Industry as a partner for sustainable development

Tourism

World Travel & Tourism Council (WTTC)
International Federation of Tour Operators (IFTO)
International Hotel & Restaurant Association (IH&RA)
International Council of Cruise Lines (ICCL)

*Developed through a multi-stakeholder process
facilitated by:*

UNEP

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Disclaimer

In a multi-stakeholder consultation facilitated by the United Nations Environment Programme, a
number of groups (including representatives from non-governmental organisations, labour unions,
research institutes and national governments) provided comments on a preliminary draft of this
report prepared by the World Travel & Tourism Council, International Hotel & Restaurant Association,
International Federation of Tour Operators, and International Council of Cruise Lines. The report was
then revised, benefiting from stakeholder perspectives and input. The views expressed in the report
remain those of the authors, and do not necessarily reflect the views of the United Nations
Environment Programme or the individuals and organisations that participated in the consultation.

Contents

Acknowledgements

Business Enterprises for Sustainable Travel/The Conference Board (http://www.sustainabletravel.org), a leading source of knowledge on innovative travel industry practices that advance community, business and travellers interests.

The Tour Operators' Initiative (http://www.toinitiative.org), a network of tour operators that have joined forces to improve their practices, as well as raise the awareness of the industry

World Tourism Organization (http://www.world-tourism.org), a global forum for tourism policy issues and a practical source of tourism know-how.

Executive summary

The new millennium and the coming decades are a crucial time for the relationship between travel and tourism and sustainable development. The need to preserve the world's inherent assets for future generations is becoming an imperative goal not only for travel and tourism, but also for all other industries that use the earth's natural resources. The scale of travel and tourism's contribution to the global economy and its potential for enabling sustainable development are becoming more evident for governments, non-governmental organisations (NGOs) and industry alike.

The report was mostly prepared before 11 September 2001. The impact of the terrorist attacks on the World Trade Centre in New York and Washington DC were felt in all areas of the travel and tourism sector in developing and developed countries. The atrocity has badly damaged parts of the travel and tourism industry. However, it has also highlighted the need, now more than ever, for travel and tourism to be recognised as a vital part of the global economy, a view that has yet to be fully acknowledged by governments. Travel and tourism has the potential to reduce the conflict between economic, social and environmental objectives and deliver development in a sustainable way.

Travel and tourism is now one of the largest industries in the world. Economically, it creates jobs and contributes over 10% Gross Domestic Product (GDP), as well as brings in capital investment and exports. Socially and culturally, travel and tourism offers the opportunity of providing jobs for minority and disadvantaged groups, creating adequate training in management skills, education and technology to local people and increasing incomes in rural and local economies, thereby contributing to the alleviation of poverty in developing countries. Environmentally, it is essential for travel and tourism to maintain an optimal balance of its natural resources to ensure the ongoing arrival of tourists to destinations.

The challenge is to move from the existing *ad hoc* approach, to one that can integrate the current social, economic and environmental programmes, funds and initiatives, and evolve new patterns of managing travel and tourism businesses in a more systematic and dynamic way. The inevitable transition to sustainable development strategies gives the travel and tourism industry an opportunity to confirm itself as a solution, rather than a contributor to the economical, social and environmental challenges facing the future.

One of the main barriers to achieving this goal in the past has been the inherent fragmentation of the industry, and the relative fragility of viable operating margins, especially for the small and medium-sized enterprises that make up most of the industry. This has indirectly led to a deficiency of accountability both by the private and public sectors. This lack of responsibility towards travel and tourism is leading, at an ever-increasing rate, to an eventual environmental, economic and cultural crisis. In order to avert this crisis all stakeholders including, the public and private sectors, NGOs, trade unions and consumers need to begin to co-operate to make travel and tourism work for everyone.

The way forward for travel and tourism is to create strong partnerships between the private and public sectors, NGOs, institutional bodies, and local communities, in order to ensure effective active participation by all stakeholders. Governments are only just beginning to take a more decisive role in developing sustainable, economically successful tourism. But, strong partnerships by all players

will bring valuable networking processes, workable policies and logical planning and development, transforming travel and tourism's sometimes negative environmental image to one of sustainability and stewardship.

Foreword

This report has been prepared for the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002. WSSD, though a principally government forum charting the progress of sustainable development, has the potential to bring together the industry, government, non-governmental organisations and other stakeholders to participate in constructive dialogue for the future.[1], [2] In response to this challenge UNEP has taken a lead in designing and co-ordinating a project that will provide sufficient data to measure the footprint of tourism, identify future trends in development planning and come up with specific recommendations for actions for each group of stakeholders.

Ten years ago at the Earth Summit in Rio de Janeiro the environment was at the top of the political agenda. Governments were looking at how to stem the tide of consumption by both developed and developing countries and to reduce the use of natural resources. At that time the concept of sustainable development was yet to be adopted by the stakeholders. Ten years on, the political climate has changed dramatically and the concept of sustainable development not only refers to the environment but also includes economic, social and cultural issues.

The following tourism industry report presents the perspectives of the travel and tourism industry in meeting the challenges of the 1992 Earth Summit over the past decade and into the future. It shows that the delicate balance between sustainable development and the inevitable economic growth from tourism must not only contribute to improving quality of life, but must also be synonymous with environmental, social and cultural preservation and protection in order to ensure a prosperous future for the travel and tourism industry.

