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### Proposed agreement for the establishment of the International ST-EP Organization

NOTE: following is the text of the proposed agreement for establishing the International ST-EP Organization and its Constitution, as discussed with the Board of Directors of the UNWTO ST-EP Foundation and the Government of the Republic of Korea.

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#### TEXT OF AGREEMENT

WHEREAS, the World Tourism Organization (hereinafter referred to as "UNWTO") launched the Sustainable Tourism–Eliminating Poverty Initiative (hereinafter referred to as "the ST-EP Initiative") at the World Summit on Sustainable Development in Johannesburg in 2002, inviting UN agencies, governments, donor agencies, NGOs, the private sector and other stakeholders to unite in a concerted effort to use the socio-economic benefits which derive from tourism in actively combating poverty throughout the world.

WHEREAS, in September 2004, the Republic of Korea and the World Tourism Organization signed an agreement to establish the UNWTO ST-EP Foundation, located in Seoul, with the aim to promote poverty elimination through sustainable tourism development programmes and projects, to which the Republic of Korea provided an initial contribution of US\$ 5 million for the foundation, as well as office and administrative facilities.

WHEREAS, at the initiative of the UNWTO, the Republic of Korea has agreed to be the host country of a newly created International ST-EP Organization (hereinafter referred to as "the Organization"), which succeeds to the UNWTO ST-EP Foundation, builds on its activities and achievements, and is dedicated to promote poverty elimination in emerging and developing countries through sustainable tourism development programmes and projects contributing to the achievement of the United Nations (UN) Millennium Development Goals (UN MDGs) by 2015 and then the Sustainable Development Goals (UN SDGs) by 2030, while covering the four dimensions of sustainable development: economic growth and the end of poverty, social inclusion, environmental sustainability, and good governance;

WHEREAS, the parties to this Agreement consider the Organization as an instrument to contribute to achieving the goals of the ST-EP Initiative, within its framework, strategy and activities;



WHEREAS, the parties to this Agreement wish to create the Organization as an international Intergovernmental organization with suitable governance, juridical personality, and appropriate international status, privileges and immunities and other conditions necessary to enable it to operate effectively towards the attainment of its objectives;

NOW, THEREFORE, the Parties signatories hereto agree as follows:

### **Article I ESTABLISHMENT**

There shall be established an independent intergovernmental organization entitled the "International ST-EP Organization" which will operate in accordance with the Constitution appended hereto as an integral part.

### **Article II RIGHTS, PRIVILEGES, and IMMUNITIES**

1. The Government of the Republic of Korea grants the Organization the same rights, privileges and immunities as are customarily accorded to a similar type of international organization.
2. Privileges and immunities are granted to the Members of the Board of Directors, the Secretary-General and staff of the Organization as is stipulated in Article XVIII of the Constitution of the Organization hereto appended and to experts performing missions for the Organization.

### **Article III DEPOSITARY**

The Government of the Republic of Korea shall be the Depositary of this Agreement.

### **Article IV SIGNATURE**

This Agreement shall be open for signature by States. It shall remain open for signature for a period of two years from the date of signature of this Agreement by the Republic of Korea unless such period is extended prior to its expiry by the Depositary at the request of the Board of Directors of the Organization.

Upon signature of the Agreement and ratification in accordance with Article V or VI below, States will become Members of the Organization. Through the signature of the agreement, UNWTO will commit to the coordination and cooperation framework specified in the Constitution of the Organization appended thereto.

### **Article V CONSENT TO BE BOUND**

This Agreement shall be subject to ratification, acceptance, or approval by the signatory States referred to in Article IV.

### **Article VI ACCESSION**

After the expiration of the period specified in Article IV, the present Agreement shall remain open for accession by any State, contingent upon approval by the Board of Directors of the Organization by simple majority.

