources development and tourism development programmes for alleviating poverty, including the identification of tourism investment opportunities and the preparation of investment plans, for developing countries
- 7) conduct research and forums linked with the public, private and international community and publish reports with their results
- 8) implement other activities in line with the aims of the ST-EP Foundation.

ARTICLE VI ORGANIZATION

The organization of the ST-EP Foundation shall consist of:

1. The Board of Governors
2. The ST-EP Council
3. The President(*CEO?PS*), Director General and Staff

ARTICLE VII COMPOSITION

1. The Board of Governors is composed of:
 - The Chairperson of the WTO Executive Council
 - One Representative from the Government of the Republic of Korea
 - The Secretary-General of WTO
 - The Chief Executive Officer of the ST-EP Foundation
 - The Director-General of the ST-EP Foundation
 - Two members elected by the ST-EP Council, representing respectively, donors and beneficiary countries

The ST-EP Council may decide to increase the number of Governors to nine if considered necessary.

2. The ST-EP Council is constituted by considering the provision of contributions to the ST-EP Foundation., Agencies and countries that provide a minimum of US\$ 1 million, in cash or in kind, have the right to designate a Council member for a two-year period, renewable if the contribution is renewed.

In addition, the ST-EP Council will include:

- Senior personalities from various fields of activity with international

renown

- One representative from the UN Secretary General
- One representative from the WTO Secretary General
- One representative from the host Government
- Seven representatives of the WTO Member States (one from each Regional Commission plus an additional member from Africa) representing the ST-EP beneficiary countries.

ARTICLE VIII FUNCTION AND POWERS

1. BOARD OF GOVERNORS

The functions of the Board of Governors in relation to the operations of the ST-EP Foundation shall be as follows:

- 1) Define ways and means to achieve the objectives of the ST-EP Foundation.
- 2) Approve plans and programmes for the implementation of its activities and projects.
- 3) Review the ST-EP Foundation's cost-effectiveness, financial integrity and transparency
- 3) 4) Approve ST-EP budget and accounts
- 5) Appoint an external auditor and a legal advisor
- 6) Appoint the Chief Executive Officer and the Director-General of the ST-EP Foundation
- 7) Approve the organizational framework of the ST-EP Foundation
- 8) Approve personnel policies and basic salaries of the ST-EP Foundation staff.
- 9) Approve capital investment of the ST-EP Foundation
- 10) Approve the establishment of subsidiary offices of the ST-EP Foundation
- 11) Perform all other acts that may be considered necessary, suitable and proper for the attainment of the aims of the ST-EP Foundation

2. ST-EP COUNCIL

The ST-EP Council shall:

- 1) Establish the overall policy of the ST-EP Foundation.
- 2) Define the priorities of actions to be undertaken at different periods.
- 3) Evaluate in an over-all manner whether the ST-EP Foundation is operating in line with its objectives and implementation plans.
- 4) 4) Provide recommendations to the Board of Governors regarding the activities of the Foundation.
- 5) Promote fund-raising and resource-mobilization activities.
- 6) Establish such other subsidiary committees as it deems necessary for the performance of its functions.
- 7) Perform all other acts that may be considered necessary, suitable and proper for the attainment of the aims of the ST-EP Foundation.

The ST-EP Council will meet at least once a year.

ARTICLE IX PROCEDURES

1. BOARD OF GOVERNORS

1) The Board of Governors shall elect one member among the Governors as Chairman. The term of the Chairman shall be three years and the Chairman is eligible for re-election for subsequent terms.

2) The term for elected Governors (i.e. those representing donors and beneficiary countries) is three years. Governors may be reappointed for a second term.

3) In the case of a vacancy of one of the elected Governors by reason of their

retirement, death, incapacity, or any other cause, he/she will be replaced by another person elected by the Council from the corresponding group.

4) The Board of Governors shall hold two regular meetings annually. *(G.L.'s comments)*

5) In addition, the Board of Governors may hold additional meetings at the request of three governors or at the Chairman's initiative.

6) When a regular or additional meeting of the Board of Governors is held, the date, location and agenda of the meeting shall be informed to all Governors and the WTO at least one month in advance.

7) The quorum required for the meetings of the Board of Directors is five members. Members may participate by means of video-conference technology.

8) The decisions of the Board of Governors shall be made by simple majority vote of the Governors present. In case of a ballot, the vote of the Chairman will decide.