This report starts with an overview of the industry today beginning with a summary of key figures and trends. It looks at general industry-wide trends in each of the three dimensions of sustainability (economic, social and environmental), details the implementation measures taken since Rio 92 and sets out future goals. The following sections cite other examples of sustainability issues facing three major segments of the global travel and tourism industry, tour operations, hotels and restaurants and cruise liners, and examples of efforts to address these issues.

In keeping with the guidelines for industry reports issued by UNEP, the tourism industry report is built on the general format being used by the Commission for Sustainable Development (CSD) in preparing Agenda 21 thematic reports for the inter-governmental meetings prior to the WSSD. It endeavours to identify trends within the tourism industry, gives examples of environmentally sound best practices, analyses tourism development mechanisms and includes case studies on management and use of natural resources and advises on how to establish public-private partnerships to ensure the future for travel and tourism.

The report itself is the first step towards a public-private partnership. Though fundamentally an industry sector report, it went through a consultation process with a number of stakeholders, including various NGOs and labour union representatives, to ensure that the report remained an open, critical self-assessment of the tourism industry.

Partly as a result of this discussion the steering committee decided to express its readiness to embrace a multi-stakeholder dialogue by adding a separate chapter named "Open for Dialogue" at the end of the report that explains in detail the advice-giving process the

[1] The airline industry, an integral part of the Travel and tourism industry, at UNEP's request, has produced a separate industry report written by the Air Transport Action Group (ATAG). Over the last ten years the aviation industry has dramatically improved its environmental performance and is constantly seeking ways to reduce its environmental impact. It has been one of the sector's leaders in investing heavily in new technology and in modern aircrafts that reduce pollution.
[2] In addition to the Summit the United Nations has declared 2002 as the International Year of Ecotourism (IYE), to promote the importance of sustainable tourism and support the sector in its movement to a more positive image.

report went through. Although some of these comments were not included in the final body of the report, the process helped the steering committee to both strengthen and enrich it.

Part 1: Implementation of the three dimensions of sustainable tourism development

1 General overview

In 1992 at the Rio Earth Summit, 178 governments approved Agenda 21 and the Rio Declaration. Agenda 21 offered a blueprint for sustainable development, while the Rio Declaration articulated the main principles for sustainable development in the 21st century. Both documents challenged organisations, governments and industries to work towards maximum levels of sustainability, defined by the Brundtland Commission in 1987 as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.[3]

Since the summit, the social, political and economic world has developed at a rapid pace. The encroaching globalisation of the world, the increasing necessity and use of technology, and its inherent liberalisation, have altered the way business is conducted and in so doing have affected the relationships between people and the environment. The inevitable global shift towards 'globalisation' is transforming the workplace, the job market, lifestyles, communities, industries and markets.

The challenge for stakeholders involved in all industries is to find a balance between sustenance, prosperity and people's desire to improve their financial/material well-being, with the underlying need for identity, community, religion, home and family. Travel and tourism can play a vital role in balancing these forces. It not only provides the livelihoods for both rural and urban communities, but has the capacity, when planned, developed and managed properly, to enhance community relations and build bridges of understanding and peace between nations.

Travel and tourism also plays a crucial role in encouraging governments to reduce their barriers to growth. Thomas Friedman in his book *The Lexus and the Olive Tree*[4] suggests that governments need to don a 'golden straight jacket' in order to allow pure free market capitalism and enable both developed and developing countries to achieve full economic growth within a sustainable development framework.

The first step to achieving this balance between sustainable development and economic growth for travel and tourism was in 1996. The World Travel & Tourism Council (WTTC), the World Tourism Organisation (WTO/OMT) and the Earth Council, together launched *Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development* – a sectoral action plan for sustainable development based on the outcome of the Rio Earth Summit in 1992. At the time it was the only industry-specific adaptation of Agenda 21.

2 Tourism today

The following definition of tourism was officially adopted by the United Nations Statistical Commission in 1993: 'Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes'.[5]

Both the inter-governmental WTO/OMT and the private sector WTTC consider the travel and tourism sector to be one of the largest – if not THE largest – in the world, particularly in terms of its contribution to the world economy. According to WTTC estimates, travel and tourism achieved the following economic impact directly and indirectly in 2001:

(3) The report also known as "Our Common Future" highlighted three fundamental components to sustainable development: environmental protection, economic growth and social equity. For more information: http://www.doc.mmu.ac.uk/aric/eae/Sustainability/Older/Brundtland_Report.html
(4) Friedman T.: 2000: The Lexus and the Olive Tree, 1st Anchor Books Edition, New York.
(5) WTO, 1993: Recommendations on Tourism Statistics. World Tourism Organisation. Spain.

- USD3.3 trillion contribution to global GDP, almost 11% of total GDP;
- 207 million jobs worldwide, over 8% of all jobs;
- USD630 billion in capital investment, almost 9% of all capital investment[6].

This economic activity of the travel and tourism sector was generated by 698 million international tourist arrivals in 2000, representing an estimated 7.3% increase over 1999 according to preliminary estimates[7]. This was the highest growth rate in nearly a decade and almost double the increase of 1999 with nearly 50 million more arrivals recorded, which is approximately what destinations such as Spain or the United States receive in the entire year. In less than a decade, international tourist arrivals are projected to reach one billion[8].