## Article VII SETTLEMENT OF DISPUTES

1. The Parties shall attempt to settle any dispute as to the interpretation or application of this Agreement by negotiations or by any other mutually agreed method.
2. If the dispute is not settled in accordance with Paragraph 1, within a period of ninety (90) days from the request by either party to settle it, it shall, at the request of either Party, be referred to arbitration.
3. The arbitral tribunal shall be composed of three arbitrators. Each Party shall choose one arbitrator and the third, who shall be the chairperson of the tribunal, shall be chosen jointly by the Parties. If the tribunal is not constituted within three (3) months of the request for arbitration, the appointment of the arbitrators not yet designated shall be made by the President of the International Court of Justice at the request of either Party.
4. Unless the Parties decide otherwise, the tribunal shall determine its own procedure.
5. The tribunal shall apply the principles and rules of international law and its award shall be final and binding on both Parties.

## Article VIII ENTRY INTO FORCE

1. This Agreement and the Constitution appended thereto shall come into force immediately after two instruments of ratification, acceptance, approval or accession have been deposited with the Depository.
2. For each State depositing an instrument of ratification, acceptance, approval, or accession, after the entry into force of this Agreement, the Agreement shall enter into force on the first day of the month after the date of deposit of the respective instrument.

## Article IX DENUNCIATION

Any Party to this Agreement may, by written instrument to the Depository, denounce this Agreement. Such denunciation of the consent to be bound shall become effective six months after the date on which such instrument is received.

## Article X TERMINATION

This Agreement shall be terminated six months after the Organization is dissolved under the Article XXII of the Constitution.

## Article XI AUTHENTIC TEXT

The authentic text of the present Agreement, including the Constitution appended thereto, shall be in the English language.

IN WITNESS WHEREOF, the undersigned representatives of States have signed this Agreement in a single original in the English language.

## **Proposed text of Constitution of the International ST-EP Organization**

### **Preamble**

The International ST-EP (Sustainable Tourism – Eliminating Poverty) Organization hereinafter referred to as “the ST-EP Organization” or the “Organization”, is founded on the belief that the development and promotion of sustainable forms of tourism in developing countries can play a significant role in the elimination of poverty and inequalities, in particular through raising awareness and building capacities to help enhance the local economic impact from tourism, and through supporting pilot projects to make the tourism sector work for the poor.

The Organization, will be a centre of knowledge management and project development for the public interest where this dynamic interaction can take place through research, training, technical assistance, service provision, and information dissemination, towards the achievement of the United Nations (UN) Millennium Development Goals by 2015 and Sustainable Development Goals (UN MDGs and UN SDGs) by 2030.

### **Article I HEADQUARTERS' LOCATION**

The ST-EP Organization is established as an intergovernmental organization. It shall have its headquarters in the Republic of Korea.

### **Article II STATUS**

1. The ST-EP Organization shall be an international knowledge management and project development centre established at the initiative of UNWTO, as part of its efforts to promote tourism as a driver for economic growth, inclusive development and environmental sustainability. The ST-EP Organization shall operate as a non-profit autonomous organization, international in status and non-political in management, staffing and operations. The Organization shall be organized exclusively for scientific, developmental and educational purposes.

2. The Organization shall possess full juridical personality and enjoy such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes.

### **Article III SUBSIDIARY BODIES**

The ST-EP Organization may establish such centres, offices, in locations within and outside the Republic of Korea as may be decided by the Board of Directors (hereinafter referred to as “the Board”) as being necessary for effective conduct of its programme and the achievement of its objectives.

### **Article IV AIMS**

The main aim of the ST-EP Organization shall be the development and promotion of sustainable tourism projects and programmes contributing to the achievement of the UN MDGs and SDGs, covering the four dimensions of sustainable development: economic growth and the end of poverty, social inclusion, environmental sustainability, and good governance.

The ST-EP Organization shall foster Public-Private Partnerships and contribute to the safeguarding of natural and cultural heritage and to socio-economic development by cooperating with

international organizations, governments and related authorities, foundations, private corporations, associations and individuals who are willing to contribute to the same goals of reducing poverty levels through sustainable tourism projects and initiatives aimed to achieve the UN MDGs and SDGs.

#### **Article V GUIDING PRINCIPLES**

The ST-EP Organization shall provide support to States and partners for the conduct of research and development projects that aim at eliminating poverty and inequalities through sustainable tourism development programmes and projects, aimed to achieve the UN MDGs and the SDGs.

