

2011 Activity Report

This reports highlights on one hand the donations made to various projects and, on the other, the financial impacts of purchasing goods & services from responsible suppliers and operators by tourists who are clients of worldwide travel agents and tour operators working with Exotissimo Destination Management Company.

The next report will be issued in the course of 2013 as 2012 was a year of transition when it was decided to transfer the Foundation from Thailand to Cambodia and a part time regional coordinator was hired to handle it separately from Exotissimo Travel.

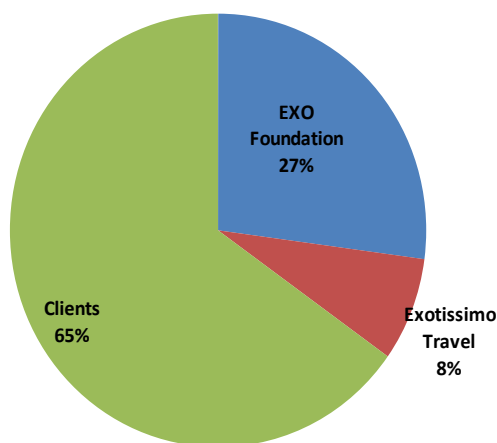
1. Direct donations

Direct donations to charities, NGOs and local communities are coming from different sources;

- Donations made from EXO Foundation fund (1\$ per traveler)
- Donations from Exotissimo staff or various offices in each country.
- Donations from individual clients or MICE groups

A total of US\$ 76,007 was donated to charities; the table below shows the source of each contribution and how much was spent in each beneficiary country.

2 011	Vietnam	Thailand	Cambodia	Laos	Myanmar	Total
EXO Foundation			14 040	350	4 700	20 621
Exotissimo Travel	1 172	359		5 876		5 876
Travelers	11 300		6 268	11 925	20 017	49 510
Total	12 472	359	20 308	18 151	24 717	76 007



Share from each funding source

The travelers' generosity is well illustrated here with over \$49 000 given primarily in cash as well as in kind (books, equipment, etc. which were translated into monetary terms).

Although significant data was provided, this report doesn't reflect the total contribution. Data collection on direct contributions from each country's offices and from travelers is more difficult to gather. A reporting system has been suggested by the EXO Foundation to the countries offices and in the future donations from MICE groups should be directly managed by

the EXO Foundation, whereas until now they have been disbursed directly to Exotissimo offices by the client's travel agents handling MICE groups.

The total budget of the EXO Foundation coming from Exotissimo Travel pledge of \$1 per traveler amounted to \$65 326 in 2011, and is credited on a quarterly basis. As EXO Foundation started its activities in the course of 2011, only \$20 621 were spent in 2011 directly by Exotissimo Travel whereas the remaining contributions from Exotissimo Travel have been credited in August 2012 when EXO Foundation opened its own bank account.

Description of donations in each country

Cambodia

2011 Donations in Cambodia

Beneficiaries	Description	Source	Location	Amounts
Local People	House building	Client M. De Boer	Siem Reap	3 000
Aranth	School kit stationary	Expedition-Formation CBA	Siem Reap	1 100
Wat Atheavea	School kit stationary	HOYA tour	Siem Reap	64
Wat Atheavea	School kit stationary	Client M. Viessman	Siem Reap	130
Sala Bai	Donation to the school	Silverchef group	Siem Reap	390
Green Gecko	Rice donation to flood victims	EXO Foundation	Kampong Thom	5 000
Ministry of Interior	Rice donation to flood victims	EXO Foundation	Phnom Penh	2 000
Wat Atheavea	School kit stationary	The Phone House Group	Siem Reap	87
Provincial Hospital	Medicines, consulting, equipment	Bioderma Group	Siem Reap	1 107
Sala Bai	Donation to purchase medicines	Bioderma Group	Siem Reap	390
Future Light Orphanage	Rice donation	EXO Foundation	Phnom Penh	2 040
Ministry of Tourism	Rice seeds donation to flood victims	EXO Foundation	Kampong Thom	5 000
Total				20 308