In March 2001, WTO/OMT submitted a concise report on *Sustainable Development of Tourism* to the United Nations (UN), in which it noted that 'the development of tourism has been characterised by continuing geographical spread and diversification of tourist destinations. While in 1950 the top 15 tourist destinations, all in western Europe and North America, attracted 97% of the world's total arrivals, by 1999 this figure had fallen to 62%, with market shares increasing for developing countries and economies in transition, particularly in south-east Asia, central and eastern Europe, and Latin America.'

The report also noted some of the main qualitative trends seen in the industry in the form of increased market segmentation, the development of new forms of tourism – especially those related to nature and wildlife, rural areas and culture – and how such programmes are influencing traditional package tours.

Clearly, tourists are increasingly selective about destinations and are demanding higher quality products and services. One of the driving forces behind this trend is the emergence of

an 'experience-based economy', a term used by B Joseph Pine and James H Gilmore in the *Harvard Business Review* (July-August 1998), to describe what happens when 'a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates memorable events'.

The travel and tourism industry simultaneously thrives upon this trend and is threatened by it. Tourism products and services that demonstrate 'greater sensitivity to the environment, traditional culture and local people at the destinations[9]' can create such an experience, whereas tourism in a context of uncontrolled growth which puts increasing pressure on the natural, cultural and socio-economic environment, risks diminishing the visitor's experience. In short, increased market demand for experiences can contribute to social, economic and environmental sustainability only if the resulting pressures from growth are properly planned and managed.

The travel and tourism industry is both receptive and conscious of the resulting pressures from economic growth and the need to protect our natural and social environment. The preservation of the tourism product – the environmental, social or cultural heritage specific to each country – is the only way to ensure a future for everyone.

In response to this increase in recognition of the need to safeguard natural resources, a growing number of travel and tourism companies are seeking to create more responsible consumer behaviour by using their products and services to educate and inform their customers. Many multinational companies such as Lusotur, British Airways, Japan Travel Bureau (JTB), Taj Hotels and Preussag have all adopted 'corporate citizenship' programmes that have created dialogue between the community and the private sector, as well as promoting sustainable development (see Annexe 3).

(6) WTTC, May 2001: Tourism Satellite Accounting Research. World Travel & Tourism Council. London & New York.
(7) International arrival statistics omit all domestic tourism, which often accounts for more than half of all Travel and tourism (WTTC 2001).
(8) WTO, 2001: Tourism Market Trends: World Overview & Tourism Topics. Provisional Edition. World Tourism Organisation. Spain.
(9) UNESC, March 2001: Commission on Sustainable Development, Organisational Session. United Nations Economic and Social Council Report of the Secretary General. P.2.

3 Economic dimensions

Travel and tourism, if utilised effectively, can be a force for positive growth and economic success for both developed and developing countries. Markets have the potential to enhance lives in a sustainable framework through providing wealth creation, choice, innovation and competition[10]. The travel and tourism industry contains these four elements that enable it to be a dynamic market force for sustainability in the future. It has the capacity to increase exports, bring in capital investment, boost an economies GDP and create employment.

3.1 Job growth

Travel and tourism generates jobs throughout the economy, both in companies directly involved in the business and in related supplier industries such as retail, construction, manufacturing and telecommunications. WTTC estimated that travel and tourism generated 203 million jobs – over 8% of all jobs worldwide – in 2000, rising to over 207 million in 2001. Within a decade, this is estimated to increase to over 260 million jobs or 9% of all employment, (see Annexe 1). These jobs employ a significant proportion of women, minorities and young people and are predominantly in small and medium-sized enterprises (SMEs).

SMEs make up the majority of the travel and tourism sector, although the exact percentage is unknown. SMEs encourage entrepreneurs, provide many diverse job opportunities and enable low skills entry for emerging countries. Successful human resource management, in the shape of training and education, is crucial to achieve the economic prosperity, for both SMEs and the larger multinational companies that can be accrued through tourism. Highly competitive destinations are realising that quality of services and facilities are vital to ensure a consistency of tourists to the destination. On the other hand the fragmentation of the industry and the high proportion of SMEs has led to unconstructive training and protection for employees.

Given the number of low-skilled workers in the sector, the industry has been criticised for offering nothing more than 'hamburger flipping' jobs that contribute little to the sustainability of an economy or society. The travel and tourism industry is renowned for its high turnover, anti-social working hours, low pay, seasonal employment, instability and low job status[11]. However, this does not tell the whole story. *Jobs for the Millennium – Mexico*, a report produced in 2000 by the WTTC and the Fundacitón Pro-Educación en Turismo, AC (FUTUR), paints a different picture of the hospitality workforce. While over 36% of the employees in over 200 companies surveyed were considered 'unskilled', almost a quarter of the jobs at these companies required professional or managerial competence, and over 45% required some level of skill.

Despite SMEs offering their employees transferable skills, there is still a considerable absence of training for these groups. There is a real need for human resource development within the sector that tackles the issues that lead to costly effects for travel and tourism. Indeed, more than a third of employers surveyed reported serious shortages of skilled workers, which would suggest that real career opportunities do exist. This has met with industry recognition of the need for human resource development that raises the industry's profile, increases productivity and provides sustainable employment[12].

