

Development
and Cooperation
Europeaid

Sustainable Tourism for Development



1 Sustainable Tourism as a Development Tool

Over the last fifty years tourism has become one of the largest economic sectors globally, accounting for some 9% of the world's GDP and over 200 million jobs.

International tourist arrivals have grown steadily over many years and in 2012 stood at 1035 million. In the last ten years, this growth has been particularly marked in the emerging economies, where it has averaged 5.6% per annum, compared with 1.8% for advanced economies. UNWTO predicts that growth trends in world tourism will continue, with total arrivals reaching 1.8 billion by 2030. Again, emerging economies, including developing countries, stand to see the highest rate of growth.

Tourism accounts for a significant proportion of world trade. It makes up a major proportion of exports in services - accounting for 29% worldwide and as much as 52% for LDCs.

In 2012, international tourists spent US\$386 billion in emerging market and developing countries, over five times the level of official development assistance which goes to these countries. It is one of their main sources of foreign exchange earnings.

When analysing tourism development trends worldwide, at least three main conclusions can be drawn in connection with tourism and its potential for poverty alleviation:

- Tourism is one of the most dynamic economic sectors in many countries, developed but also developing ones, with a wide range of upstream and downstream effects on other economic activities thanks to a very large and diversified supply chain.
- Tourist movements towards developing and least developed countries are growing faster than in the developed world, accounting now for almost 50% per cent of total international tourist arrivals; Many developing countries do have assets of enormous value to the tourism sector, such as culture, art, landscape, wildlife and climate, and are very well positioned to develop tourism as a key sector contributing to economic growth.
- Tourism in many developing and least developed countries is one of the principal sources, and in some countries the main source, of foreign exchange earnings and, quite often, the most viable and sustainable economic development option, with positive impacts on reducing poverty levels.

The impact of tourism as a driver of development has been felt in many countries. For example, in recent years tourism was a main factor in the graduation of Botswana, the Maldives and Cape Verde from their status of LDC.

While tourism is a major force for development it has a number of negative aspects:

- Tourism is a significant and growing contributor to climate change, currently accounting for around 5% of global CO2 emissions, mainly generated by transport but also by the operation of tourism facilities such as accommodation.
- Local pollution of land and water from poor treatment of solid and liquid waste by tourism businesses and from the activities of tourists can be a problem in some areas
- Accommodation businesses are often major users of non-renewable and precious resources, such as land, energy and water. In some areas a resort may consume many times more water per person than the local community with which it competes for supply.

- Poorly sited tourism development and inappropriate activities can be very damaging to biodiversity in sensitive areas. Negative impacts to cultural heritage sites can occur where there is poor visitor management.
- Tourism can have negative impacts on local society, through restricting access to land and resources and leading to an increase in crime, sexual exploitation and threats to social and cultural traditions and values.
- While tourism is well placed to generate accessible jobs, poor working conditions are sometimes found in the sector.
- The economic performance of the sector is susceptible to influences on source markets, such as economic conditions, natural events and security concerns, although recovery may be rapid when circumstances change.

All of the above negative aspects underline the need for tourism to be very carefully planned and managed in developing countries. This requires governments to establish and implement clear policies on the control and management of the sector, in conjunction with all tourism stakeholders.

In order to develop the tourism sector in a sustainable manner and enhance the local socio-economic impact from tourism, many developing countries have made tourism a priority in their national development policies, and are trying, with the support of donors and development organisations, to formulate and implement interventions to increase tourism's contribution to poverty reduction. The European Commission is well positioned to support this process by developing a comprehensive methodology to identify the challenges, relevant needs and new opportunities for sustainable tourism, and support selected developing countries in formulating and implementing sustainable tourism development projects.

1.1 The principles of sustainable tourism.....

A fundamental requirement of the tourism sector is that it should embrace the principles of sustainable tourism and focus on the achievement of sustainable development goals.

Sustainable tourism should not be regarded as a separate component of tourism, as a set of niche products, but rather as a condition of the tourism sector as a whole, which should work to become more sustainable.

The UNWTO has defined sustainable tourism as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities".

A further elaboration of sustainable tourism by UNWTO refers to the need for it to:

- Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
- Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
- Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

More specifically UNWTO and UNEP identified 12 Aims for sustainable tourism which are set out in a box.

It can be seen from the above that the sustainable tourism agenda is a broad one. It is as much about delivering economic benefits to destinations and communities, through competitive, viable tourism businesses that create employment, as about minimising adverse impacts on the environment.

A fundamental characteristic of the tourism sector is its ability to link the economic, social, cultural and environmental aspects of sustainability and to act as a driving

force for their mutual enhancement. This is because tourism as an economic activity is highly dependent on the presence of intact environments, rich cultures and welcoming host communities. The opportunity that tourism brings to deliver income and jobs from cultural experiences is just one example of this. In turn, this places a heavy responsibility on the sector to address the social, cultural and environmental impacts of its own developments and operations.

1.2 Stakeholder roles and relationships in sustainable tourism development

Tourism is a multi-faceted activity. Many different stakeholders are potentially engaged in the sector or are affected by it, directly and indirectly. Table 1.1 identifies the main types of stakeholder and their roles in the delivery of sustainable tourism. Those same stakeholders might require assistance at various levels.

The approach taken in this study is related throughout to the stakeholders identified in Table 1.1. Many of the questions posed in the assessment process concern the execution of their roles and whether they have sufficient capacity to do this effectively.

While Table 1.1 shows the role of each type of stakeholder in delivering sustainable tourism, it is important to recognise that many of them have the potential to cause negative impacts or inhibit the sustainability of the sector through failing to fulfil these roles or through executing them poorly. For example, governments may not engage effectively in planning and management, businesses may pursue exploitative actions and tourists may not care about their impacts. The Methodology presented in Part Two of this document contains questions which probe whether such problems and barriers exist and whether they are being addressed.

The stakeholders should not be considered in isolation and the relationships between them should be understood. A key requirement to achieve sustainable tourism is for tourism enterprises to be responsible in their actions towards the environment, employees and the local community. Government at a national and local level provides the policy and strategic framework as well as legislation and regulations that influence the performance of other stakeholders. NGOs have a highly important role to play in strengthening relationships and coordination between stakeholders and providing advice and expertise.

A fundamental requirement for sustainable tourism is for the various stakeholders to work effectively together in the planning and management of the sector and the implementation of projects and activities. This should be based on the development of effective coordination and partnership structures, both at a national level and within local destinations. This is covered fully in the Methodology in Part Two (Pillar 1, sub-pillar 1.3).

2 Key Issues for Sustainable Tourism

The methodological framework (Part 2 Methodology) followed in this study is shaped around five pillars. These have been identified by UNWTO from many years of experience in working on the sustainable development of the tourism sector. Taken together, these pillars cover the thematic areas which could be addressed through future projects and interventions.

Each of these pillars is strongly related to the aims of sustainable tourism and this is reflected in how they are treated in the Methodology in Part 2.

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2.1 Tourism policy and governance

This pillar concerns the recognition of tourism in sustainable development policies and the presence and implementation of a clear tourism strategy that embraces sustainability principles. It looks at tourism governance structures, including tourism ministries and institutions and how they relate to other areas of government that affect its sustainability and performance. It also considers the presence of structures and mechanisms for engaging public, private and third sector stakeholders, including local communities, at different levels.

This first pillar sketches the policy and regulatory framework and the institutional set up required to address the full set of 12 aims for sustainable tourism, mentioned in Box 1.1, whereas each of the pillars two to five provides more in-depth insight into one or a few of the aims for sustainable tourism.

2.2 Economic performance, investment and competitiveness

This pillar considers the business and investment environment and the position of trade liberalisation in the tourism sector, including the consequences for the local economy, small businesses and sustainability in general. It looks specifically at issues of market access, product quality and the resilience of the sector. It recognises the need for sound data to inform tourism planning and management.

Pillar 2 particularly focuses on aim 1 Economic Viability, and also touches upon aim 2 Local Prosperity and aim 5 Visitor Fulfilment.

2.3 Employment, decent work and human capital

The role of tourism as a generator of employment is a key aspect of its contribution to sustainable development. This pillar is concerned partly with the planning of human resources to meet the needs of the sector and partly with the quality of jobs provided, including conditions of employment. Skills assessment and provision of relevant training and capacity building is covered as a specific theme.