Laos

2011 Donations in Laos

Beneficiaries	Description	Source	Location	Amount
Big Brother Mouse	Donations by 4 different groups	Clients	Vientiane	1 700
Elephant Asia	Equipment for elephant care	No record	Sayabouly	150
Luang Prabang film festival	Transport + donation	EXO Foundation	LP	425
Kamu Lodge	School building	Client (10000) + Apple Tree (2000)	Oudomxay	12 000
Kamu Lodge	Village fund and medical care	Exotissimo Travel	Oudomxay	3 876
Total				18 151

Myanmar (Burma)

2011 Donations to Myanmar

Beneficiary	Description	Source	Location	Amount
Maung Shwe Lay village Library for all	Training of 2 librarians, running costs, book purchase	EXO Foundation, training sponsored by the British Council	Ngapali	2 513
Ah Lett Chaung Village clinic	Salaries, medicines, etc.	Geoplan travelers (20 017) + EXO Foundation (2 187)	Near Yangon	22 204
Total				24 717

Vietnam

2011 Donations in Vietnam

Beneficiaries	Description	Source	Location	Amount
Unrecorded	Unrecorded	Bioderma Group	Various	10 500
Farmers	Buy a buffalo	Heiffer Group	Phu Phong village	800
KOTO	Sponsor staff field trip	Exotissimo	Saigon	475
Various	Various	Exotissimo	?	119
Unrecorded	Milk for charity	Exotissimo	Sgn	31
Unrecorded	Rice for charity	Exotissimo		61
Kontum Homestay	Transportation fee of bicycles	Exotissimo		486
Kontum Homestay	10 second hand bikes	Exotissimo		1 000
Total				13 472

The total for Vietnam differs from above table as bikes given were second hand bikes used by Exotissimo for their tours and were not purchased for this donation but kindly given.

Thailand

2011 Donations in Thailand

Beneficiaries	Description	Location	Source	Amount
A temple	Donation + equipment & supply for cleaning after floods	Unrecorded	Exotissimo	359
Total				359

2. Purchase of goods and services from responsible operators & suppliers, local communities;

The evaluation of financial impacts of travels on local communities has to be given as an estimate only. The amounts were calculated based on bills paid to suppliers considered as responsible, meaning that they are directly contributing to local economic development, cultural revival or environmental conservation. They were divided into main categories;

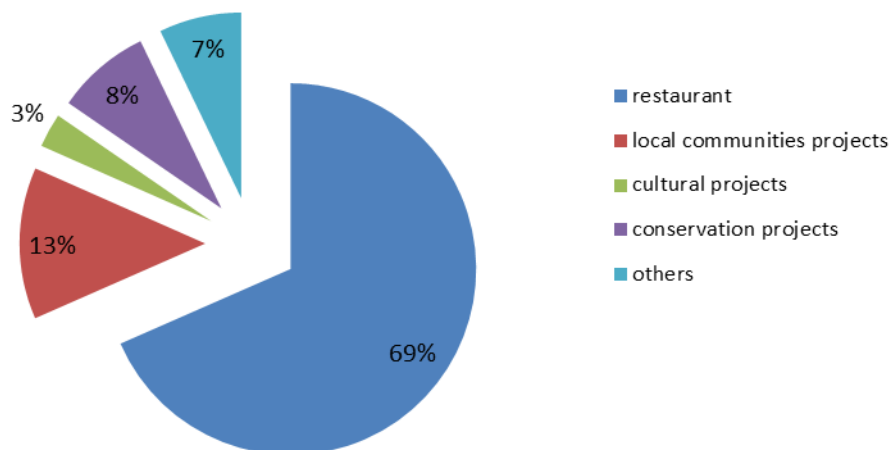
- Vocational training programmes like Sala Bai or Paul Dubrule, Lotus Blanc restaurants in Cambodia.
- Local community projects such as community based tourism activities purchased directly from the community include Chambok homestays, boat rides to view the dolphins, Mekong Discovery trail.
- Cultural preservation or reviving local arts like Phare Ponleu Selpak, Apsara art association.
- Environmental conservation programmes such as Prek Toal, Osmose, Phnom Tamao Sanctuary.
- Accommodation in Laos considered as responsible ventures and significantly benefits local communities and local environment. In Laos this includes the Boat landing, Kamu lodge and Kingfisher.
- Others categories created to contribute to community development and good causes, for example, here in Cambodia it covers entrance to the Landmine museum.