One of the catalysts creating the urgency for trained, skilled workers within the industry is the increasing use of information technology. Travel and tourism is reliant on a human service, yet is increasingly using technology to facilitate the sector in competitive pricing. The growth in tourism forecast for the next ten years, will lead to a greater dependency on information technology, which will become more important in the future as the industry

(10) Holiday, C., & Pepper, J.: Sustainability Through the Markets - 7 Keys to Success, World Business Council for Sustainable Development, p. 9. http://www.wbcsd.org/projects/pr_marketsust.htm.
(11) ILO, 2001: Human Resource Development, Employment and Globalisation in the Hotel, Catering and Tourism Sector. International Labour Organisation. Geneva p.80.
(12) ibid.

copes with rapid expansion and sophistication of the tourism and hospitality supply[13].

Tour operators

While tour operators have a limited number of staff in some of their receiving countries, a huge network of activities and jobs across the economy depends upon delivering the demand for tourism. The tour operator industries reach many areas of the economy such as hotel and infrastructure development, transport services, agriculture, information technology, restaurants and entertainment and media, education and training, consumption of pharmaceutical products, clothing, equipment, and medical services.

Hospitality

The hospitality industry contributes to the important process of job creation. As a labour-intensive industry, it employs large numbers of wage earners, whose taxes and disposable income add to gross domestic output and help to create further employment opportunities. Given that each hotel room typically requires one member of staff, every hotel room built has the potential to create an additional job.

Cruise lines

The bulk of cruise line employees are from countries where employment opportunities are limited and training is scarce. The industry provides the opportunity to travel, free medical care and upward mobility, particularly for women from developing nations.

3.2 Tourism contributions to the economy

In order to achieve sustainable economic growth, the travel and tourism sector needs to reduce social, economic, environmental and cultural barriers. Some of the major obstacles to this growth are the lack of infrastructure, environmental degradation and fragile linkages that weaken a country's tourism potential[14]. One way to address these barriers is for the sector to foster tourism investment through

public-private sector partnerships that not only enable a country to grow economically, but retain the essential social, cultural and environmental assets that make each country a unique product.

Public-private sector co-operation and planning are also essential to creating sustainable employment in the tourism industry, and to this end the private sector has fought for recognition of its true contribution to job growth and economic development. Hitherto, the industry had been disadvantaged by a lack of data reflecting its full economic impact. Only recently has the methodology known as Tourism Satellite Accounting (TSA), pioneered by WTTC, WTO/OMT and others, been developed and accepted by governments as a means for fully measuring travel and tourism's contribution as an economic activity.

TSA is based on a 'demand-side' concept of economic activity (i.e. the economic activities of visitors and travel companies), as tourism does not supply a homogenous product or service. Unlike traditional industries (agriculture, electronics, steel, etc.), travel and tourism is a diverse set of industries offering a multitude of products (consumer and capital durables and non-durables), and services ranging from airline and cruise ship fares and accommodations, to restaurant meals, entertainment, souvenirs and gifts, immigration and park services, recreational vehicles and automobiles, aircraft manufacturing and resort development.

By using input/output modelling, TSA is able to differentiate between travel and tourism industry supply and economy supply, including that portion of supply which it imports from abroad. Additionally, it breaks down the supply side accounts into direct and indirect impacts and the individual elements of GDP (wages and salaries, transaction taxes, operating surplus, depreciation and subsidies). These data ensure governments have a broader understanding of the impact of travel and

(13) Buhalis, D.: 1994: Information and telecommunications technologies as a strategic tool for small and medium tourism enterprises in the contemporary business environment" In Tourism: The State of the Art. Ed Seaton, A. V., et al.: John Wiley & Sons. Chichester p. 254.
(14) Hawkins, D.E., Finucane, E., Sharp M.: (forthcoming). Reducing Barriers to Tourism Investment in Developing Countries. International Institute of Tourism Studies. The George Washington University. USA.

tourism, in particular the implications of policy for the travel and tourism economy[15].

TSA data also reiterates the fact that travel and tourism has the potential to be a catalyst industry for emerging countries to kick-start their economies, offering many opportunities that are not available in other industries. For example, the rise in cultural, heritage and wildlife niche market tourism, in developing countries, is becoming a viable alternative for communities that want to move away from mono-culture farming, which can not only destroy sustainable patterns of agriculture and traditional fertility cycles but has been associated with negative changes in social structures and economic relationships[16].

Annual research undertaken by WTTC demonstrates that the impact of travel and tourism on the whole economy is much greater than the size of the industry itself. For every dollar spent on travel and tourism, a further dollar and a half is typically contributed to GDP in other sectors of the economy.

Tour operators

Tour operators can have a significant impact upon economies. Whereas the Balearic Islands were the poorest province in the whole of Spain in 1950, by the year 2000 it was the richest – almost entirely due to organised tourism. Other countries where travel and tourism has had a positive impact on the economy are the Maldives, Mexico and Turkey.

Hospitality

The hotel industry has considerable growth potential in those nations and regions that are just beginning to develop their economies and improve their performance, because the total output of the hotel industry is closely tied to the variables associated with economic development. These variables include basic infrastructure and levels of gross domestic output, employment, and education of the workforce. The hospitality industry also

produces a 'multiplier effect' whereby money spent by hotel guests travels through a community generating further revenue.

Cruise lines

The cruise line industry is a significant economic contributor worldwide and particularly to the United States economy, leaking into industry, agriculture, airlines, travel agents, food and beverage suppliers and other service sectors. It is also a booming industry that is forecast to grow to 20.7 million passengers by 2010.