The ST-EP Organization recognizes the decisive and central coordinating role of UNWTO in the field of tourism. The Organization undertakes to avoid undesirable duplication of activities and services and agrees to take such measures as may be required, in consultation with UNWTO, to achieve effective coordination, particularly within the framework of technical assistance projects in which UNWTO will continue to be requested to act as the executing agency, taking into account the respective roles and responsibilities of the Organization and the UNWTO.

#### **Article VI MEMBERSHIP**

Membership of the Organization shall be open to all sovereign States that are members of the United Nations. Such states may become Members by ratifying the constituent international treaty and adhering to the Constitution of the ST-EP Organization.

#### **Article VII FUNCTIONS**

The ST-EP Organization shall focus on work to encourage tourism that is socially, economically and ecologically sustainable, and that contributes to eliminating poverty and inequalities through the implementation of concrete projects focused on the achievement of UN MDGs and SDGs.

To accomplish this it may:

1. strengthen international cooperation, encourage Public-private Partnerships, and forge new relations to achieve the elimination of poverty and inequalities in developing countries and communities;
2. conduct promotions, events for fund-raising purposes and other self-financed operations;
3. coordinate the implementation of ST-EP projects by different executing agencies, most particularly by UNWTO when those projects are related to the ST-EP initiative and/or UNWTO's programme of work;
4. support research and innovative tourism projects that are in line with the UN MDGs, SDGs and meet the 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 the elimination of poverty and inequalities;
6. provide training, operational support, technical assistance, human resources development and tourism development programmes for eliminating poverty and

inequalities, including the identification of tourism investment opportunities and the preparation of investment plans, benefitting developing countries and communities;

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 International ST-EP Organization.

### **Article VIII CAPACITY**

1. The ST-EP Organization shall have the following capacity:
  - (i) to receive, acquire or otherwise lawfully obtain from any governmental authority or from any corporation, company, association, person, firm, trust, foundation or other entity whether international, regional or national, such charters, licenses, rights, concessions or similar rights, and assistance - financial or otherwise - as are conducive to and necessary for the attainment of its aims;
  - (ii) to receive, acquire or otherwise lawfully obtain from any governmental authority or from any corporation, company, association, person, firm, foundation, trust or other entity, whether international, regional or national, by donation, grant, exchange, devise, 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 the aims and activities of the Organization and to hold, operate, administer, use, sell, convey or dispose of the said properties;
  - (iii) to enter into agreements and contracts;
  - (iv) to employ persons according to its own regulations;
  - (v) to institute, and defend in, legal proceedings within its competences; and
  - (vi) to perform all acts and functions as may be found necessary, or proper for the furtherance, accomplishment or attainment of any and/or all of the purposes and activities herein stated, or which shall appear, at any time, as conducive to or necessary and useful for the aims and activities of the ST-EP Organization.
2. No part of the earnings of the ST-EP Organization shall inure to the benefit of, or be distributable to, its Directors, officers, or other private persons, except that the ST-EP Organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the aims set forth in Article IV hereof.

### **Article IX ORGANS**

The organs of the ST-EP Organization shall be:

- (i) The Board of Directors; and
- (ii) The Secretary-General and staff.

## Article X COMPOSITION OF THE BOARD

1. The Board shall consist of representatives of Member States. Each Member State shall have one representative and alternates and advisers as it may deem necessary. As the Host Country of the International ST-EP Organization, the Republic of Korea will have a permanent seat in the Board.
2. UNWTO will have a permanent seat in the Board, without the right to vote, as a Founding Strategic Partner, to provide technical input on questions related to its mandate and programme of work in order to ensure the close coordination of the programmes of work of both Organizations.
3. Other Organizations, both intergovernmental and non-governmental, that are Strategic Partners to the ST-EP Organization, may be invited by the Board to participate in the work of the Board, without the right to vote.