2. ST-EP COUNCIL

1) The ST-EP Council shall elect at each session one of its members as Chairperson, and will continue in that position until the following session of the ST-EP Council. The Chairman will inform about the decisions taken by the Council at the following session of the Board of Governors.

2) The ST-EP Council shall hold one regular meeting annually and may hold additional meetings at the request of 1/3 of its members or at the Chairperson's initiative.

3) When a regular or additional meeting of the ST-EP Council is held, the date, location and agenda of the meeting all members and the WTO shall be informed one month in advance.

4) The decisions of the ST-EP Council shall be made by simple majority vote of the members present. In case of a tie, the vote of the Chairman will decide.

ARTICLE X
CHIEF EXECUTIVE OFFICER AND DIRECTOR GENERAL

1. CHIEF EXECUTIVE OFFICER

1) The Chief Executive Officer of the ST-EP Foundation (hereinafter referred to as "CEO") shall be appointed by the Board of Governors. The CEO shall be appointed for a term of three years and is eligible for reappointment for subsequent terms.

2) The CEO shall prepare project plans, budget and annual reports for review and approval by the Board of Governors and the ST-EP Council..

3) The CEO shall maintain close cooperation by regularly holding meetings with the UN-WTO, reporting to the General Assembly every two years, and to the WTO Executive Council if requested.

4) The CEO may sign contracts, agreements and treaties which affect the objectives, location, expansion or dissolution of the ST-EP Foundation and regarding major issues concerning the ST-EP Foundation, with prior approval from the Board of Governors. *(this paragraph needs discussion PS)*

2. DIRECTOR-GENERAL

1) The Director-General of the ST-EP Foundation (hereinafter referred to as "Director-General") shall be appointed by the Board of Governors in consultation with the Host Government. The term of the Director-General is three years. The Director-General is eligible for reappointment to subsequent terms.

2) The Director-General shall see to it that the objectives of the ST-EP Foundation are carried out efficiently and shall be responsible for the daily operation and management of the ST-EP Foundation.

3) The Director-General may sign legal documents that are necessary to ensure the

normal operation of the ST-EP Foundation and as the occasion demands, major issues shall be subject to approval by the CEO.

4) The Director-General shall assist the CEO in the exercise of his/her functions and powers.

ARTICLE XI STAFF

1. The Staff shall be appointed by the CEO upon the recommendation of the Director General.

2. The paramount consideration in the employment of staff and in the determination of the conditions of work shall be the highest standard of quality, integrity, efficiency, and competence.

3. Salary scales, insurance, pension schemes and other terms of employment shall be laid down in staff regulations, and shall in principle be internationally competitive and comparable with those of the United Nations and affiliated institutions and other relevant international organizations.

ARTICLE XII FINANCING

1. The budget of the ST-EP Foundation shall be funded by states, international organizations, corporations, individuals and other public or private institutions that voluntarily contribute with cash contributions, endowments, dues and allotments.

2. The budget of the ST-EP Foundation shall be appropriated with the legal fruit from the assets and the contributions, endowments and income from the fund

appropriation projects and other projects.

3. The financial operations of the ST-EP Foundation shall be governed by financial regulations adopted by the Board of Governors.

4. An annual audit of the operations of the ST-EP Foundation shall be conducted by an independent international accounting firm appointed by the Board of Governors. The audit report reviewed by the Board of Governors shall be reported to the ST-EP Council and the UN-WTO.

5. No part of the funds of ST-EP shall be used to the benefit of, or be distributable to, members of the ST-EP Council, Governors of the Board of Governors, CEO and ST-EP's staff and other private persons, except that ST-EP shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions (PS) in furtherance of its aims. The travel and associated expenses of the Governors to attend Board meetings may also be covered by the Foundation.

ARTICLE XIII ACCOUNTING

PENDING REVIEW/REVISION BY:

- 1) WTO DIRECTOR OF ADMINISTRATION AND FINANCE, and**
- 2) LEGAL ADVISOR MINISTRY OF CULTURE AND TOURISM,
RepKOREA**

1. Asset Categorization

- 1) The assets of the ST-EP Foundation shall be divided into permanent assets and operating assets.
- 2) The following will be considered as permanent assets and the rest will be operating assets:
 - i) Asset contributed as permanent assets when the Foundation was established
 - ii) Assets acquired through contribution or without compensation

iii) Assets declared by the Board of Governors as permanent assets

2. Asset Management

The maintenance, preservation and management of permanent property is subject to the decision of the Board of Governors.