Pillar 3 directly relates to aim 3 Employment Quality

2.4 Poverty reduction and social inclusion

This pillar focuses on the contribution of tourism to poverty reduction. It considers a strategic approach to pro-poor tourism at a destination level, employing techniques such as value chain analysis. It then considers specific initiatives to gain more benefit for the poor, based on seven mechanisms identified by UNWTO, including strengthening local supply chains, working with the informal sector, developing community-based initiatives and securing collateral benefits from tourism.

Pillar 4 addresses aim 2 Local Prosperity, aim 4 Social Equity, aim 6 Local Control and aim 7 Community Wellbeing.

2.5 Sustainability of the natural and cultural environment.....

The critically important relationship between tourism and natural and cultural heritage is a key theme of this pillar, considering policies and actions to conserve the asset base, to manage tourism in sensitive areas and secure benefits from it. Specific attention is paid to mitigation and adaptation of the tourism sector to climate change. Finally, the use of mechanisms to improve the sustainability of tourism development and operations, and to monitor impacts, is assessed.

Pillar 5 is particularly relevant for the aims 8 to 12 on Cultural Richness, Physical Integrity, Biological Diversity, Resource Efficiency and Environmental Purity.

Part 2 Methodology involves an assessment of the situation in the country with respect to each of the pillars. Table 1.2 shows how each pillar relates to the aims for sustainable tourism as outlined above. It also lists a set of sub-pillars which contain the topics covered in the Methodology and which are looked at in detail in Part 2.

3 PILLAR 1: Tourism Policy and Governance

A clear policy, effectively implemented by governance structures that embrace a range of stakeholder interests, is essential for developing sustainable tourism. This is the central pillar to which all others relate.

The success of tourism as a development tool depends on awareness of the contribution and potential of the sector, the identification of strategic priorities, the clarity and relevance of the actions proposed, and the level of commitment to their implementation. This equally requires that the governance structures and processes that support and manage tourism are sound and effective. A key to this is the engagement of the private sector and other stakeholders alongside government both nationally and at a local level.

The importance of effective policy and governance has been confirmed by various studies. For example, a review of 35 Diagnostic Trade Integration Studies for LDCs concluded that a competitive tourism sector requires a coherent policy framework, efficient institutions, a proactive private sector and a national tourism development strategy that establishes cross-sectoral linkages.

Three sub-pillars are identified for assessment:

- The position of tourism in development policies and programmes

The level of recognition by government and international agencies of the importance of tourism for the sustainable development of the country, reflected in overarching development policies and programmes.

- Tourism policy and regulatory framework

The presence of well formed, agreed and implemented policies, strategies and plans that provide direction for the development and management of sustainable tourism, supported by necessary legislation and regulations.

- Tourism governance and institutional setup

The structures in place to oversee the development, management and coordination of tourism, implement policies and take action, with a focus on multi-stakeholder collaboration including publicprivate partnerships.

3.1 The position of tourism in development policies and programmes.....

Tourism is increasingly being recognised as a powerful sector capable of stimulating and driving economic and social development. In recent years many LDCs and other developing countries have focussed on the sector as a development tool. The ability of tourism to stimulate exports, provide accessible jobs and alleviate poverty, often in areas unsuited to the development of other sectors, has been referred to elsewhere in this study.

Recognition of the current and potential contribution and role of tourism in achieving a country's overall development goals is a first and essential step in strengthening policies and actions to support sustainable tourism development. This can be critical to unlocking support for the sector.

One way in which such recognition can be given is through the treatment of tourism within studies, frameworks and initiatives that establish and support the country's development strategy. These include high level papers prepared in conjunction with the European Union, UN Agencies and other bodies, including those listed below and described in more detail in Annex 2. The latter contains evidence from a number of research studies which suggest that there is

considerable variation in the treatment of tourism between the different countries in the strategy papers.

A further dimension of recognition concerns how tourism is treated within the government's own development policies. Ideally these should be closely related to the studies and frameworks that have been prepared and negotiated with external partners. In addition to development policies, tourism should also be reflected in other relevant policies, such as those relating to trade, labour, business and the environment. This is considered in more detail under other Pillars in this document.

The level of awareness of the importance of tourism within government as a whole will partly determine the level of support the sector receives.

3.2 Tourism policy and regulatory framework.....

In order for a country's tourism sector to be successful and sustainable and to ensure that it contributes to socio-economic wellbeing and poverty reduction, it is essential to have a framework of instruments in place to guide its development. This framework should include an overarching tourism policy, a detailed tourism development strategy and masterplan and relevant legislation and regulations.

A Tourism Policy states the government's commitment to tourism and sets out objectives for its development and management. It should be agreed and approved with the tourism sector and other stakeholders. A Tourism Policy statement or document should:

- Place tourism within the wider development policies of the country, and also take account of other policies that may affect the sector, such as industry, employment, environment, education, culture, security and immigration.
- Address the financial implications of supporting tourism, including costs and benefits and fiscal and budgetary implications for government.
- Reflect the tourism position and potential of the country within a regional and global context
- Recognise and cover the range of issues that need to be addressed by government in supporting tourism, inter alia including institutions, infrastructure, product development, marketing, human resources, knowledge and the socio-cultural and environmental impacts of tourism.
- Provide the basis for more detailed strategies and plans of action and for the provision of legislation and regulations.

A critical requirement of tourism policy in the context of tourism's role as a development tool is that it should fully embrace the principles of sustainable tourism. This is defined as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. More specifically, pursuit of sustainable tourism involves the following agenda:

- Economic viability
- Local prosperity
- Employment quality
- Social equity
- Visitor fulfilment
- Local control
- Community wellbeing
- Cultural richness
- Physical integrity
- Biological diversity
- Resource efficiency
- Environmental purity

Many aspects of the sustainability agenda relate to ethical issues for tourism, concerning the rights and responsibilities of all stakeholders participating in and affected by the activity of tourism. These issues and the necessary response to

them are addressed in the Global Code of Ethics for Tourism⁴⁰ which was adopted by Resolution of the UN General Assembly in 2001. The Code affirms the right to tourism and the freedom of tourist movements and states the wish to promote an equitable, responsible and sustainable world tourism order, whose benefits will be shared by all sectors of society in the context of an open and liberalized international economy. The Code contains 10 Articles which promote mutual understanding and respect through tourism, individual and collective fulfilment, the role of tourism in sustainable development and a set of rights and responsibilities of, and towards, tourists, tourism professionals, entrepreneurs, host communities, the environment and cultural heritage. Many countries, corporate bodies and other entities have signed up to the code and it provides a sound orientation for tourism policy.

A Tourism Strategy translates the tourism policy into action, setting the direction and activities to achieve the policy objectives. It may be expressed through a Strategic Development Plan or Master Plan. This should be comprehensive, encompassing all the factors and components involved in the operation, management, measurement and control of tourism in the country.

A tourism strategy may span a period of between 5 and 15 years depending on the circumstance of the country and the maturity of the tourism sector. It is implemented by action plans which set out annual activity and allocate tasks and resources. The strategy should be evidence based and informed by a detailed programme of research, assessment and consultation. Typically, the strategic plan or master plan would cover:

- Tourism resources which have the potential to be converted into viable and attractive tourism products
- Tourist facilities and services, and opportunities for investment
- Current tourism flows and performance
- Type and scale of target markets
- Transportation access and service structure
- Current and projected economic analysis
- Socio cultural, environmental and economic impacts
- Resource management - energy, water and waste
- Institutional set up for tourism development
- Tourism related legislation and regulations
- Human Resources needs
- Tourism infrastructure requirements
- Tourism development areas
- Concept designs for development of tourist areas, resorts and attractions
- Community involvement and initiatives
- Tourism marketing and information delivery

The plan may have more specific detail, such as covering additional physical planning and resort development initiatives for specific areas.

Increasingly, the value of preparing tourism strategies or masterplans at a more local level has been recognised. Sometimes these are referred to as 'destination management plans'. They may cover many of the topics listed above, but for the destination in question. They can play a very important role in shaping tourism development and prioritising actions in ways that reflect the particular characteristics and needs of the local area. Such plans may be prepared, for example, for regions, provinces, cities, resorts, or rural areas (including national parks). It is important that they refer to and reflect any existing national tourism strategies or masterplans.