4 Social dimensions

Tourism can be both a force for the preservation of or, conversely, a threat to a community's natural and cultural heritage. A 1999 report *Sustainable Tourism and Cultural Heritage* published by the World Bank underscores the symbiotic nature of the relationship. The mutual dependence that exists between tourism and cultural heritage is becoming more evident. While culture heritage creates a foundation for tourism's growth, tourism has the power to generate funds that make conservation possible. Cultural heritage loses much of its meaning without an audience, and a society participating in and benefiting from it. Without sustainable management, tourism loses its potential for growth.

With the growing interest in culture and community, tourism is finally being recognised as an industry that can boost rural economies, create entrepreneurs and jobs and help preserve indigenous cultures. 'Above all, tourism offers a better life not just for those who make money, but for those who pay money to enjoy it'.[17] For example, trekking tourism has led to the transformation of the traditional subsistence farming of the Sherpas of the Khumbu region into a cash economy that has generated income, jobs and a better standard of living.[18]

(15) WTTC, 2000 Research: Overview and Definitions. World Travel & Tourism Council. London & New York.
(16) Killeen, D., Rahman, A.: 2001: Poverty and Environment. International Institute for Environment & Development. London.
(17) Elliott, M.: 2001: "Lie in the Sun - and Change the World", Time Magazine, May 21, 2001, p. 63.
(18) Tej Ver Singh.: "Keep the Sharks Out of the Mountains", Our Planet, Vol. 10 No. 1 p. 22.

One of the main challenges, therefore, for all stakeholders involved in travel and tourism, including local authorities, NGOs and businesses, is to maintain an optimal balance to ensure sustainability. Otherwise, in destinations where the natural and cultural heritage deteriorates, the economy will be put at risk as tourists migrate to better-preserved destinations. The Addo Elephant National Park in South Africa's Eastern Cape Province aimed to integrate community tourism initiatives with mainstream tourism. A multi-stakeholder dialogue process was adopted including all private and public sector voices. The outcome was that local groups have the potential to add diversification to a primarily wildlife destination and the private sector has the key for effective marketing and business development skills[19].

Research suggests that following the trends already mainstream in other economic sectors, social responsibility and corporate citizenship are expected to become in the future issues of strong concern requiring a response from the tourism industry as a whole, as well as at corporate level[20]. The concept of 'corporate citizenship' is now being adopted by many of the key leaders in the private sector of travel and tourism and is emerging as a central issue for business companies[21].

Corporate citizenship recognises the need to create a balance between all stakeholders' needs, society's different interests and the sustainability of the natural environment with a greater focus on governance and accountability. It is about taking responsibility for, and doing as well as possible in terms of social, environmental and economic performance given competitive opportunities and constraints. The business case and corporate citizenship have become joined in current debate about the changing role of business in society[22].

The Award for Responsible Capitalism 2001 – sponsored by *First Magazine*[23] – was presented to Marilyn Carlson Nelson, chair

and CEO, Carlson Companies and highlights the importance of corporate citizenship for multinationals. Profit can serve many functions, and within travel and tourism modern business leaders are using it for good purposes. Multinationals can help contribute to the wealth and welfare of us all, and increasingly leading players in the travel and tourism industry are recognising the importance of the contributions they can make to the communities within which they work.

Corporate citizenship balances the interests of the economy with those of public policy-makers, individuals and groups in civil society. It can not only improve the quality of life for distressed communities, but can also generate tangible returns for the bottom line. Within travel and tourism, corporate citizenship is becoming an increasingly important concept for the private sector.

Tour Operators Initiative
The Tour Operators Initiative (TOI) – (http://www.toinitiative.org) launched in March 2000 is a network of tour operators that have joined forces to improve their practices, as well as raise the awareness of the industry. TOI acts as a platform to develop ideas and projects to address the environmental, social, economic and cultural aspects of sustainable development within the tourism sector. Developed by tour operators, for tour operators, it has the support of UNEP, UNESCO and WTO/OMT. The members of TOI commit to:

- adopt practices with regard to environmental, social-cultural and economic impacts of their activities internally and when forming business relationships with partners, suppliers and subcontractors;
- encourage and seek co-operation with all stakeholders at destinations to develop integrated planning and management of destinations;
- create awareness among their customers towards the natural, social and cultural

(19) For more information on this project please go to http://www.parks-sa.co.za/addo/ganp.html
(20) Tepelus C., 2001: Ethics and Corporate Social Responsibility in Tourism. International Institute for Industrial Environmental Economics.
(21) BEST, 2000.: Doing Good and Doing Well: Making the Business Case for Corporate Citizenship. Research report 1282-00-RR. USA.
(22) ibid p. 7.
(23) First Magazine focuses on business strategy and government policy making. Its mission is to bring decision makers together and it seeks to create business opportunities and to enhance global dialogue between business, finance and government.

environments they visit by promoting, in their communication and advertising, behaviours and activities compatible with the principles of sustainable development.

Hospitality

As a major component of travel and tourism, the hospitality industry has a vested interest in protecting the environment – its key resource – and most hotels are likely to take a multitude of environmental actions that extend beyond the control of any single monitoring agency. Self-regulation appears to be the most viable course of action for this industry, whether in the form of in-house environmental audits, the adoption of an environmental management system, and/or application for eco-certification.

Cruise lines

ICCL members adhere to international conventions that have set a global benchmark for environmental and safety standards. In 1999, a forum on the situation of waste management and disposal practices led to a number of major initiatives being undertaken by the industry in potential problem areas. The cruise line industry has some of the strictest safety regulations and has one of the most enviable safety records. In July 2001, ICCL members adopted standards on environmental management.