3. Asset Evaluation

Evaluation of the all the assets of the ST-EP Foundation shall be effected at the market price of the asset when it was acquired, provided that if the asset was re-valuated, than it shall be done as the re-valuated value.

4. Operating Financial Resource

Operating assets, legal fruits of permanent assets, business income and other income shall appropriate the expenses required to maintain and run the ST-EP Foundation.

5. Categorization of Accounting

The Accounting of the ST-EP Foundation shall be divided into General Project Accounting and Goal Project Accounting(? PS).

6. Accounting Principle

The Accounting of the ST-EP Foundation shall be in accordance with the International Accounting Standard.

7. Fiscal Year

The Fiscal Year of the ST-EP Foundation shall be the same as that of the Host Government.(what date is it? PS)

ARTICLE XIV
ST-EP ADVISORY COMMITTEE

1. The WTO Committee on Sustainable Development of Tourism will act as ST-EP Advisory Committee.2.. The ST-EP Advisory Committee will advise on

technical issues and report on their deliberations to the ST-EP CEO and ST-EP Council.

ARTICLE XV PRIVILEGES AND IMMUNITIES

1. The ST-EP Foundation may conclude with the Host Government and other states that suit its goals agreements relating to the facilities, privileges and immunities that are granted to individual members of the Foundation i.e., Governors, the CEO , the Director- General, staff of ST-EP and the experts performing missions on behalf of the ST-EP Foundation for the purpose of exercising official duties.
2. The privileges and immunities are granted in the interest of the ST-EP Foundation and not for personal benefit.

ARTICLE XVI RELATIONSHIPS WITH OTHER ORGANIZATIONS

In order to achieve its objectives in the most efficient way, the ST-EP Foundation may enter into agreements for cooperation with relevant countries, regions, international organizations, both public and private foundations and associations.

ARTICLE XVII AMENDMENTS

The Constitution may be amended by the Board of Governors by a 2/3 majority of the members present and voting. The proposed amendments of the Constitution together with its full text shall be notified to all the Governors at least two weeks in advance of the Board of Governors meeting.

The amended Constitution with the approval of the Board of Governors shall be submitted to the ST-EP Council for approval by a 2/3 majority of the members present and voting.

ARTICLE XVIII DISSOLUTION

The ST-EP Foundation may be dissolved by a $\frac{3}{4}$ majority of all voting members of the ST-EP Council, if it is determined that the purposes of the ST-EP Foundation have been achieved to a satisfactory degree or if it is determined that the ST-EP Foundation will no longer be able to function effectively.

In the case of dissolution, any land, buildings and movable assets situated on the territory of the host government, shall revert to the host government. Other assets of the Foundation shall be used for similar purposes or distributed to institutions having purposes similar to those of the ST-EP Foundation to institutions having purposes similar to those of the ST-EP Foundation to institutions having purposes similar to those of the ST-EP Foundation.

ANNEXE 2

SDT/2004

Madrid, 25 November 2004

Mr. Johan van de Gronden
Member, Board of Directors
The Netherlands Development Organization, SNV
Bezuidenhoutseweg, 161
2594 AG The Hague – The Netherlands

**Letter of Agreement between the Netherlands Development Organization and the
World Tourism Organization concerning Funding for
Technical Assistance and Advisory Services on
Sustainable Tourism for Poverty Reduction**

Dear Mr. van de Gronden,

Further to discussions between the World Tourism Organization (“WTO”) and representatives of the Netherlands Development Organization (“SNV”), we are pleased to acknowledge, on behalf of WTO, the intention of SNV to make available to WTO a Grant for the sum of Euro 2 million establishing a Fund in Trust (Regulation 10(3) of WTO’s Financial Regulations) for the financing of advisory services and technical assistance in the field of sustainable tourism development carried out by WTO. The Fund in Trust (“the Fund”) will be named *“Technical Assistance Fund for Sustainable Tourism – Eliminating Poverty”*.

The Fund shall be utilized by WTO to finance activities or projects in favour of the 49 Least Developed Countries and in favour of poor regions of non LDC countries. Priority for SNV Grant shall however be attributed to SNV priority countries, in accordance with SNV regulations (Annex 1. Priority countries), situated in the following regions where SNV carries out operational activities: East Africa, Southern Africa, West Africa, Latin America, Asia and the Balkans. This may also include neighbouring developing countries or regions where SNV operates. SNV Grant shall not be used to cover fixed costs such as facility or staff costs.

The Fund may be used by WTO to co-finance and finance the cost of technical assistance, capacity building and advisory services and to meet the costs of consultants’ travel, fees and subsistence. When possible, WTO will encourage cost-sharing schemes in using the Fund.

