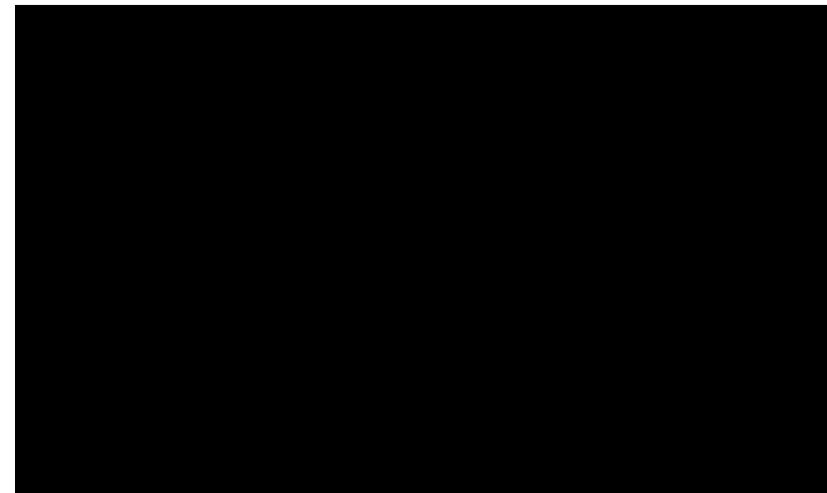




INTERNATIONAL
SUSTAINABLE
TOURISM INITIATIVE



Building Back Better: Reconstructing Governmental Systems and Policies for Sustainable Tourism

**RESULTS OF THE INTERNATIONAL SUSTAINABLE TOURISM
INITIATIVE AND HARVARD EXTENSION VIRTUAL FORUM**

NOVEMBER 19TH, 2020

Overview

A forum on tourism policy and governance was held virtually by the International Sustainable Tourism Initiative (ISTI) and Harvard Extension via the class Environmental Management of International Tourism Development on November 19, 2020. This roundtable session included 30 live participants to discuss recent research on tourism governance representing policy makers, tourism associations, the private sector, international convening bodies, consultants, academics, financing organizations, local authorities and tourism boards. The following presentations by experts in the field framed the discussion, presented in advance of the event via 10 minute videos linked here. The list of participants and further information can be [found here](#).

- [Building a Sustainable Recovery After COVID-19](#) — Jane Stacey, Head of Tourism, OECD
- [Advancing Public Private Collaboration for Destination Stewardship and Recovery](#) — Ben Lynam, Head of Communications, The Travel Foundation, Bernadett Papp, Research, European Tourism Futures Institute and Christopher Imbsen, Director of Destination Stewardship, World Travel and Tourism Council (WTTC)
- [Tourism Taxes by Design, Impacts and Regenerative Tax Structures](#) — Peter Romer Hansen and Signe Jungersted, Directors, Group NAO
- [Climate Smart Accounting for Government Management of the Invisible Burden of Tourism](#) — Megan Epler Wood and Sofia Fotiadou, International Sustainable Tourism Initiative
- [Financing Sustainable Tourism Recovery](#) — Takeaways of Industry Roundtable in Southeast Asia, Trevor Weltman, Chief of Staff and Graham Harper, Director of Sustainability, Pacific Asia Travel Association (PATA)
- [New Models of Partnerships to Support the Tourism Sector](#) — Margaux Constantin, Associate Partner, McKinsey & Company

A total of 50 additional observers including students, experts and academics took part via a webinar and chat system which was moderated by Ben Lynam of the Travel Foundation. The Travel Foundation and the Pacific Asia Travel Association contributed to the organization of the event. [Dr. Jack Spengler](#) opened the session and [Megan Epler Wood](#), Director of the [International Sustainable Tourism Initiative](#) moderated and wrote the results.

MAJOR THEMES & CONCLUSIONS

Participants in the roundtable highlighted the following challenges and conclusions.

Government Systems for Tourism Have Failed to Incorporate Sustainability

A new system of government for tourism is needed which incorporates sustainability into all levels of strategic decision making. Roundtable representatives proposed that governments deploy strong diagnostic tools with astute data management, while orchestrating a compelling vision for a sustainable future for residents and visitors. The private sector represented suggested that tourism authorities lessen their focus on market generation and become more adept at mobilizing systems to achieve the sustainability of tourism destinations. To achieve these results, new indicators of success are required, which will enable a full range of stakeholders to review how destinations are meeting Sustainable Development Goals (SDGs) and Paris climate goals.

A NEW SYSTEM OF GOVERNMENT FOR TOURISM IS NEEDED WHICH INCORPORATES SUSTAINABILITY INTO ALL LEVELS OF STRATEGIC DECISION MAKING.