While the existence of policies, strategies and plans is of fundamental importance for guiding tourism development, they have little value unless they are actually implemented on the ground.

Masterplans and strategic development plans require continuous monitoring and adaptation to changing circumstances. Without this they are soon out of date and do not achieve the strategic objectives that were originally set. Three types of monitoring may be relevant, looking at:

- Outputs - recording steps taken and actions in train or completed, in a systematic way.
- Outcomes - checking the results of specific actions, which may relate to specific performance indicators
- Impacts - relating back to overall policy objectives and plan targets, which may be encapsulated in general indicators of levels of tourism and development.

Tourism policies, strategies and plans seek to influence the actions of government at all levels, private sector tourism enterprises, and other tourism stakeholders including visitors themselves. In part, these actions may be stimulated or controlled through instruments and regulations that are enabled through a legislative framework.

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For the sustainable development of tourism, legislation is required which influences the tourism sector but also protects it and secures the necessary conditions for it to flourish. In many countries, tourism-specific legislation exists, such as a Tourism Act. Typically, this should cover:

- The rights, responsibilities and obligations of different stakeholders in tourism, including tourism service providers, tour operators, communities and tourists themselves.
- The establishment and responsibilities of tourism bodies, such as national tourist boards, and programmes for assisting the sector
- Mechanisms to monitor and control the sector, such as standards and licensing.

The performance and impact of the sector will also be very significantly affected by legislation and regulations which are not specific to tourism. Areas of law of particular relevance to sustainable tourism include:

- The control of development, notably through planning legislation
- The protection and conservation of natural and cultural resources
- The establishment and conducting of business enterprises, including taxation
- The employment and treatment of staff
- Visa facilitation and security.

Tourism is a major contributor to world trade, accounting for 5% of direct global GDP and over 30% of the world's exports of services (52% for LDCs). For many developing countries it is one of the main sources of foreign exchange income. It is the only major service sector in which developing countries have consistently recorded trade surpluses relative to the rest of the world. In nearly half of the world's LDCs tourism ranks among the top three export sectors. However, for those countries that are dependent on this level of trade to be able to maintain and build on their position and for other countries to be able to expand tourism in their economies, the conditions must be right for on-going investment and business growth, while ensuring that this meets the principles of sustainable tourism articulated elsewhere in this document.

If tourism is going to play its full part in economic growth it must be given proper recognition and support in the design of trade, investment and business development policies. This means that data on tourism and its contribution to the economy must be robust and convincing. This is also necessary for guiding the growth of the sector, keeping abreast of performance and adapting policy where required.

For tourism to succeed as a development tool the sector must be competitive. Above all, the products and experiences that a country offers must be relevant to international markets, while also recognising the growing opportunities in regional and domestic markets. The countries and their products must be presented and promoted effectively, through well targeted marketing plans implemented in tandem by governments and the private sector.

The World Economic Forum compares the competitiveness of destination countries in travel and tourism using a set of 79 variables. These span a wide spectrum of factors from the policy and regulatory environment to the accessibility and safety of the country, its infrastructure and its natural and cultural resources. The resulting index provides a valuable insight for developing countries in considering, monitoring and comparing their tourism competitiveness against each other and against developed economies. Different variables in the index, although not covered comprehensively or in detail in this document, relate variously to each of the five pillars. In this section, on Pillar 2, particular attention is paid to matters relating to the business environment.

Four sub-pillars are identified for assessment:

Measuring tourism and its contribution to the economy

The availability of tourism data and the need for improvement in how it is collected, together with the use of established processes for understanding the economic value of the sector through supply and demand side measures and the use of national accounts.

Trade, investment and the business environment

The context for stimulating trade and investment through the inclusion of tourism in international negotiations and agreements. Factors for assessment also include levels of investment, an understanding of barriers to growth and the provision of a business environment conducive to the needs of the tourism sector.

Brand, marketing and product positioning

The clarity of a country's destination brand and the coherence and execution of its marketing plan, backed up by a set of products that are able to deliver the quality and diversity needed by identified target markets.

□ Resilience and risk management

The attention paid to avoiding and managing shocks to the tourism sector from internal and external sources, so strengthening its reliability as a source of income and prosperity.

4.1 Measuring tourism and its contribution to the economy.....

The importance of improving the reliability, accessibility and transparency of statistics as a vital tool to guide economic development is increasingly recognised in international forums and individual countries. An action plan for fully integrating statistics in decision making, promoting open access to statistics and increasing resources for statistical systems was agreed by the Fourth High Level Forum on Aid Effectiveness in 2011. Amongst priorities identified were the need to ensure that the development of sectoral data is fully integrated into and synchronized with national and regional statistical strategies and to develop programs to increase the knowledge and skills needed to use statistics effectively for planning, analysis, monitoring, and evaluation. The provision and measurement of good quality tourism data requires an active involvement and coordination between key players, including the Ministry of Tourism, National Statistics Office and other bodies that can provide data or engage in its collection such as the Central Bank, customs authorities and tourism business associations.

Robust tourism data is a fundamental requirement for all aspects of tourism planning. In order to have a measure of a country's competitive position it is essential to be able to track, for example, the growth or decline in visitor arrivals, their expenditures, the main purposes that visitors have for visiting the country, the number of establishments catering for visitors, global market share, and performance with respect to different source markets.

Core data specific to the tourism sector relate to visitor flows, expenditure and the structure of the sector. Regular and consistent collection of data is required on international visitors (predominantly inbound, but also outbound) and domestic visitors (both same-day and overnight visitors). This information may be collected through surveys at points of entry, accommodation establishments or other locations as well as through household surveys on visitor activity and expenditure or business registers. Key data from the supply side (i.e. on those industries supplying to visitors) includes the number and size of tourism businesses, their commercial activities, and levels of employment and pay. Where possible data should seek to measure both the formal and informal sector, as the latter is particularly important for poverty reduction.

Statistical information on tourism's multiple facets is pivotal in advancing knowledge of the sector, monitoring progress, promoting results-focused management, and highlighting strategic issues for policy decisions. In 2011, as part of an effort to boost the international comparability of tourism data whilst engaging countries in considering a wider spectrum of (oftentimes, available) tourism data, UNWTO significantly expanded the amount of statistical data and indicators it requests from countries and compiles in the Compendium of Tourism Statistics. The Compendium provides statistical data and indicators on inbound, outbound and domestic tourism, as well as on the number and types of tourism industries, the number of employees by tourism industries, and macroeconomic indicators related to international tourism.

As a complement to such information, and inevitably based on it, UNWTO advances the Tourism Satellite Account (TSA) as the way to measure the economic contribution of tourism. This involves the use of data from the demand side (the acquisition of goods and services while on a tourism trip) and from the

supply side (the value of goods and services produced by industries in response to visitor expenditure) of the economy. A methodological framework for drawing up a TSA has been defined, agreed on and documented by the international community (with the approval of the UN) and is being followed in a number of countries. The TSA is comprised of ten tables covering: inbound tourism building support could be provided to strengthen the system of national tourism statistics. expenditure; domestic tourism expenditure; outbound tourism expenditure; internal tourism expenditure (inbound plus domestic); production account of tourism industries; Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism demand; employment; investment; government consumption; and non-monetary indicators. The production of a TSA is a sizeable undertaking, requiring considerable human and financial resources, but this is justified by its value as a robust advocacy and planning tool. In countries or situations where in the short term the resources cannot be made available to start the development of a TSA, first some general capacity.

4.2 Trade, investment and the business environment

The success of tourism as a driver of sustainable development in developing countries depends on the presence of policies and strategies for trade and investment that meet the needs of the sector and an overall business environment that is conducive to growth.

The context for tourism trade and investment will partly be set by a framework of national policies and international agreements. Crucially, tourism needs to be recognised in these. The country's tourism policy should be seen as setting the objectives and direction for the sector and must be taken into account in determining the parameters for promoting trade and investment in tourism. In turn, the tourism policy should be informed by a good understanding of the wider trade and investment situation in the country, regionally and globally.

Trade policy negotiations and implementation need to address tourism and take full account of its potential to expand exports and promote development. The OECD has observed that "Opening up markets to trade in services and investment could substantially contribute to the development of tourism. But any market opening needs to be properly designed and implemented, taking account of the social and environmental impact, if sustainable tourism and growth are to be achieved".