CE/74/12
Annexe 2

The parties (WTO and SNV) agree that the Fund shall have the character of an "Open Trust Fund" by means of which donors others than SNV may make contributions for the purpose of financing technical assistance for sustainable tourism development with the overall objective of reducing poverty.

In addition to making general contributions to the Fund, defined only within its general terms of reference, donors may also earmark contributions for more specific use within the Fund.

The projects to be funded under the Fund shall aim to advance sustainable development of tourism with a particular focus on reducing poverty levels. In this respect, the projects concerned will complement activities to be undertaken under the ST-EP Programme (Sustainable Tourism – Eliminating Poverty) being developed by the World Tourism Organization.

WTO and SNV will jointly agree an annual action plan for activities to be carried through the SNV contribution to the Fund. The agreed annual action plan, which may be adjusted during the mid-year review, will be approved by WTO's and SNV's management. WTO will inform SNV, via facsimile, prior to allocating money from the SNV contribution to the Fund, about the projects or activities that it intends to perform, giving a brief description of the project or activity, its cost estimates and its financial implications for the Fund. Whenever possible, the proposed activities shall be linked to ongoing SNV-WTO activities in the corresponding regions. In case SNV does not inform WTO within 10 working days, via facsimile, of any objection to the proposed projects or activities, WTO will proceed to implement them.

Promptly following confirmation of this letter by you, SNV will deposit the Grant funds into WTO's Bank account number 2131 0004 6353 (IBAN: ES35 0008 0113 213100046353 BIC: ATLAESMM Bank: Banco Sabadell Atlantico Address: Paseo de la Castellana, 135 – 28046 Madrid). When making such a deposit, the SNV will notify WTO's Administration Division of the amount concerned and the form of the transfer (TF no. VC/SNV-NDO/NLD/STEP/04). In addition, SNV will fax to WTO's Administration Division (Fax no.+34 91 567 8223) a copy of its instruction.

The WTO will provide the SNV, within six months after the end of each Financial Year (Regulation 3 of WTO's Financial Regulations), an attestation from WTO's external auditors (Regulation 15 of WTO's Financial Regulations) concerning the efficiency of the financial procedures and administration and the controls used by the WTO in administering the Grant Funds. The cost of such attestation shall be met by WTO.

The SNV contribution to the Fund will be administered by WTO in accordance with the terms of this Letter of Agreement. The Fund will be kept separate and apart from other funds of WTO and ST-EP.

The recruitment of consultants paid from the Fund and the related enforcement of any provisions of any agreement entered into between the WTO and the consultants/third parties will be the responsibility solely of WTO and will be carried out in accordance with its normal procurement procedures.

WTO will be responsible for the supervision of activities financed from the Fund and will provide SNV with semi-annual progress reports on activities under SNV contribution. WTO will make available to SNV copies of the studies and reports carried out within the framework of projects or activities financed by the Fund.

WTO will exercise the same care and diligence in discharge of the functions described in this letter as it exercises with respect to the administration and management of its own affairs and shall have no further liability to the SNV in respect thereof.

The arrangement covered by this Letter of Agreement shall terminate on December 31st, 2006, or on such date as the SNV contribution to the Fund shall have been fully utilized, whichever comes earlier, unless the SNV and the WTO otherwise agree. Upon termination of this Letter of Agreement, any moneys of SNV held hereunder by WTO and not assigned to projects or activities shall be returned to SNV and WTO's functions shall be considered as terminated unless both parties agree to extend the period of execution of this Fund beyond the termination date.

The overall activities of the Fund under other donor contributions will cease only when all funds received from all the donors have been disbursed.

This Letter of Agreement shall enter into force on the date of the signed confirmation by WTO and SNV below.

The arrangements set forth in this Letter of Agreement may be modified through an exchange of letters between the WTO and the SNV.