5 Environmental dimensions

The travel and tourism industry has come far since the Earth Summit in Rio de Janeiro, in 1992, when the impact of industries on the environment was high on the political agenda. The increasing numbers of travellers and the rise in package tours during the 1980s were causing a valid concern among environmentalists.

WTTC, with WTO/OMT and the Earth Council, in response to the scrutiny with which tourism was judged, collaborated and produced *Agenda 21 for the Travel & Tourism Industry*. This public-private sector effort was designed to

ensure that as travel and tourism grew globally, its influence would not have an undesirable impact on the environment[24]. Indeed all areas of travel and tourism have over the last decade implemented many individual environmental schemes and programmes, not for-profit funds and foundations all over the world[25].

Recently there has also been an increase in conferences on the environment hosted by governments and by private sector companies, which are highlighting the responsibility of both the public and private sector to protect natural and cultural heritage and emphasise the importance of environmental sustainability. If tourism is not planned and managed carefully, it can overwhelm the very assets with which it attracts visitors to the destination.

Examples of tourism expansion, that have ignored the local environment, are well-known: tourism facilities built on pristine land without prior consultation with the local community; golf greens that use up scarce water supplies; water pipes and infrastructure that feed major developments but often ignore the local village. With the rise of mass tourism comes the threat of destruction of fragile eco-systems and coastal regions, local culture, and the depletion of natural resources.

Conversely, tourism can generate the necessary revenue to protect and preserve biodiversity and act as a force for environmental protection especially in developing countries. Game parks and nature preserves are centres of institutional strength and can act as a focus for tourism development in rural areas[26]. Tourism helps generate resources to maintain these protected areas, as illustrated by the Royal Chitwan National Park in Nepal[27], the Masai Mara in Kenya[28] and the rainforests of Costa Rica[29]. Not only can it help to preserve the environment, but profits have a greater potential to reach local and rural communities, compared to other sectors[30].

(24) This publication is in the process of being updated to provide information on current issues and debates on sustainable development within the Travel and tourism sector.
(25) For more information on these initiatives: Business Enterprises for Sustainable Travel (BEST), www.sustainabletravel.org; EcoNett, www.econett.org; Eco-Tip, www.eco-tip.org; have extensive databases recording most of these private sector initiatives.
(26) DFID, 1999: Changing the Nature of Tourism. Department for International Development. London.
(27) This has been cited as an example of successful community based conservation by national and local governments. In 1997 legislation was passed to share 30-50% of revenues earned on tourism taxes with local communities, with the communities being part of the decision-making process. This financial contribution from tourism direct to the local area not only brings many social and economic benefits to the community but also helps to ensure participation of conserving the park's diverse biological resources. For more information http://www.bcnet.org/learning/ar97/97_chitwan2.htm

The new concept of eco-tourism or nature tourism is experiencing faster-than-average growth. Eco-tourism alone contributed $154 billion in receipts in 2000 and is growing 20% annually compared with just 7% for tourism overall[31] in an already booming industry, and reflects those consumers who are aware of the issues facing travel and tourism[32]. There are indications that consumers are also beginning to influence businesses, as they become more aware of the choices available to them, and of this rapid growth in the eco-tourism niche market. However, eco-tourism alone is not the answer to addressing the environmental problems facing the industry[33]. It also remains to be seen how far consumers have the willingness to encourage businesses to adopt more sustainably-developed tourism, especially if it means paying higher prices.

6 How the industry has responded to sustainable tourism development

Dialogue between stakeholders in both the private and public sectors, has led to the establishment of global voluntary initiatives throughout the last decade. These initiatives have taken various forms and represent all sectors of the travel and tourism industry.

Although there has been an encouraging explosion of such schemes, adoption of them by the industry is as yet limited. It has proved particularly difficult to encourage SMEs to participate in sustainable good practice. A small sample of examples of these initiatives are given in the following paragraphs.

Awards

A number of private sector travel and tourism companies, as well as industry associations, present annual awards in recognition of outstanding actions on behalf of the environment. These include the American Society of Travel Agents and IH&RA. A number of these receive sponsorship from private

sector companies such as the American Express Company.

Codes of conduct

In 1992 the Pacific Asia Tourism Association (PATA) introduced its *Code for Environmentally Responsible Tourism* to strengthen the principles of conservation in the region, soliciting membership in its Green Leaf programme.

Addressing one of the most sensitive social implications of tourism development, a multi-stakeholder, international public-private initiative has recently drafted the *Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism* (http://www.thecode.org).

The Africa Travel Association's *Responsible Traveller Guidelines* and the Japanese Association of Travel Agents' *Declaration of Earth Friendly Travellers* are just two examples of the many industry codes aimed at educating and influencing their customers.

Certification, education and awareness programmes
* Green Globe 21 (http://www.greenglobe21.com). As a follow-up to the Earth Summit, in 1994 WTTC set up Green Globe. Now an independent private sector company, Green Globe 21 is an Agenda 21-based industry improvement programme, which provides guidance material and a certification process linked to both ISO standards and Agenda 21 principles, throughout the world.
* Dodo (http://www.cyberdodo.com). The CyberDodo programme, developed by CyberDodo Productions and supported by WTTC and by the United Nations High Commissioner for Human Rights, is designed to raise awareness among adults and children of important issues concerning the environment, human rights and children's rights. The programmes have already been shown in more than 60 countries.