Tourism markets are opened through the General Agreement on Trade in Services (GATS) at the multilateral level. Many developing countries have made GATS-commitments in Tourism and TravelRelated Services, more than in any other sector covered by GATS. Levels of commitment have varied between the different components of tourism (hotels/restaurants; travel agencies/tour operators; guides; and other services) and the GATS-modes (consumption abroad; cross-border supply; commercial presence; and temporary movement of natural persons). In some aspects, countries have been concerned about the need to protect local suppliers. Various proposals have been made by groups of developing countries which underline the need for due regard for national policy objectives as well as reducing anti-competitive practices.

With regard to other services that affect tourism, the level of GATS-commitments is often very low, especially for LDCs. It is notable that, of the current 33 LDC Members of the WTO, the number of countries that have made no commitments in certain key services were as follows: environmental services (22), transport (21), communication (20) and financial services (19), despite these all being major services sectors in which many LDCs are attempting to attract FDI.

A number of Regional Trade Agreements also include tourism. These may often cover quite wide opportunities for cooperation as well as trade liberalisation, for example in joint promotion and development initiatives and facilitating tourist movements.

The further development and expansion of market opening in tourism needs to be pursued with full understanding of how this can be best approached to achieve maximum advantage for sustainable development, involving key stakeholders and informed by objective guidance from the relevant international agencies.

Policies on trade and investment are closely linked. A successful tourism sector requires investment to occur in a wide range of fields. This includes the provision of infrastructure, such as for transport, communications, energy and waste treatment, as well as the provision of tourism facilities and services. Investment may be undertaken directly by government, by the private sector or through various forms of partnership.

Foreign Direct Investment (FDI) can play an important role in the tourism sector in developing countries. A study in 2007 found that the percentage of FDI in tourism was quite low but was expanding. Benefits of FDI or non-equity engagement of trans-national corporations in the provision of tourism services include market awareness, economic stability, high standards and skills levels and potential to transfer knowledge. However, disadvantages include dependency on investment decisions taken externally and a potential for higher economic leakage.

Governments can take action to stimulate tourism investment, whether foreign or local, through a range of measures, which might include the availability of funding and credit, economic incentives, land provision, site identification, direct promotion and provision of advice and other support to investors. Public-private partnerships also provide a mechanism to generate investment, as covered under Pillar 1.

A fundamental requirement, not only for investment but also for the successful operation of tourism enterprises, is for the overall business environment in the country to be conducive to efficiency, new developments and growth. A wide range of factors include issues such as security and safety, transparency and good communications. The nature and application of regulations relating to new investment (e.g. licensing requirements) is particularly important. These should be at the right level so that they do not prevent entry to the sector but, equally, ensure that new enterprises have sufficient quality and professionalism. Special attention should be paid to the needs of small businesses, so prevalent in the tourism sector, which may be more dependent on the external environment.

It is important to appreciate that many of the requirements of the tourism sector may be met by general interventions to improve the business enabling environment in a country. International agencies, including the EU, support developing countries in their efforts to improve the business environment through reforms to the policy, legal, institutional and regulatory conditions that govern business activities. Programmes of reform may influence both the informal and formal economy, including the ability of enterprises to transition between them. Tourism should be integrated into such programmes that are related to trade and private sector development as a whole.

The many opportunities which tourism presents to build linkages between businesses, forwards, backwards and sideways, within tourism and cross-sector, should be pursued as a key strategy in increasing the benefit to the local economy.

Trade in tourism can also be significantly affected by issues that may discourage travel from certain countries. Of particular importance in this regard are the visa requirements that may be in place.

4.3 Brand, marketing and product positioning.....

The development and promotion of the country's brand image and range of products in order to meet the needs of the market is vital to the competitiveness of the tourism sector. This is about raising awareness and attracting interest but also about increasing the length of stay and level of spending from visitors and encouraging repeat visits and recommendations.

Defining and articulating a distinctive brand for the country is the key to effective marketing, providing the basis for promotional messages and guiding product development so that it can deliver on the brand promise. The brand, which is far more than a logo or slogan, sums up the whole competitive identity of a destination, representing its core essence and enduring characteristics. Brand development should be based on consultation with local stakeholders and be well informed by market research.

A well-developed marketing plan should be a key component of a country's tourism strategy. It should stem from the careful selection of target markets based on product strengths, current performance and global trends. A well-resourced and coordinated programme of promotional activity should be supported by the government and private sector, using a range of communication techniques.

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Tourism products should be of the quality and variety to attract and retain the target markets. A problem in many developing countries is the lack of consistency in product quality, which can affect competitiveness. This may be helped by having effective systems for setting, inspecting and reporting quality standards, such as hotel classification systems or tour guide standards and licensing. These systems in turn can point to where investment is needed and encourage businesses to respond. Product development, innovation and diversification should be fully informed by an understanding of market trends and the current strengths and weaknesses of the existing product portfolio. This should link to strategies and actions to guide and stimulate investment.

4.4 Resilience and risk management

A feature of the tourism sector is the range of factors that influence tourists' decisions to travel and their choice of destination, coupled with the range of options available to them. Developing countries face competition not only from each other but from developed countries and other forms of discretionary spending in leisure and recreation. This level of competition and market elasticity means that an individual destination can be very susceptible to external influences on markets.

The sector can be significantly affected by a variety of negative circumstances that may build up over time or be more sudden occurrences or shocks. These may be internal or external. Internal examples include economic instability, rising crime, local flooding, localised health scares or serious security incidents. Occurrences involving tourists can have a particularly strong impact. Not only should such situations be avoided in their own right, they can also damage the brand. External examples include global environmental events, pandemics, economic crises or incidents affecting major source markets.

A positive aspect of the sector is the tendency for demand to recover quickly aftershocks and setbacks. However, it is very important that strategies are in place to build resilience, minimise risk and to deal with crises, which may include:

- Being aware of all potential risks
- Introducing early warning systems
- Making provision for the security of visitors and assistance available to them
- Avoiding over-dependency on particular markets and related products
- Handling crises professionally, such as through communication and information management.

5 PILLAR 3 Employment, Decent Work and Human Capital

Tourism is a labour intensive sector that creates many jobs at all levels. According to ILO and UNWTO, the global tourism sector accounted for more than 235 million jobs in 2010 representing 8% of global direct and indirect employment, or one in every 12 jobs. It is forecasted that by 2019, the global sector will grow to 296 million jobs.

In most developing countries tourism offers opportunities for local residents to generate income and to participate in decent work. Where tourism is well established it is often the sector that contributes the greatest number of jobs. With low barriers to entry and a wide employment multiplier effect, it can provide possibilities for people who otherwise may find it difficult to earn a living. Through providing employment, tourism can benefit disadvantaged groups, including women, stimulate entrepreneurship and MSMEs and contribute significantly to poverty alleviation, a topic covered more fully in Pillar 4.

To set against these benefits, conditions of work in the tourism sector can be poor. In places tourism employment can be characterised by unsocial and irregular working hours, low pay, low job security, a lack of social security and protection, weak career prospects, unhealthy working conditions, and vulnerability to discrimination and exploitation. A high proportion of seasonal and part time jobs, is a common feature of tourism employment, although this can sometimes fit in well with social patterns and needs.

There are five main reasons why sound policies and action in the area of employment and human resources are critical to sustainable development through tourism:

- The provision of accessible opportunities for employment, available to all, is central to economic development
- The availability of labour with sufficient aptitude and skills is a key requirement of successful tourism businesses
- The way that people who work in tourism perform their jobs and relate to visitors makes a huge difference to the quality of the visitor experience
- Concern about working conditions and employee welfare must be seen as a fundamental principle of sustainable tourism in its own right.
- The availability of knowledge and skills in certain specific areas is important for the sustainability of tourism.

It can be seen immediately that all five of these reasons are closely interrelated.

Two sub-pillars are identified for assessment:

- Human Resources planning and working conditions

The development and implementation of policies, strategies and plans for the provision of employment, the management of human resources and the assurance of decent work, based on widespread consultation with all involved actors.