COVID-19 is a Challenging Test of Government's Organizational Capacity to Respond to the Crisis

COVID 19 has tested the capacity of governments to respond to the historic downturn in the tourism economy in 2020 and beyond. The complexity of the tourism economy; which is a constellation of sectors including aviation, transport, cruise lines, accommodation, food and beverage, and cultural and natural attractions; involves a wide range of governmental departments that have not been systematically coordinated in the past. Governments will be required to build the management of sustainable goals directly into the tourism economy's recovery. Key related research and solutions discussed during the forum included:

- OECD researches tourism policy issues and solutions via a review of best practice examples from governments. In their region of work, OECD has found that the crisis has been a call to action for governments. Countries such as Austria and Finland are building sustainability into their long-term recovery plans, and other nations such as Colombia are fast tracking sustainability planning.

Overall a new policy focus on destination management structures to support wider policy making is allowing for a more coordinated approach within government, more aligned with local and regional policy goals.

REGIONAL AUTHORITIES, SUCH AS THE EU INTERREG MED PROGRAM, PRESENTED THAT THEY HAVE DEVELOPED SYSTEMS TO FOSTER INTERSECTORAL COOPERATION ACROSS A RANGE OF DESTINATION TYPES. THE PROGRAM ENGAGES LOCAL AUTHORITIES USING SCIENCE-BASED INDICATORS AND AN EFFECTIVE DECISION SUPPORT SYSTEM, USING BIG DATA.

- There was a call for destinations to review their governance structures to consider whether they promoted or inhibited a collaborative and holistic “destination stewardship” approach. The WTTC and its partners are developing a diagnostic tool to support this.
- Regional authorities, such as the EU Interreg MED Program, presented that they have developed systems to foster intersectoral cooperation across a range of destination types. The program engages local authorities using science-based indicators and an effective decision support system, with big data applied. Their [governance and indicator system](#) is found on an online open platform which allows local, regional and national authorities to monitor social and environmental impacts.

- McKinsey & Company presented their research on DMOs and tourism ministry capacity to manage the crisis and found these agencies need to come to a better understanding of their own business inventory, which is primarily composed of SMEs. Such businesses cannot absorb debt and are struggling worldwide. McKinsey recommended “debt-pooling” to securitize the process of managing and brokering urgently needed SME finance.

THE PACIFIC ASIA TRAVEL ASSOCIATION’S (PATA) ROUNDTABLE CONCLUDED THAT SUSTAINABLE TOURISM FINANCE HUBS COULD BE AN IMPORTANT SOLUTION FOR EMERGING ECONOMIES, IF DESIGNED TO ATTRACT SUSTAINABLE FINANCE TO DESTINATIONS, MANAGE DATA TO INFORM DECISION MAKERS, AND BUILD LOCAL CAPACITY TO MANAGE DATA SYSTEMS THAT ACCOUNT FOR LONG-TERM SUSTAINABILITY.

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- In areas of the world where there are no recovery funds, blended public-private finance was presented as an important solution to providing the investment required for a sustainable recovery. The Pacific Asia Travel Association (PATA) presented the results of their regional roundtable which concluded that sustainable tourism finance hubs could be an important solution if designed to attract sustainable finance to destinations, manage data to inform decision makers, and build local capacity to manage data systems that account for long-term sustainability.

Effective Governance Requires New Forms of Organization

The research by the Travel Foundation, WTTC and European Tourism Futures Institute found that governance systems are needed which are co-created using participatory techniques and represent local organizations and stakeholders together with regional and national policy makers. Data sharing between levels of government will be required to review the environmental, social and economic implications of tourism. These governance systems should include:

- Private sector input, the development of shared public-private sustainability outcomes, and alignment on frameworks such as the UN Sustainable Development Goals.
- Strategic and transparent systems that incorporate community viewpoints.
- Civil society organizations that contribute to effective management of tourism impacts (i.e., conservation organizations that seek to manage indicators on biodiversity).
- Netherlands Tourism Board notes that “it is essential that destination management, development and innovation will be increasingly data-driven and fact-based.”
- Academic institutions and institutes of technology will be required to drive a transition to data-driven monitoring, as tourism authorities are generally under-staffed and unskilled in sustainability metrics. Separate grant funds for this purpose will be required as part of the recovery instruments being considered for the tourism economy.

A Set of Holistic Goals Can Motivate Needed Tourism Policy Changes

Tourism authorities must develop a tangible set of sustainable destination management goals that are made fully responsive to the needs of industry and destinations via measurable indicators designed which align with local, regional and national priorities, such as recovery from the COVID-19 pandemic, lowering Greenhouse Gas emissions, fostering climate resilience, the development of sustainable infrastructure, and protection of vital natural resources.

The Role of Taxes in Building Back Better

Taxes generated by tourism have been viewed as a marketing “honey pot” in the past for the use of tourism authorities without full transparency. However, research presented by Group Nao indicates that taxes can be made an important source of finance for sustainability, if there is full consultation with stakeholders and transparency of distribution approaches. Governments such as Iceland and New Zealand have begun to organize specialized tourism taxes to address tourism impacts related to infrastructure and support sustainable tourism management goals.