(28) On June 12th a private management firm called the Mara Conservancy took over a third of the reserve's total area, 520 square kilometres. The new custodians have introduced a more transparent approach and working with the local people, rangers and the local council will ensure that tourism profit filters down to the Masai people and other local communities. For more information http://www.igreens.org.uk/masai_mara_conservancy.htm
(29) The most notable multinational effort to preserve the rainforests in Costa Rica is the Paseo Pantera initiative. It is a five year $4 million project dedicated to preserving the biodiversity and enhancing wildlands management in Central America. The project works in partnership with all stakeholders to achieve sustainable development of the rainforests. For more information http://www.american.edu/projects/mandala/TED/costtour.htm.
(30) Roe, D., Urquhart, P.; 2001: Pro-Poor Tourism: Harnessing the World's Largest Industry for the World's Poor. International Institute of Environment & Development. p. 4. London.

- Green Key. Green Key, Denmark, a scheme operated by the Hotel, Restaurant and Leisure Industry Association (HORESTA) in that country, applies 78 criteria to be met by properties seeking certification.

Eco-labels

UNEP's comprehensive publication on *Eco-labels in the Tourism Industry* examines this form of voluntary self-regulation in the tourism industry with the aim of helping applicants to understand the nature of eco-labelling schemes.

These private sector strategies are fast becoming an essential part of the process of sustaining natural and cultural heritage because the industry has a direct impact on local communities in which they operate. Some of these programmes not only provide valuable funds to support poorer host communities, but also help encourage protection of the environment and natural resources that often get depleted by the different sectors of the industry.

7 Future challenges and goals

To achieve the goals and challenges set for the travel and tourism industry as it continues to grow throughout the coming decades, will require a strong and co-operative partnership between government departments, national tourism authorities, international and national trade associations, trade unions and the travel and tourism private sector. All stakeholders now need to share the responsibility for travel and tourism's future and need to deliver the following to ensure its sustainability[34]:

Governments need to:

- integrate travel and tourism policy, especially the environment, into broader government policies;
- set up realistic capacities within sustainability frameworks, which have been set in consultation with industry and other stakeholders;

- create incentives for the travel and tourism industry backed up where necessary by effective regulation;
- be committed to the controlled expansion, where appropriate, of infrastructure;
- apply environmental taxes fairly and non-discriminatorily, where needed. They should be carefully thought out to minimise their impact on economic development, and revenues should be allocated to travel- and tourism-associated environment improvement programmes;
- set up mechanisms to support SMEs in the adoption of sustainable good practice;
- design policies creating incentives for corporate social responsibility in tourism, favouring a sensitive and engaging approach towards the local communities at the destinations, especially in the developing countries.

Public-private partnerships need to:

- plan and develop infrastructure with a long-term view and within a reference framework based on Agenda 21;
- implement indicators and environmental impact assessment tools to enable successful and effective local management and appropriate development;
- agree on common standards and tools to enable the measurement of progress towards achieving sustainable development;
- fund and develop contemporary research into sustainable tourism. Issues requiring attention include design, carrying capacity, tour operator activities, environmental reporting, and auditing and environmental impact assessments, socio-economic sustainability of the tourism businesses.

International bodies need to:

- co-ordinate environmental action to be undertaken by all sectors of the travel and tourism industry, at an international level;
- review existing voluntary initiatives to improve the quality of reporting, their

(31) Mastny, L.:December 2001:Travelling Light - New Paths for International Tourism. Paper 159, WorldWatch Institute. p. 37.
(32) Evidence suggests that price rises will be more acceptable when there are clear signals that ticket sales directly contribute to the area being visited., DFID, 1999: Changing the Nature of Tourism. Department for International Development. London.
(33) Mastny, L.:December 2001:Travelling Light - New Paths for International Tourism. Paper 159, WorldWatch Institute. P47.
(34) Based on the outcomes from United Nations Commission on Sustainable Development 7th Session New York, 19-30 April 1999.

transparency and credibility, and the assessment of their contribution to sustainability;

- ensure that all funding, from international, national and local funding bodies, should be dependent on sound environmental practice;
- encourage and support multi-stakeholder projects aiming for sustainable tourism development;
- set up mechanisms to support the adoption of sustainable good practices by SMEs.

Private sector companies need to:

- commit to place sustainable development issues at the core of the management structure;
- develop and more widely apply certification criteria to industry initiatives;
- innovate processes and applications through new technology;
- make a commitment to the education and environmental training of staff;
- encourage corporate citizenship as the standard for private sector companies;
- be willing to engage in multi-stakeholder dialogue.

8 The way forward

In recent years the UN has begun to make travel and tourism a priority in the sustainable development debate. In 1999, WTTC and IH&RA were designated by the United Nations Commission on Sustainable Development to represent the industry in a multi-stakeholder dialogue at its seventh session (UNCSD7). It was concluded that 'voluntary measures developed with multi-stakeholder participation, mutual trust and respect, transparency, monitoring, and assessment and verification were seen as most likely to generate confidence and support from all parties[35]'.

The travel and tourism industry increasingly recognises the need for protecting culture, heritage and the environment and this responsibility must be shared by all stakeholders. It also needs to be balanced by a proportionate recognition that travel and tourism has the potential to bring social and environmental, as well as economic benefits. This would give developing countries the possibility to attain the full economic potential tourism can give. This must be coupled with sufficient training in management skills and education for local people. The human resources issue will be of much concern in the next few years because, without substantial and skilled human capital, the tourism industry cannot be productive in the future.