- Skills assessment and the provision of training

Understanding the needs of the tourism sector and employees for improved skills, including in topics related to the sustainability of tourism, and strengthening the availability and quality of training in the country in order to meet these needs.

5.1 Human Resources planning and working conditions

The importance of human resources for the success and sustainability of tourism means that their planning should form an integral part of tourism policies and

strategies for all countries. Specific HR-plans should exist that set out and guide actions. HR-plans should include three main components, considered below:

5.1.1 EMPLOYMENT CREATION AND MANAGEMENT

This addresses the supply and demand for jobs in the sector. HR-plans should cover needs and opportunities, including:

- creating and increasing employment in the tourism sector in line with forecast market growth and the expected future development of tourism in the country
- retaining skilled workers within the sector and within the country
- ensuring flexibility in the labour market and managing labour migration to cope with seasonality and fluctuations in demand
- increasing opportunities for full time, year-round jobs
- encouraging recruitment by reducing non-wage costs such as employer contributions
- outlining policies, actions and incentives to encourage tourism firms to employ local residents as well as certain categories of workers such as women, minorities and disadvantaged groups (e.g. older workers, people with disabilities)
- promoting tourism and hospitality as a valid profession with recognised career paths and enhancing career progression and opportunities.

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5.1.2 EMPLOYEE RIGHTS AND DECENT WORK

HR policies and plans should commit to these principles and address how they can be secured across the tourism sector. ILO defines Decent Work as "work that is productive and that delivers:

- a fair income
- workplace security and social protection for families
- better prospects for personal development and social integration
- freedom for people to express their concerns, organize and participate in decisions that affect their lives
- equality of opportunity and treatment for all women and men."

The Decent Work Agenda rests on four main pillars: 1) Job creation; 2) Rights at work; 3) Social protection; and 4) Social dialogue.

5.1.3 HUMAN RESOURCE DEVELOPMENT (HRD)

This covers the needs of employees in terms of skills and development in order to achieve their goals and those of the sector, and how these can be met through learning and training. While this is covered separately under sub-pillar 3.2, the subject and related actions should be included in the HR-plan.

5.2 Skills assessment and the provision of training

As a multi-faceted industry with complex employment patterns and levels, tourism requires a wide range of jobs from senior management and high tech to the provision of basic services. Typically the employment pyramid in the tourism sector has a broad base with a large number of unskilled and semiskilled employees and many with craft and communication skills but with fewer supervisory and managerial positions. Employees at the lower levels are likely to interact with tourists. Providing them with skills in customer service is vital to the quality of the product offered by tourism businesses.

A lack of necessary skills amongst current staff can damage the performance of existing enterprises. Low skill levels within the population as a whole and amongst potential employees can hold back development of the sector and weaken the chances for local people to gain benefit from it. Tourism enterprises may find it difficult to recruit sufficient numbers of staff with necessary basic skills as well as people with specific craft and technical skills required for particular types of job, such as chefs.

Human Resources plans should indicate the number of jobs that may be provided in the future as tourism develops, together with the requisite skills level and the consequent amount of training provision that will be needed.

Poor skill levels in the sector may reflect weakness in management and insufficient priority given to human resources by individual enterprises. However, it can also be caused by an inadequate education system and lack of availability of appropriate training. Evaluation should therefore assess the scope and comprehensiveness of the courses on offer, their availability, frequency and distribution, the content of the curricula, the experience and knowledge of the teaching staff, and the adequacy of the facilities and material.

Vocational training necessitates a certain amount of classroom time but mostly on-the-job experience in a work environment. Institutions and tourism firms must cooperate in the preparation of training programmes and curricula that respond to the needs of the sector and the industry must be involved in the teaching process, providing students with placements and work experience.

Skills and related training should include an understanding of the concepts of sustainable tourism and their practical application, appropriate and relevant to the needs and positions of the personnel concerned. Amongst key stakeholders and at a managerial level, this may cover a wide range of economic, social and environmental issues and their implications, including the responsibilities of different stakeholders. However, practical aspects of sustainability, for example in environmental management processes, should also be included in vocational training. This should include the development of new skills relevant to 'green jobs' for example in conservation and interpretation. It is also important for there to be a sufficiency of skills in associated spheres, such as the management of cultural heritage sites. Curricular for training in these fields should include attention to tourism, while likewise tourism training curricular should include consideration of environmental and cultural heritage management. There may be a need to plan and develop more capacity building in relevant curricular development and delivery.

Some international development assistance agencies and NGOs are well placed to provide experience, support and guidance on training needs assessment and delivery in different sectors in developing countries. The European Training Foundation, for example helps certain transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy.

6 PILLAR 4 Poverty Reduction and Social Inclusion

Achieving a significant reduction in poverty is a major objective for sustainable development, globally and in all LDCs and developing countries. It is the first of the UN Millennium Development Goals (MDGs).

The role of tourism as a valuable force for poverty reduction has been formally recognised by international agencies and governments for some time. In 2002 the Johannesburg Summit on Sustainable Development identified tourism as a primary sector for poverty alleviation. In 2005 a representative group of government, industry, UN agencies and civil society leaders urged "governments, international and bilateral development assistance agencies, financial institutions, private corporations, NGOs and other interested parties to fully recognize tourism, when sustainably developed and managed, as an effective tool to realize the Millennium Development Goals - especially poverty alleviation". In June 2012 a key milestone for including tourism in the global development agenda has been achieved during the 2012 United Nations Conference on Sustainable Development (UNCSD) towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication. Tourism was included in the outcome document, "The Future We Want" acknowledging the contribution of tourism to sustainable development.

Social inclusion is a parallel international concern, requiring that the rights and needs of everyone, irrespective of their gender, age, race or ability, are fully recognised and that active steps are taken to provide opportunities for all disadvantaged people. The need for gender equality and promoting the position of women in society is underlined in the third MDG. In recent years many development assistance agencies have given priority to supporting opportunities for women and young people, who can relate well to the tourism sector.

It is important to appreciate that the concept of poverty can be considered in a number of ways. While income poverty is sometimes identified by reference to a global poverty line set at US\$ 1.5 per day, poverty may also be considered as a relative position of groups in society, affected in any one country by the level of inequality in the distribution of wealth and income. Poverty should also be seen as a condition relating not only to income but equally to other aspects of the quality of life, including the availability of opportunities for change and access to life support systems. Tourism can bring benefits but also pressures that affect all aspects of poverty.

There are many reasons why tourism is well placed to provide opportunities for the poor and other disadvantaged groups:

- It is a growing sector, which has proved its ability to deliver economic development.
- It is a sector in which developing countries can be at a comparative advantage, owing to their climate and wealth of natural and cultural assets.
- It can provide economic activity in places where there are few alternative opportunities, notably in rural areas which contain 70% of the developing world's extremely poor people.
- It is labour intensive as a sector.
- It is a diverse sector, providing the opportunity to support other economic activities, both through providing jobs that can complement other livelihood options and by creating demand through the supply chain.
- It provides a wide range of opportunities for work, both unskilled and skilled, that are well suited to women and young people.
- It can provide opportunities for minority communities and support their culture.

- It creates opportunities for many small and micro enterprises, with start-up costs and barriers to entry which can be low.
- The infrastructure provided by and for tourism, such as roads, water supply and sanitation can also be of great benefit to poor communities.
- By the market coming to the product, which is a special aspect of tourism, it provides a unique opportunity for social and economic contact of all kinds.

The potential for tourism to reduce poverty depends partly on the overall growth of the tourism sector in the country and its contribution to the economy as a whole. Alongside this is a need to influence the share of the tourism economy that reaches the poor, through a range of strategic and tactical approaches.

While tourism can bring positive opportunities for the poor and disadvantaged people, sometimes it can have negative impacts on social structures, traditions and local livelihoods. This may come about from increased competition for resources, local price rises and social changes leading to increases in crime, devaluing of traditions and other problems such as sexual exploitation arising from the behaviour of tourists and new influences on local communities.

The topics covered in the other Pillars are also very relevant. The policy framework provides the necessary context for tourism development and poverty alleviation; competitiveness and employment creation influence the growth of the sector and offer opportunities for disadvantaged groups; and sound environmental management is a prerequisite for sustainable livelihoods.

Four sub-pillars are identified for assessment

- An integrated approach to poverty reduction through tourism

The mainstreaming of poverty reduction in tourism policies and the development of a strategic approach at a local destination level.