The office of the WTO responsible for coordination of all matters related to the implementation of this arrangement is:

Mr. Eugenio Yunis
Chief, Sustainable Development of Tourism Department
World Tourism Organization
Capitan Haya, 42
28020 Madrid – Spain

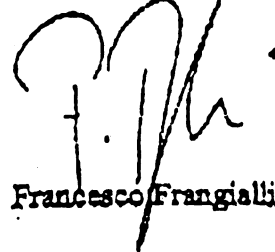
The officer of the Netherlands Development Organization responsible for coordination of all matters related to the implementation of this arrangement is:

Mr. Marcel Leijzer
Senior Tourism Officer,
The Netherlands Development Organization, SNV
Bezuidenhoutseweg, 161
2594 AG The Hague – The Netherlands

CE/74/12
Annexe 2

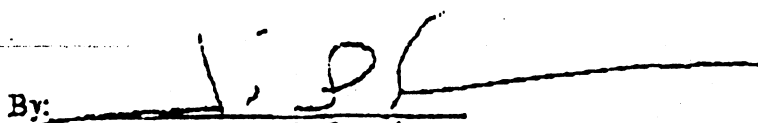
We propose that his letter shall, upon confirmation in the manner indicated above, constitute an agreement between the SNV and the WTO.

Sincerely yours,



Francesco Frangiali

Confirmed and Agreed

By: 

Name: Mr. Johan van de Gronden

Title: Member, Board of Directors, SNV

Date: 30 November, 2004

Annex

Asia:

Bhutan, Nepal, Lao-PDR and Vietnam

East and Southern Africa:

Ethiopia, Kenya, Tanzania, Uganda, Rwanda, Mozambique, Zambia and Zimbabwe

West Africa:

Angola, Cameroon, Benin, Ghana, Guinea Bissau, Burkina Faso, Mali and Niger

Latin America:

Honduras, Nicaragua, Ecuador, Peru and Bolivia

Balkan Region:

Albania

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE WORLD TOURISM ORGANIZATION
AND THE GOVERNMENT OF THE REPUBLIC OF KOREA
CONCERNING THE ESTABLISHMENT OF THE ST-EP FOUNDATION
AND ITS HEADQUARTERS**

The Government of the Republic of Korea (hereafter "Korea") and the World Tourism Organization (hereafter "WTO"),

Desiring to encourage international cooperation in developing sustainable tourism to help eliminate poverty

Recalling the launch of the ST-EP project at the WSSD in Johannesburg in 2002 and the declaration by the Secretary General of the United Nations that ST-EP will promote economically and ecologically sustainable tourism, aimed at alleviating poverty and bringing jobs to people in developing countries, which objectives are consistent with the goals set out in the Millennium Declaration,

Taking into consideration Resolution A/RES/471(XV) adopted by the General Assembly of WTO in Beijing in October 2003, which

"Considered the report on the ST-EP initiative (Sustainable Tourism – Eliminating Poverty) submitted by the Secretary-General under the proposal formulated by his Special Advisor, and the plan proposed for the implementation of the initiative.

Notes with appreciation the efforts devoted and the actions taken to ensure completion of the ST-EP framework in time for its fifteenth session;

Welcomes the partnership established with UNCTAD;

Approves the plan submitted to it for the completion of the initiative and its subsequent implementation from 2004 onwards;

Concurs with the proposal for a ST-EP Forum to exchange views and coordinate activities between participants in the initiative;

Agrees to the continuation of actions aimed at establishing a ST-EP Foundation whose board of directors should be composed of eminent persons who are qualified with regard to its purpose;

Entrusts the Secretary-General with taking the necessary measures to secure the necessary funding and to implement the initiative, and

Requests the Secretary-General to report on the progress of the ST-EP initiative at its sixteenth session "

Taking note of the support expressed for the ST-EP project by the Secretary-General of the United Nations Mr. Kofi A. Annan in the letter addressed to the Secretary-General of WTO in 2004.

Have agreed as follows:

Article 1. The Foundation

WTO will establish the ST-EP Foundation with its Headquarters in the Republic of Korea.

It will be a non-profit charitable Foundation under Korean laws, fully compatible with relevant international laws, and established with the capacity to stand alone, while retaining links with the WTO, its founder.

The Organs of the Foundation shall be the **President** of the ST-EP Foundation, representing the Government of the Republic of Korea, the **Council of Leaders**, consisting of representatives of founding contributing member countries and international personalities, and the **Chief Executive Officer (CEO)** of the ST-EP Foundation.

WTO shall be represented in the ST-EP Foundation by its Secretary-General in the capacity of **Commissioner**.

WTO and Korea will give the Foundation all possible and appropriate support and will promote its activities and programs in a feasible and appropriate manner.

The **President** will lead the Foundation in its quest for Patrimony.

The **Chairperson** of the Council will preside over the Council of Leaders, which will normally be held once a year.

The **CEO** will direct the activities of the Foundation, with a view to securing the highest standards of efficiency, competence and integrity. The CEO will report regularly to the **Secretary-General** about the activities of the Foundation so that he may inform the Executive Council & the General Assembly about the progress of the ST-EP Program.