## Article XI FUNCTIONS AND POWERS OF THE BOARD

1. The Board shall be responsible for all the affairs of the ST-EP Organization. Its role, among other things, shall be to ensure that:
  - (i) the ST-EP Organization follows objectives, programmes and plans that are consistent with its aims and with the broad goals and objectives of ST-EP Initiative, including the achievement of UN MDGs and SDGs; and
  - (ii) the ST-EP Organization is managed effectively by the Secretary-General in harmony with the agreed objectives, programmes and budgets, and in accordance with legal and regulatory requirements.
2. To this end, the Board shall:
  - (i) define objectives, approve plans to meet the ST-EP Organization's aims and monitor the achievement of these aims;
  - (ii) specify policies to be followed by the Secretary-General in pursuing the specified objectives;
  - (iii) ensure the ST-EP Organization's cost-effectiveness, financial integrity, and accountability;
  - (iv) approve the ST-EP Organization's programme and budget;
  - (v) appoint an external auditor and approve an annual audit plan;
  - (vi) approve the annual accounts and corresponding programme implementation;
  - (vii) approve the ST-EP Organization's broad organizational framework;
  - (viii) approve personnel policies including scales of salaries and benefits;
  - (ix) approve the ST-EP Organization's fund raising and resource mobilization strategies, policies and programmes, and promote such fund raising and resource mobilization activities;

- (x) maintain the composition of the Board with respect to expertise needed to discharge the full range of its responsibilities, monitor the performance of staff and evaluate the Institute's performance; and
- (xi) perform all other acts that may be considered necessary, or proper for the attainment of the aims of the ST-EP Organization as set forth in Article IV hereof.

3. The Board may designate an Executive Committee of its members which shall have the power to act for the Board in the interim between Board meetings, and on matters which the Board delegates to it. All interim actions of the Executive Committee shall be reported to the full Board at its next meeting. The Executive Committee shall be comprised of as many members as decided by the Board. The Secretary-General and at least one ex-officio member of the host country shall serve as members of the Executive Committee.

4. The Board may establish such other subsidiary Committees as it deems necessary for the performance of its functions.

#### **Article XII PROCEDURES OF THE BOARD**

1. The Board shall elect one member except the Secretary-General as Chairperson. The normal term of the Chairperson shall be four years. The Board may re-elect its Chairperson for a second term.
2. The Board shall meet at least once annually.
3. The Board shall adopt its own rules of procedure.
4. The majority of the members shall constitute a quorum for Board meetings.

#### **Article XIII VOTING BY THE BOARD**

Normally, the Board shall operate by consensus. However, if the Chairperson determines the need for a vote, the following shall apply:

- (i) each member of the Board has one vote; and
- (ii) decisions of the Board shall be made by a majority of the members present except as specified otherwise in this Constitution.

#### **Article XIV APPOINTMENT OF THE SECRETARY-GENERAL**

The Board shall appoint the Secretary-General, and determine his/her terms of office and any cause for termination by a two-thirds majority of members present and voting.

#### **Article XV FUNCTIONS AND POWERS OF THE SECRETARY-GENERAL**

1. The Secretary-General shall be responsible to the Board for the operation and management of the ST-EP Organization and for ensuring that its programmes and objectives are properly developed and carried out. The Secretary-General shall take the lead in fund raising and resources mobilization for the ST-EP Organization. He/she is the chief executive officer of the ST-EP Organization.

2. The Secretary-General shall implement the policies determined by the Board, follow the guidelines laid down by the Board for the functioning of the ST-EP Organization and carry out the directions of the Board. Specifically, the Secretary-General, in consultation with the Board, shall:

- (i) develop a strategic plan for the operation of the ST-EP Organization for Board consideration and approval, and keep this plan under continuing review;
- (ii) develop programmes and budgets, and prepare the ST-EP Organization's annual report;
- (iii) supervise the planning and direction of the ST-EP Organization's research, developmental and educational activities to ensure effective implementation;
- (iv) recruit and manage highly qualified staff;
- (v) keep and have available the strategic plan, programmes and budgets for review by the Board on a regular basis;
- (vi) keep the Chairperson of the Board advised on matters of consequence that relate to the ST-EP Organization; and
- (vii) perform such other functions as are delegated to him/her by the Board.