- Strengthening pro-poor tourism initiatives

The successful application of different mechanisms for increasing income and benefits to the poor from tourism spending and investment.

- The inclusion of disadvantaged groups in the tourism sector

The approach taken towards engaging and benefiting women, young people, the elderly, ethnic minorities and disabled people in tourism.

- The prevention of negative social impacts

The safeguarding of local communities from threats to their traditional values, structures and wellbeing from unwanted change brought by tourism.

The first two sub-pillars are closely related. However, the first one is concerned with policies, assessment and analysis while the second focuses on specific initiatives and interventions.

6.1 An integrated approach to poverty reduction through tourism

In the past, initiatives to address poverty through tourism have tended to be focused on small, specific projects in a piecemeal fashion. However, it is increasingly recognised that a more holistic and integrated approach is needed.

Poverty reduction should be a central objective of tourism policies and strategies in all LDCs and developing countries. Equally, tourism should be highlighted in poverty reduction strategies and development programmes. This should be reflected in a strong commitment from government, based on awareness of the potential and the possible approaches that can be taken. There should be a similar commitment from private sector enterprises as success will depend on their support and actions, which may be motivated by their corporate social responsibility and their desire to establish a positive relationship with their local community. The best results can be achieved when government and private sector

stakeholders show joint commitment and work together on poverty reduction activities.

Some actions to assist in poverty reduction through tourism may be taken at a national level, such as research to improve understanding and knowledge and the development of support tools. The latter may include, for example, capacity building programmes or financial assistance mechanisms, such as microfinance schemes, designed to meet the needs of poor communities and the characteristics of the tourism sector.

While the development of policies and the design of relevant tools to support poverty reduction through tourism may be most appropriate at a national level, actions may be more effective if they are planned, coordinated and implemented at a local destination level. By focussing on particular localities tourism can play a strong role as an agent for improving local livelihoods.

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Local destinations to prioritise should be those where there is a coincidence of need and realistic opportunity. The choice should be informed by considering:

- The nature and distribution of poverty in the country, including poverty levels in different areas and the types of community most affected.
- Current visitor patterns and levels of tourism across the country, including locations with potential for growth.

Certain types of local destination may exhibit both high levels of poverty and tourism potential. In many countries these may be rural areas or destinations containing protected areas. In others they may be coastal locations or major cities, which provide opportunities to involve the urban poor.

Strategies and actions for pro-poor tourism can be developed generically for different types of destination or product, such as for rural tourism, or individually for specific destinations at the local level.

Within the local destination, strategies should be informed by a detailed consideration of products and markets, identifying where the greatest potential may lie to increase the amount of income and benefit for the poor. Actions can, for example, help local people to obtain employment in the tourism sector, to provide goods and services to tourists and tourism enterprises, or to manage micro and small tourism enterprises.

Value chain analysis (VCA) is a useful technique for guiding pro-poor interventions. It involves breaking down the total visitor spending in a destination between different facilities and services, such as accommodation, food, souvenir purchase etc., and for each type of expenditure estimating the proportion that may reach the poor. From this it is possible to see more clearly where the poor are contributing and gaining most and where they are missing out, so showing where actions may be best directed. More information on this is provided in Annex 4.

There are a number of different ways in which the poor can receive income and benefits from tourism. The UNWTO has identified seven mechanisms each of which may present opportunities, individually or in combination, depending on local circumstances. These mechanisms have formed the framework of their ST-EP Initiative.

6.2 Strengthening pro-poor tourism initiatives

A range of initiatives and interventions can be pursued within destinations to develop and extend the engagement of the poor in tourism and the flow of income and benefits to them. The seven mechanisms described earlier provide a framework for considering tactical options.

The choice and successful implementation of the mechanisms will be affected by the structure of the existing tourism sector in the destination and its relationship with poor communities. The active engagement of communities in tourism planning and development in their areas, as covered in Pillar 1 under Governance, is

important for success. Understanding traditional industries and knowledge and also family and lifestyle models within communities is a necessary step in identifying effective linkages to tourism.

A key requirement is to develop and improve the conditions that enable poor people to relate efficiently and effectively with tourism business and tourists within a trading environment. This is about building linkages, improving the quality and relevance of services provided and strengthening access to markets. Poor communities need to provide resources and services which meet the needs of established businesses or are complementary to them, so all can benefit. To achieve this, the private sector needs to engage with and assist the process. This is relevant to most of the mechanisms, as indicated below.

The key mechanism of providing employment within tourism enterprises has been largely covered under Pillar 3. The particular challenges to address in strengthening opportunities for poor communities to obtain employment in tourism businesses include: making sure that they have access to general education and specific, relevant tourism training; ensuring that they are aware of employment opportunities and adopting appropriate recruitment procedures; providing jobs in accessible locations and facilitating transport to work; and structuring jobs and conditions of employment to meet their livelihood needs.

Providing goods and services to hotels and other enterprises through supply chains can be a valuable way of spreading opportunities within poor communities. Particular opportunities may come from the supply of food but also other goods and services. Interventions to strengthen linkages need to cover a range of issues, perhaps best tackled through an integrated programme, including:

- Investigating potential sources of supply and improving information
- Generally building trust and positive relationships between suppliers and users
- Helping poor communities understand the needs of tourism enterprises
- Working with producers to improve quality, quantity and reliability of supply
- Forming networks and cooperatives between suppliers.

Informal selling of goods and services directly to tourists, such as street selling of handicrafts, informal guiding etc., can prove to be one of the main ways for poor families to gain tourism income. However, it can be an inefficient and hazardous process. Benefits can be gained by initiatives to regulate and organise the sellers, improve quality and strengthen links to established businesses.

The establishment of businesses within poor communities, either as individual small enterprises or as community-based tourism initiatives, can provide direct and indirect benefits and potentially opportunities for up-scaling. However, it is essential that this takes place in the right business environment, requiring:

- Prior assessment of feasibility and realistic business planning
- Good access to markets and effective promotion
- Access to helpful capacity building and training
- Access to appropriate funding, possibly through microfinance tailored to tourism
- Regulations and standards that are achievable by small enterprises.

Joint ventures between established private sector businesses and community initiatives can prove to be a particularly successful approach.

Direct and indirect engagement in tourism can strengthen the capacity of poor communities to achieve sustainable development in all spheres, through exposure to new ideas and cultures and gaining experience in practical skills such as in ITC and business management.

Mechanisms that involve the creation of employment and enterprise may deliver benefits primarily to individuals and families. However, the final three mechanisms, involving charges, voluntary giving and collateral benefits can be directed at wider community needs and support specific social programmes, such as water supply,

education and health care. It is important to establish whether such opportunities are being pursued and used effectively.

In some countries and destinations, successful pro-poor tourism initiatives may already exist, which have helped enhance the local economic impact from tourism. New actions may focus on up-scaling successful initiatives or replicating them in another context or destination.

6.3 The inclusion of disadvantaged groups in the tourism sector.....

The opportunities that the tourism sector provides for the poor as a source of income and other benefits can equally be applied to other groups of people who may be disadvantaged. Five sizeable groups that are frequently found to be economically and socially marginalised are women, young people, the elderly, disabled people and ethnic minorities.

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Because of the great variety of direct and indirect jobs associated with tourism, opportunities to include disadvantaged groups are considerable. However, this requires specific policies and positive action, in order to:

- Ensure that these groups are not discriminated against in any way; and
- Actively remove barriers and promote opportunities to facilitate their full participation in the sector.

Women are still marginalised from income generating activities in many developing countries. According to a UNWTO study, very few governmental tourism authorities address gender related issues directly in their activities. A subsequent study on the participation of women in the tourism sector found that 'the key risks involved are that women are overrepresented in low-status jobs, often treated unequally or placed in stereotypical occupations, and vulnerable to sexual discrimination and exploitation.

Young people make up 30% of the total working-age population and in developing countries the percentage can be substantially higher. Young people are more likely to suffer unemployment, be open to exploitation, take on casual work and low-quality jobs and command low wages. As a sector with low barriers to entry tourism can provide young people with good opportunities for employment and entrepreneurship. Part time and seasonal work can fit in well with the need for studying and training, but should still be subject to proper remuneration and social security. Vocational training and skills development are particularly important for this group.