RESEARCH PRESENTED BY GROUP NAO INDICATES THAT TAXES CAN BE MADE AN IMPORTANT SOURCE OF FINANCE FOR SUSTAINABILITY, IF THERE IS FULL CONSULTATION WITH STAKEHOLDERS AND TRANSPARENCY OF DISTRIBUTION APPROACHES.

The Balearic Islands of Spain have had notable success with [eco-taxes](#) as a means of managing results in sustainability in such areas as conservation of resources and biodiversity, with full transparency and good governance.

Tourism Authorities Must Measure Externalities and Key Indicators

Local authorities frequently lack the information and data they need to uncover and account for tourism’s hidden costs which remain unmeasured and undermine local efforts to protect and manage destination assets. The report [Destination at Risk, The Invisible Burden](#) defined how such externalities leave a range of unaccounted for impacts on local destinations.

MANAGING DESTINATION INFRASTRUCTURE SUSTAINABLY WILL BE AN IMPORTANT NEW ROLE FOR TOURISM RELATED ENTITIES AND GOVERNMENTS OF THE FUTURE. HARVARD ISTI HAS TESTED A HOLISTIC ENVIRONMENTAL ACCOUNTING FOR DESTINATIONS (HEAT-D) FRAMEWORK WHICH ISOLATES PRECISE TOURISM DEMANDS ON LOCAL INFRASTRUCTURE TO INFORM LOCAL AUTHORITIES AND ALLOW THEM TO MAKE DECISIONS AND MANAGE QUESTIONS OF TOURISM IMPACTS MORE EFFECTIVELY.

Harvard's International Sustainable Tourism Initiative (ISTI) presented that new policies that incorporate well-managed indicators to reveal how tourism seasonal demand for energy, fresh water, waste management and wastewater treatment can guide local authorities to make better decisions to green their economies.

Managing destination infrastructure sustainably will be an important new role for tourism related entities and governments of the future. Harvard ISTI has tested a Holistic Environmental Accounting for Destinations (HEAT-D) framework for destinations which isolates precise tourism demands on local infrastructure to inform local authorities and allow them to make decisions and manage questions of tourism impacts more effectively. Such data would allow for coordination with regional and national policy makers on such issues as, lowering greenhouse gas emissions to achieve the targets of the Paris Agreement and meeting SDG goals.

Increased Capacity and Skills are Required to Manage Tourism's Complexity

Existing tourism related government organizations lack in-house capacity to manage questions of sustainability.

Training and skill transformation is required to embed these skills within institutions responsible for managing tourism. There is "no other option" except to build capacity in technology and data interpretation according to the participants at the Roundtable. Preliminary survey results from 12 countries, collated by the Sustainable Tourism Asset Management Program at Cornell University, indicate there is a high level of interest in more training in data management and skills to manage sustainability factors in future.

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CONCLUSIONS & RECOMMENDATIONS

DEVELOPING CONSISTENT POLICIES WITH PERSONNEL CAPABLE OF ADDRESSING SOCIAL AND ENVIRONMENTAL ISSUES WILL ALLOW TOURISM AUTHORITIES TO ENGAGE LOCAL NEEDS, COORDINATE EFFECTIVELY WITH CIVIL SOCIETY, AND MEET THE REQUIREMENTS OF THE PRIVATE SECTOR.

1. The response to the COVID 19 pandemic downturn has opened up potential opportunities for revising how government can respond to the management of tourism in the future.
2. Effective governance requires new organizational systems to ensure sustainability is embedded into the future management of tourism. Creation of interlinked governmental bodies which represent local, regional and national goals will be necessary.

3. Holistic measurements of tourism impacts are required using indicators which need to be synchronized and serve both residents and the tourism economy, while providing data to inform national policies for meeting the Paris Agreement and SDG goals.

4. Government personnel require skill transformation which will permanently embed capacity within agencies to manage social and environmental data as part of the transition away from solely managing tourism markets and market demand analysis.

5. Developing consistent policies with personnel capable of addressing social and environmental issues will allow tourism authorities to engage local needs, coordinate effectively with civil society, and meet the requirements of the private sector.

MORE RESOURCES:

The International Sustainable Tourism Initiative (ISTI) [Governance tab](#) on our [website](#) includes the participant list, the short video links, and the publication list that supports the short videos presented for the forum.

FURTHER WORK:

ISTI will continue to review how to further policy research and mechanisms to support the governance of sustainable tourism via its convening capacity and research made possible by collaboration with other schools at Harvard, including the Kennedy School of Government, the Harvard Graduate School of Design, and Harvard Business School. Feel free to explore our program and discuss how collaborative efforts can further this work.