3. The Secretary-General shall be the legal representative of the ST-EP Organization. He/she shall sign all deeds, contracts, agreements, treaties and other legal documents which are necessary to ensure the normal operation of the ST-EP Organization. The Board may determine the extent to which these powers may be delegated by the Secretary-General. Contracts, agreements and treaties which affect the governance, objectives, location, expansions or dissolution of the ST-EP Organization, or major issues concerning the relationship to the host country shall be subject to approval by the Board.

#### **Article XVI STAFFING**

1. The staff shall be appointed by the Secretary-General in accordance with staff regulations to be approved by the Board.

2. The paramount consideration in the employment of staff and in the determination of conditions of service shall be the necessity of securing the highest standards of quality, integrity, efficiency, and competence.

3. Salary scales, insurance, pension schemes and other terms of employment shall be laid down in staff regulations adopted by the Board, and shall in principle be internationally competitive.

#### **Article XVII FINANCING**

1. The budget of the ST-EP Organization shall be funded by member states, international organizations and other public or private agencies and institutions, who wish to make financial and other voluntary contributions to it. The ST-EP Organization may receive voluntary contributions from other sources. It may also receive contributions and gifts toward the establishment of an endowment programme.

2. The financial operations of the ST-EP Organization shall be governed by financial regulations to be adopted by the Board.
3. The budget of the ST-EP Organization is approved annually by the Board.
4. An annual audit of the operations of the ST-EP Organization shall be conducted by an independent international accounting firm appointed by the Board upon recommendation of the Secretary-General. The results of such audits shall be made available by the Secretary-General to the Board for its consideration. Following the approval by the Board, the audit report shall be circulated to the parties contributing to the ST-EP Organization.

#### **Article XVIII PRIVILEGES AND IMMUNITIES**

1. The ST-EP Organization shall conclude with the Government of the Republic of Korea a Headquarters Agreement relating to the facilities, privileges and immunities which the ST-EP Organization, the members of the Board of Directors, the Secretary-General and staff of the ST-EP Organization, and the experts performing missions on behalf of the Organization, will receive while in Korea for the purpose of exercising official duties.
2. The ST-EP Organization may conclude with other states an agreement relating to the facilities, privileges and immunities which the ST-EP Organization, the members of its Board of Directors, the Secretary-General and staff of the ST-EP Organization, and the experts performing missions on behalf of the ST-EP Organization, will receive while in their territories for the purpose of exercising official duties.
3. The privileges and immunities are granted in the interest of the ST-EP Organization and not for personal benefit. The Board of Directors shall have the right to waive the privileges and immunities.

#### **Article XIX RELATIONSHIPS WITH OTHER ORGANIZATIONS**

In order to achieve its objectives in the most efficient way, the ST-EP Organization may enter into agreements for cooperation with relevant national, regional or international organizations, foundations, business corporations and associations, both public and private and include them as Strategic Partners to the Organization.

#### **Article XX DISPUTES RESOLUTION**

The ST-EP Organization shall make provisions for appropriate modes of settlement including arbitration of disputes between the ST-EP Organization and its staff or among its staff.

#### **Article XXI AMENDMENTS**

1. This constitution may be amended by the Board by a two-thirds majority of all voting members, provided notice of such a proposed amendment together with its full text shall have been mailed to all members of the Board at least four weeks in advance of the meeting, or such notice is waived by all members of the Board.
2. Such an amendment shall take effect immediately after having been adopted by the voting members under the procedure outlined in Paragraph 1.

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## Article XXII DISSOLUTION

1. The ST-EP Organization may be dissolved by a three-fourths majority of all voting members of the Board, if it is determined that the purposes of the ST-EP Organization have been achieved to a satisfactory degree or if it is determined that the ST-EP Organization will no longer be able to function effectively.
2. In the case of dissolution, assets will be primarily used to meet any outstanding liability of the ST-EP Organization. The Board will decide the distribution of the remaining assets, taking into consideration the origin of the assets and returning them to the donors as appropriate, and taking into account the possibility to transfer them to institutions having purposes similar to those of the ST-EP Organization.