Seventy-fifth session
Nessebar, Bulgaria, 13-14 June 2005
Item 11 of the provisional agenda

ST-EP INITIATIVE
Addendum 2

Note by the Secretary-General

The purpose of this document is to inform the Executive Council about the meetings of the Working Group on UNWTO ST-EP Foundation.
ST-EP INITIATIVE

Addendum 2

REPORT OF THE WORKING GROUP ON UNWTO ST-EP FOUNDATION

The Executive Council will recall that, at its 74th session, held in Bahia de Salvador, Brazil, six countries were nominated to form a Working Group for the purposes of studying and amending the draft constitution of the ST-EP Foundation. The countries are: Brazil, Indonesia, Italy, Jordan, Nigeria and the Republic of Korea. They represent their regions.

1st meeting of the UNWTO ST-EP Foundation Working Group

In March 2005, during ITB Berlin, the representatives of the countries mentioned above held their first meeting, where Nigeria was elected Chairman of the Group.

The inaugural meeting was chaired by Ambassador Frank Nchita Ogbuewu, Minister of Culture and Tourism of Nigeria.

Representatives of each region were mandated to take the constitution to their regions for analysis and inputs. Such inputs were to reach the Working Group on or before 30 April 2005. It was also agreed in the said meeting that the next Working Group would be held in Seoul, Republic of Korea on 25-26 May 2005. The meeting was fixed to coincide with Asia+3 Group meetings.

The objective was to market the ST-EP Foundation ideas to Asia+3 Group.

2nd and 3rd meeting of the UNWTO ST-EP Foundation Working Group

The draft constitution was considered by the Group and a few amendments were made in line with the working documents made available to the Group. The outcome of the meeting was given final discussion by the Group on 12 June 2005 in Sofia, Bulgaria and the following recommendations were made.

It was agreed to change all references to "WTO" in the Constitution to "UNWTO", and to regard the term "ST-EP Initiative" as obsolete, as we now have the Foundation and that name should take precedence.

The relationship of international and Korean domestic laws as they will apply to the operation of the Foundation was discussed. It was clarified that the Geneva Conventions establish the rules by which other United Nations organizations operate by, there are many precedents, and that in every case there is some adaptation to conformity with the local laws of the hosting nation. It was pointed out that this Foundation is more like an NGO, rather than a political organization. It was agreed that the Foundation will hire a competent lawyer to review and compare Korean and international laws as they would apply to this Foundation, on every aspect of its operations, and prepare a report for the UNWTO.
The two alternate versions of Article V section 3, a) and b) were discussed, and it was decided that both would be retained, i.e. that the Foundation will implement projects, and that it will also "closely cooperate" with other organizations who implement ST-EP projects.

For Article VI, the Chairman made 5 suggestions that were agreed to:
- that its title be changed from "Organization" to "Structure";
- that the former title of "CEO" be changed to "President";
- that the Director-General and Staff should be listed separately from the President;
- that the structure be represented in a small chart;
- and that a dotted line of communication should be drawn on it between the Director-General and the Board of Governors.

For Article VII, it was agreed that the ST-EP Foundation President shall serve as a member of the Council, as well as on the Board of Governors.

It was discussed and agreed that, according to the common procedures of United Nations organizations, since both the President and Director-General are employees of the Foundation, that when they serve on the ST-EP Council (President only) and the Board of Governors (both), they shall not have a vote, and they shall be called "non-voting members".

It was agreed that the Council shall include Representatives of donors to ST-EP who have donated the equivalent of US$500,000 or more within one year, replacing the previous requirement of $1,000,000 in two years.

It was agreed that where the Constitution says that the Secretary-General of the United Nations or the UNWTO shall serve on the ST-EP Council or Board of Governors, the language should say "Secretary-General or his/her Representative". In the case where either Secretary-General wishes to designate a Representative to attend in his or her stead, he or she should notify the Chairman of the Council or Board in advance.

It was also agreed, following the proposal of the Secretary-General, that "The Council is free to invite well-known personalities to its meetings whenever necessary for the purpose of giving their professional advice".

In the case of the seven Representatives of the UNWTO Member States on the Council and the Board, two from Africa and one from each of the other Regional Commissions, it was agreed that:

- for the Council, the Regional Commissions shall select Member States to fill these positions in any manner that they choose, for whatever terms they wish (but 4 years is the suggested term), and that selected nation shall be recommended to the UNWTO General Assembly, which will then vote to confirm the designation.
• the Tourism Minister or equivalent of that Member State shall then become the Council member; when he no longer holds that position, his membership will be automatically terminated, and his successor will serve out the remainder of the term.

• for the Board of Governors, the Regional Commissions shall select any respected person from their region, in any manner that they choose, for whatever terms they wish (but 4 years is the suggested term), and that selected person shall be recommended to the UNWTO General Assembly, which will then vote to confirm the designation. If that person resigns from the Board, the Regional Commission that selected him shall select another such person to serve out the remainder of the term.

It was agreed that "A representative of the World Committee on Tourism Ethics" should be a member of the Board of Governors.

For Article VIII, it was agreed that the Board of Governors shall appoint the ST-EP Foundation President as it wishes, but shall "ratify" the choice of a Director-General designated by the Host Government (Korea).

It was also agreed that:
• the word "monitoring" should be added to the functions of the Council in Part 1 Section 3, and that
• Part 2 Section 9 should be changed to state that the Board of Governors shall seek and receive the approval of the Council for capital investments.
• the quorum for the Board of Governors shall be set at seven members present, and the quorum for the Council shall be set at "half plus one".
• the possibility of combining the offices of President and Director-General in the future shall be deleted.

It was confirmed that the term of the President shall be set at three years, and shall be renewable.

For Article IX, it was decided that the Board of Governors should, whenever possible and convenient, hold its meetings so as to coincide with the regular sessions of the Executive Council.

For Article XII, it was decided to delete from subheadings the words "The travel and associated expenses of the Governors to attend Board meetings may also be covered by the Foundation".

In Conclusion, the Working Group took the view that it should continue its activities until the approval of the UNWTO ST-EP Foundation constitution by WTO's General Assembly and the appointment of the Board of Governors.