We added to these amounts an estimated 1\$ per tourist, which was added an estimation of the extra purchases tourists make themselves (drinks during meals, and purchase of souvenirs in sites, museums, etc. visited).

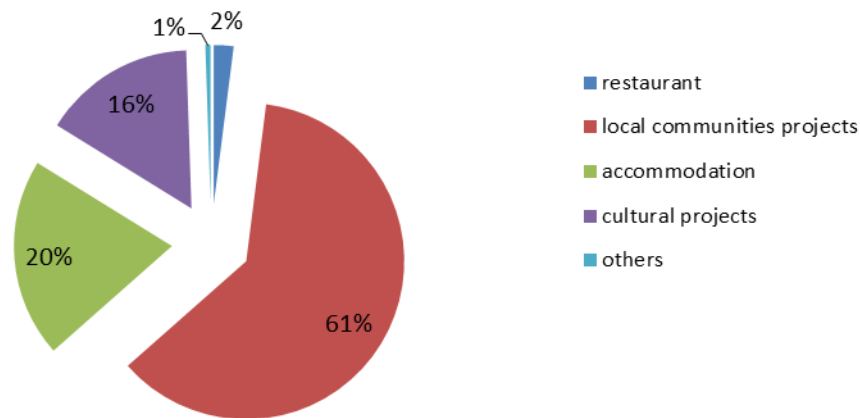
This is not a scientific calculation but provides a benchmark to analyze the progress over the years of such activities.

This impact evaluation was made possible only for Cambodia and Laos as we could not attain all the data from every country or it was not significant enough.

**Direct Financial impacts of RT activities in Cambodia
in 2011 = 32 320\$**



**Direct Financial impacts of RT activities in Laos
in 2011 = \$111 788**



It is clear from the charts that developing responsible travel has a greater, positive effect than giving direct donations in cash. It is more efficient than giving charity in an attempt to improve poorer communities as it is based on economic activities while giving them the pride of achievement and perspective of sustainability. It is more efficient as it supports sustainability all along the tourism value chain and rewards those with positive initiatives who are concerned by cultural and environmental protection, helping them to create value. This is by far the best way to support human, social, cultural and economic development of the destinations and breaks the poverty cycle by creating richness rather than by giving charity.

In 2013 the EXO Foundation hopes to present such evaluation from other destinations.

3. Development of projects within the communities or those primarily benefiting them.

Exotissimo has developed two major projects in Lao PDR; the Kamu Lodge and the Akha Experience trek. These two projects shall be the flagship of the company as they benefit local communities in a number of ways:

- Human development; through training they acquire new skills that will be useful to them all their lives,
- Economic development; it creates jobs in remote areas where otherwise people would have very little ways to make a living,
- Social development; it encourages community projects and allows locals to remain in their village, especially the youth, thus limiting rural exodus and potential social negative impacts such as exploitation.
- Cultural and environmental conservation; these products enhance the natural and cultural heritage, keeping some traditions that may otherwise disappear, it brings pride of the people into their heritage and encourages them to value it, thus preserving it.

If we take the case of the Kamu Lodge the table below shows us that over US\$52,000 accrue to the villagers, possibly changing their life expectations considerably and also for the best in terms of client satisfaction. **A WIN WIN WIN situation per se. Though it seems much more action is required to improve the socio-cultural aspects.**

Kamu Lodge	Revenue to villagers	Donations	Total
2420 pax in 2011			
Meals	4 110		
Salaries	30 000		
Medical fees		1 190	
Village fees		2 686	
Estimation purchase from village shop	2 420		
Donation by Exotissimo for school building		2 000	
Donation by client for school building		10 000	
Total	36 530	15 876	52 406

4. Purchase of amenities; communication collaterals, etc. from fair trade businesses or vocational training schools

This is also a very good way to be responsible, but so far there is no such activity being recorded from any office. These could be tee shirts made for incentive groups, hats, gifts given to tourists. This is an avenue worth exploring.

Recommendations for the future

The 2 main strategic priorities for EXO Foundation are:

- To identify and support responsible tourism projects in partnerships with development partners, private initiatives, or CBT initiatives.
- Internal Training targeted at production managers and travel consultants for better inclusion of responsible options within package tours.