Elderly people may be marginalised because they are seen as nearing the end of their productive life and could be considered to be more likely to suffer health problems. However their experience can be of great benefit to the sector. Issues relate to decent work provision, including levels of remuneration, social provision and job security up to retirement age.

Disabled people are particularly likely to suffer from discrimination which may be direct or as a consequence for failing to provide for their special needs in terms of access and other support. Tourism enterprises should be required to make such provision, which should be covered by regulation and inclusion in management standards. Equal attention should be paid to the needs of disabled employees and disabled visitors.

The treatment of ethnic minorities varies considerably across developing countries. All forms of discrimination against them should be outlawed. Cultural tourism development should be equally sensitive to the needs and opportunities presented by the heritage of majority and minority cultures. Ethnic minorities should be given a clear stake in the planning and organization of tourism activities around their cultural heritage.

The way the tourism sector ensures the economic and social inclusion of each of these groups should be informed by the approach outlined for women above and

for poor communities earlier in this section. This includes taking active steps to meet their employment and educational needs and to support them in enterprise formation and operation, directly and through supply chains.

6.4 The prevention of negative social impacts

Policies and actions to alleviate poverty through tourism and to ensure social inclusion should not just be concerned with providing opportunities for the poor and disadvantaged groups. It is also important to make sure that tourism development and activity does not adversely affect the wellbeing and livelihood of the communities where it occurs.

A first area of concern is whether tourism development and operations may affect the availability of essential resources for the community and their access to them. Access to land or to key locations such as the coast, for economic, amenity and cultural purposes, is an important requirement, and often a right, that must be respected.

Particular attention should be paid to the availability and use of clean water, which is an increasingly scarce resource in the face of growing demand and global warming. Access to clean water is a basic human right, which must be respected by business, including the tourism sector. Use of water by hotels and resorts can be extensive and can affect its availability for local communities.

A second area of concern relates to the impact of tourism on the social fabric and functioning of local communities. This may result from changes brought about by an influx of visitors and economic change leading to a breakdown of traditional values, price rises, economic disparity and potentially to social disharmony, rising crime, health issues and sexual exploitation. These problems may be more apparent where the scale and pace of change is greatest.

Policies and actions to prevent and address such negative impacts should be in place. In part, this is about awareness and commitment. The UN backed Global Code of Ethics for Tourism provides a basis for making such commitment and adherence to it has been considered under Sub-Pillar 1.2. Other codes exist that address specific issues. The 'Code of Conduct for the Protection of Children from Commercial Exploitation in Travel and Tourism', initiated by ECPAT International and UNWTO, has been widely supported by many countries and corporate bodies.

Prevention of these conflicts should also be achieved through careful planning of new development and adherence by tourism businesses to the principles and practice of sustainable tourism in their operations. This is further addressed under Sub-Pillar 5.3 which considers environmental and cultural impact. A vital dimension to this is consultation with local communities and involvement of them in the planning process and in decisions on tourism development and operation in their areas, together with keeping abreast of impacts and changes over time from their perspective.

7 PILLAR 5 Sustainability of the Natural and Cultural Environment

Tourism has a special relationship with the environment. There are three main and inter-related reasons why environmental sustainability, including the conservation of natural and cultural heritage, should take centre stage in tourism policies and strategies.

- First, a country's tourism sector and its natural and cultural assets are inextricably linked. Fine landscapes, rich biodiversity, unique heritage sites and vibrant indigenous cultures combine to provide the main reason why tourists visit most developing countries. The conservation of these assets is of paramount importance for tourism. At the same time, the tourism sector itself must make sure that its activities do not damage them but rather help to sustain them, through the awareness and income that it generates.
- Secondly, the depletion of renewable and non-renewable resources, such as fresh water and energy, and the generation of waste and pollution are major problems affecting both global and local environments and human wellbeing. The manner and rates at which these resources are used, and the associated pollution, affect the sustainability and competitiveness of tourist destinations. Tourism must reduce its own levels of consumption and waste to enhance the contribution that the sector makes to sustainable development, while also adjusting to a world where resources are scarcer.
- Thirdly, climate change, driven by greenhouse gas emissions, is recognised as a preeminent threat to the environment, society and economic development. The consequences for many developing countries are especially severe. The implications for tourism, in terms of reducing its contribution to emissions on the one hand and adapting to the effects of climate change on the other, must be fully recognised and addressed in the future planning, development and management of the sector.

The above challenges are embraced by the principles of sustainable tourism as a contributor to sustainable development and require that governments and other stakeholders develop and apply policies and management procedures and make choices which adhere to these principles. Of the 12 aims for sustainable tourism set out by UNEP and UNWTO, five relate to the natural and cultural environment (physical integrity, cultural richness, biological diversity, resource efficiency and environmental purity). In 2012, the role of sustainable tourism was recognised in the Rio+20 Conference, which specifically underlined its positive contribution to environmental conservation and cultural diversity.

The main theme of Rio+20 was 'a green economy' in the context of sustainable development and poverty eradication. Prior to this summit UNEP published the Green Economy Report in February 2011. This contained a chapter on tourism jointly prepared by UNWTO and UNEP as one of ten economic sectors that can make a major contribution to the transition to a green economy. The report sets out a 'green investment' model for future tourism growth. This shows how tourism can continue to deliver growth in GDP while achieving significant reductions in energy use, emissions, waste and water consumption. The model assumes a programme of investment in energy saving, water and waste management, staff training and biodiversity conservation, together with a change in travel patterns and transport use. The report sets out enabling conditions for achieving greater sustainability in the sector. It also identifies important drivers for change, including changes in consumer demand, business desire to reduce costs and increase competitiveness, technological improvements, more coherent policies and greater social and environmental responsibility on the part of businesses and tourists. These drivers

and required actions set out in the Green Economy Report are reflected in this fifth pillar.

7.1 Relating tourism to natural and cultural heritage.....

This section is concerned with the natural and cultural heritage of a country and how it is conserved, managed and used for tourism. UNESCO defines heritage as "our legacy from the past, what we live with today, and what we pass on to future generations" and attests that "our cultural and natural heritage are both irreplaceable sources of life and inspiration. They are our touchstones, our points of reference, our identity". Cultural heritage refers to monuments, groups of buildings and sites with historical, aesthetic, archaeological, scientific, ethnological or anthropological value. Cultural heritage can also be intangible, including traditions or living expressions inherited from our ancestors and passed on to our descendants, Natural heritage refers to outstanding physical, biological and geological formations, habitats of threatened species of animals and plants and areas with scientific, conservation or aesthetic value.

Specific assets that are essentially natural in character may be separate from those that are essentially cultural, but in developing countries they are also often integrated and co-located. In many ways both natural and cultural heritage face similar sustainability issues in their relationship with tourism.

Investment in the conservation of natural and cultural heritage should be recognised as a sound strategy for sustainable development. This has been underlined in the Green Economy Report and in various other studies. Maintaining tourism provides part of the justification and also an economic return for such investment.

Developing countries are likely to have specific policies for the conservation and management of natural and cultural heritage. These policies and related actions should recognise the challenges and opportunities presented by tourism. Tourism policies and strategies should underline the importance of both the natural and cultural heritage to tourism and should contain specific sections relating to their conservation and sustainable use as a key tourism resource. Broad recognition of these important objectives and integration of policies and actions can be facilitated by ensuring a close working relationship between tourism ministries and those responsible for the environment and natural resources and for culture.

Countries should be fully aware of all of their natural and cultural assets, which should all be afforded a degree of protection. Distinctive natural and cultural landscapes, such as the coastal zones, mountain ranges, rivers and lakes, major wildlife habitats, areas rich in traditional agricultural practices or tribal settlements, and historic towns and cities, all need careful planning and protection in general and with respect to tourism development. Particular focus, in terms of conservation and tourism, will be placed on protected areas, including national parks, archaeological sites and reserves. It is important that legislation and regulations covering these areas is sufficient to secure their protection from damaging development and other activities. Where necessary, the number and size of such protected areas should be increased, while also ensuring that they are managed effectively for conservation and tourism.