The terms of the officers (namely the President, the Chairperson and the CEO) will run from WTO Assembly to Assembly and will be renewable for a maximum of three consecutive terms.

The CEO will submit projects to the Council of Leaders for consideration following approval by the President and the Commissioner.

Article 2. Korean Support

Korea will facilitate the establishment of the ST-EP Foundation and the location of its Headquarters in Seoul.

Korea will provide seed funding of \$US 5 million to the Foundation - \$2 million following signature of this agreement and \$1 million a year annually thereafter for 3 years. It will support the drive for new funding to establish a Patrimony of \$20 million by 2010. It will use its good offices to support the link with sports and cultural tourism initiatives.

Korea shall provide to the Foundation full support for establishment and operations in Seoul, according to international conditions applicable to WTO as a UN Agency.

Article 3. WTO Support

WTO will provide technical and expert assistance in support of the Foundation activities - particularly in relation to its Research and Operations Award projects.

WTO, with the approval of its Executive Council, will provide in 2004 \$500,000 for ST-EP projects without prejudice to other contributions which may be made in subsequent years.

The Officers of the Foundation will be invited to attend the meetings of the General Assembly, of the Executive Council and of the relevant Regional Commissions meetings as Observers when issues related to the Foundation are on the agenda.

Article 4. Foundation Actions

The Foundation will, as rapidly as possible:

- Establish the Council of Leaders,

- Secure and maintain funds for the ST-EP Program,

- Disburse such Funds Annually for ST-EP Research and Operations,

- Advance ST-EP Brand, Research, Principles & Model Programs through an annual high profile media event, with a lecture by a top-level global leader and awards presentation

- Produce an Annual ST-EP Report to be delivered at the ST-EP Forum and submitted to the WTO Executive Council.

Article 5. WTO Coordination

The Foundation will perform its functions in close coordination with the WTO so as to:

- Support research & tourism projects that meet ethical standards, in line with the UN Millennium Development Goals and the WTO Global Code of Ethics and which link sustainable tourism with poverty elimination.

- Help inform public opinion on the importance of sustainable tourism projects in developing countries generally and the world's poorest countries specifically. And promote ST-EP as a Global Brand of ethical & effective projects which sustainably reduce poverty.

Acquire & administer such assets needed to accomplish its mission, while limiting its annual administration expenses to less than 5% of its patrimony goal. In this context, to particularly focus on the links with other sectors such as culture and sports.

Co-operate with other International bodies in the public, private, NGO and Voluntary sectors, working towards similar goals;

Article 6. Transition

The Secretary General of WTO, in full consultation with the Korean Ministry of Culture and Tourism will appoint the officers of the Foundation namely, the Founding President, the Chairperson of the Council and the CEO until the WTO 2005 General Assembly. They, together with the Secretary-General, will form the preparatory committee to prepare Council nominations, source further funding, fulfill Foundation legal requirements & administrative arrangements for the Headquarters.

Simultaneously, the 2004 Initial seed funding of \$2 million will be made available by Korea to WTO. These funds will be disbursed under standard WTO administrative procedures for voluntary contributions based on a 12 month budget agreed with the Secretary-General and reported to the Executive Council.

The Preparatory Committee Office will open in May 2004. The detailed standards of Foundation development, sponsorship approaches, project implementation and research criteria will be developed; and the ST-EP program will go into full operation as envisioned during 2005. Events for fundraising will commence as soon as possible. Beginning in 2006, WTO will facilitate the integration of ST-EP Research and Operations with Seoul, including International & qualified Koreans as officers and staff.

Article 7. Effectiveness

The present Agreement shall become effective provisionally upon signature by both sides

It shall enter into force permanently on the date when both sides shall have officially confirmed they have completed the formalities required by their respective laws and statutory provisions and when formally ratified by the WTO General Assembly.

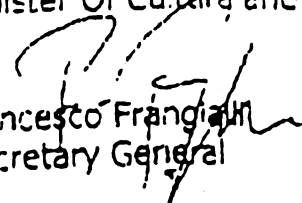
Either side may terminate this Agreement with a one-year notice, following the initial 4 year funding period. In the event of termination both parties shall continue to use their good offices to support the goals, principles and activities of the ST-EP Foundation.

Done at Seoul on 25th March 2004.

For the Government of the Republic of Korea

For the World Tourism Organization


Minister Of Culture and Tourism


Francesco Frangiamore
Secretary General