All parks, protected areas and natural and cultural heritage sites should have management plans which are actively implemented. These should include actions on visitor management, including rules and guidelines on access and the location and operation of visitor services, and the provision of good quality information and interpretation. They should also cover the pursuit of sustainable tourism opportunities. Plans and actions should be drawn up in close consultation with tourism stakeholders, including local businesses and touroperators, and with the local community. Particular attention should be paid to the generation of income from tourism, through admission charges, letting concessions, voluntary gifting and

other activities, and how this income is used for management and conservation, as well as to support local livelihoods.

Within and outside protected areas, the development of a wide range of tourism experiences linked to the enjoyment of nature, cultural sites and intangible heritage should be encouraged. These may be largely pursued by private sector businesses, but also provide good opportunities for public-private partnerships. Opportunities for local communities to engage in a variety of ways, including through well planned and executed community-based tourism experiences, should be pursued - see also Pillar 4 on Poverty Reduction. Creative use of ICT in interpretation should be employed where possible and appropriate.

All tourism activity that relates to natural and cultural heritage must comply with sound sustainability principles and standards in the way it is developed and operated. This applies to building location, design, use of materials, use of energy and water, waste management, sourcing of supplies and respecting cultural sensitivities. This is covered further in section 5.3 below.

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While the principles and approach that apply to natural and to cultural heritage should be the same, the policies, structures and services are often separate, so two sets of questions are presented below.

7.2 Focussing on climate change.....

Climate change has huge consequences for the state of the world's environment, placing a strain on resources as well as directly threatening the wellbeing of local populations. It has been described as "the pre-eminent geopolitical and economic issue of the twenty first century. It rewrites the global equation for development, peace and prosperity". The International Panel on Climate Change concluded that climate change would "impede the ability of a number of nations to achieve sustainable development by midcentury".

The imperative of mitigating climate change and adapting to its impacts must be recognised in tourism policies and strategies for the short and long term.

In recent years much debate and study has taken place on the implications of climate change for tourism. In 2007 the Davos Declaration called for "a clear commitment for action to respond to the climate change challenge, including the urgent adoption of a range of sustainable tourism policies." Since then, UNWTO has been facilitating awareness raising and the gathering of knowledge on the subject.

Models and approaches for the future of the sector, such as in the Green Economy Report referred to earlier and work by the World Economic Forum⁸⁷, have pointed to tourism transport and the operation of accommodation as particular parts of the sector that need to reduce their emissions and their use of nonrenewable energy.

It has been identified that climate change mitigation in tourism should focus on four main strategies:

- reducing energy use - including influencing travel patterns through length of journeys, length of stay and mode of transport
- improving energy efficiency - using new technology and improved practices in aviation, road transport and accommodation design and operations
- increasing the use of renewable energy - such as solar power for tourism enterprises
- sequestering carbon - including use of offsetting, although this should not be as an alternative to reducing emissions.

While some of these mitigation measures should be taken in the destination country, others (such as influence on travel and transport) may be taken in the source country or more widely but have an effect on the tourism performance of destinations. As a principle, UNWTO has argued for differentiated approaches to mitigation that reflect the needs of developing countries and especially SIDS and

LDCs. However, it is important for all countries to consider the possible effects of global mitigation actions on their tourism economies in the short and long term.

Experience has shown that climate change adaptation actions for the tourism sector in each country can only be implemented effectively within an integrated policy framework⁹⁰. Actions may be instigated nationally but will often need to be implemented locally. They will vary according to the type of environment and local circumstances, but typically might cover:

- Land use policy and location of buildings, especially required distance from the shoreline
- Provision of infrastructure, such as sea defences, flood control etc.
- Product and market adaptation to changing weather patterns
- Stricter management of resources of all kinds
- Response strategies for natural disasters such as flooding.
- Adjustment to financial risks, including insurance provision.

7.3 Enhancing sustainability of tourism development and operations

This section is concerned with processes to influence both the development and the operation of the tourism sector, including individual enterprises, to make it more environmentally, socially and culturally sustainable.

A central aspect of sustainability is the management of the world's resources to provide for the needs of future as well as current generations. Sustainable tourism development and operation must embrace the wise use of renewable and non-renewable resources, such as water, energy and land, including biodiversity and heritage in all of its forms.

The importance of energy conservation has been made clear in the previous section in relation to climate change. It should also be driven by concern for the future availability of sources of energy.

Water management and conservation is a major challenge for tourism in many locations in developing countries. Certain kinds of tourism can result in consumption of water per capita by tourists being many times higher than consumption by local residents. This has an environmental dimension as well as being a significant social issue affecting the wellbeing of local communities as covered in Sub-Pillar 4.4.

Reduction and management of solid and liquid waste is also becoming an increasingly urgent priority in some areas, affecting tourism both as a generator of waste but also as a sector that is very sensitive to the pollution of terrestrial and marine environments.

The need for the tourism sector to support the conservation of biodiversity and all forms of cultural heritage was covered in section 5.1 above. Issues to do with impact on local communities were also addressed under Pillar 4.

It is important that environmental and sustainability standards exist, either in general or specific to tourism, which can form the basis for regulation, inspection, guidance, information and impact assessment. Minimum standards may be statutory and regulated. Higher and wider standards can be used to provide guidelines and the criteria for voluntary certification and labelling. All the aspects of sustainability referred to earlier are covered in the Global Sustainable Tourism Criteria (GSTC), supported by the UNWTO and other agencies, which were drawn up initially to provide a voluntary standard for accommodation businesses and a basis for certification.

The sustainability of tourism development and operations can be addressed through the use of regulations but it can also be influenced by other instruments such as financial incentives, labelling, guidance and capacity building.

At Rio+20 the Heads of State adopted a ten year framework of programmes (10-YFP) on Sustainable Consumption and Production. This is a global framework of

action to enhance international cooperation to accelerate the shift towards SCP in both developed and developing countries. Significantly, one of just five initial programmes of the 10-YFP is on sustainable tourism, including ecotourism.

7.4 Measuring and monitoring tourism impacts.....

The management of the tourism sector to make it more sustainable is largely about creating and responding to change. In order to inform and evaluate this process, it is important to be able to measure and monitor variations in the condition of the natural and cultural environment, whether these may have been caused by tourism or may have an impact on the sector in future.

Plans and actions need to be guided by an understanding of:

- The baseline condition of the natural and cultural environment
- How this is changing due to external factors such as climate change
- How tourism is impacting on it and how it may do so in future
- The effect of actions taken, e.g. in relation to mitigation, adaptation, development and management
- The change over time against the baseline conditions.

This process requires the selection of a set of indicators concerning not only the state of the environment but also the pressures on it and the scale of the management effort made. Indicators can also be used to identify limits of acceptable. The indicators selected should be able to be used practically for monitoring purposes and be relevant, clear and credible.

Regular monitoring should be undertaken, using surveys or other measurement processes, and should be consistent so that results are comparable. Results should be well disseminated.

Indicators and monitoring provide early warning of the need for a policy change or new action as well as providing a basis for planning and review.

Indicators may be identified at various levels - for the country, for local destinations and for individual enterprises. Monitoring can also take place at these levels.

Acronyms

ATF	Aid for Trade
CO2	Carbon Dioxide
DC	Developing Country
DMO	Destination Management Organization
DTIS	Diagnostic Trade Integration Studies
EIA	Environmental Impact Assessment
EU	European Union
FDI	Foreign Direct Investment
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GSTC	Global Sustainable Tourism Criteria
GVA	Gross Value Added
HR	Human Resources
HRD	Human Resources Development
ICT	Information and Communication Technology
ILO	International Labour Organization
ITC	International Trade Centre
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Paper
TKZN	KwaZulu-Natal Tourism Authority
LDC	Least Developed Country
MSME	Micro, Small and Medium Enterprises
NGO	Non-Governmental Organization
NTO	National Tourism Office
OECD	Organisation for Economic Co-operation and Development
PCM	Project Cycle Management
USD	United States Dollars
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
SCTD	Steering Committee on Tourism for Development
SIDS	Small Island Developing States
SME	Small and Medium Sized Enterprise
SNV	Netherlands Development Organization
ST-EP	Sustainable Tourism - Eliminating Poverty
TSA	Tourism Satellite Account
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
VCA	Value Chain Analysis
WHST	World Heritage and Sustainable Tourism
UNWTO	World Tourism Organization
WTO	World Trade Organization
YBR	Yasuni Biosphere Reserve

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