Adequate planning and development is also vital so that fragile eco-systems and scarce natural resources can be utilised effectively and protected for future generations. Moreover, the prevailing issues facing infrastructure are becoming more acute with the continuing increase in passenger travel. Governmental infrastructure constraints pose a critical barrier and can jeopardise anticipated economic growth and job creation with knock-on effects to all sectors of the community. The fundamental infrastructure issues such as airport congestion, air traffic management, sources of capital investment, regulation and political support, and institutional reform facing the sustainable development and growth of travel and tourism, concern both the private and public sectors.

Governments are beginning to take a more dynamic role in developing sustainable and economically-successful tourism, but there urgently needs to be more proactive participation from government. With effective networking processes, legitimate policies, planning and development from government, tourism can alter its adverse environmental image to one of sustainability and stewardship.

The many and varied voluntary industry initiatives, ranging from education to certification, are an important and imperative part of the ongoing process working towards sustainable development. As well as these initiatives, the industry is already doing much to improve its performance in terms of sustainable development.

Tour operators

Tour operators are looking at implementing strategies that combat both the indirect, as well as direct, impacts that tour operations have on the environment and the communities within which they operate. Direct issues that are being addressed include better information to consumers, ensuring that sustainable development concepts, procedures and practices are included in training programmes, and greater adherence to tour operator codes of conduct. Indirect impacts being addressed are the monitoring of subcontracted suppliers in environmental performance and having more involvement with other stakeholders in the sustainable development process.

Hospitality

Hotels from all geographic regions are successfully implementing strategies in favour of sustainable development. Key areas of progress include rising levels of awareness that using resources in an efficient and environmentally-sensible manner can positively impact the bottom line, and the recognition that transparency and reporting make for good business practice.

Cruise lines

As global leaders in the maritime industry, the members of ICCL strive to preserve local environments and cultural heritage, and work to generate and infuse local economies with sustainable income. Through public-private sector alliances ICCL devises solutions to all of the challenges facing the cruise lines sectors, and works in partnership with a number of public bodies and environmental agencies to find productive solutions to the issues that confront the industry on a daily basis.

The need to maintain a sustainable travel and tourism sector is now becoming an urgency. WTTC wants to share a vision of the world where travel and tourism benefits everyone, making a positive, growing and sustainable contribution to the prosperity, understanding and well-being of people, shared by those who travel and the communities they visit, and their social, cultural and natural environments.

WTTC believes the way forward to achieving sustainable development for industry leaders is to lead by example and to practise corporate citizenship and responsible capitalism. For the industry sector to implement sustainable development initiatives successfully there needs to be a multi-stakeholder process whereby all stakeholders take responsibility for the future of travel and tourism. The industry is both willing and ready to undertake this dialogue and this report is one of the first steps to achieving this.

Part 2: The tour operator industry

9 General overview

9.1 Role and influence of tour operators

The outbound tour operator has emerged in the past 50 years as a useful means of distributing leisure air travel and accommodation services to consumers. Consumers in one country wishing to visit another require information and want to book travel arrangements in advance. Tour operators obtain information, make contracts with suppliers of services, and publish their holiday offers in brochures, which are distributed directly to consumers or by travel agents.

Tour operators judge overall demand and the expected demand for each destination and seek to satisfy that demand if it can be accomplished profitably. Tour operators assemble the component parts of holidays. Another report covers air travel and other sections in this report cover the hospitality and cruise lines industry. There is limited value added as reflected in profit margins that represent 1% to 2% of turnover.

Present in substantial numbers in Europe (approximately 5,000) and in the United States, Canada, Japan, South Korea, Russia, Australia, New Zealand, South and Latin America, tour operators remain small in number where tourism is less developed. Globally, they represent around 12% of international arrivals,[36] while in Europe they account for 35% of leisure air holidays. There are five substantial European outbound tour operators, the remaining 4,995 being SMEs employing five to 100 people, which often cater for specialist interests or low volume destinations.

The five large companies have integrated activities (travel agencies, tour operations, airlines, hotels, cruise ships and ground handling), but these are not exclusively used by the one integrated organisation. For example, owned airlines are used for some of the flight requirements, but large tour operators can have contracts with more than 150 airlines and owned airlines, and contract seats out to non-owned tour operators.

10 Economic dimensions

Tour operating employs relatively few people across the world (a few tens of thousands), but their activities can stimulate hotel and infrastructure development. These include water, sewerage, airports, roads etc, transport services, agriculture, information technology, restaurants, entertainment and media, education and training, consumption of pharmaceutical products, clothing, equipment, medical services, excursion venues and public administration concerned with policy-making, marketing and management of tourism.

While tour operators have a limited number of staff in some of their receiving countries, a huge network of activities and jobs across the economy depend upon delivering the demand for tourism. The marketing efforts of tour operators are what the suppliers of services and governments look for.

The countries visited are 80% intra-regional (e.g. Germany to Spain, Australia to Thailand) and 20% long-haul (e.g. Europe to the Caribbean, Japan to Europe, the United States to Far East).[37]

Tour operators can have a significant impact upon economies. Whereas the Balearic Islands were the poorest province in the whole of Spain in 1950, by the year 2000 it was the richest – almost entirely due to organised tourism. The Maldives is no longer to be classified as a 'lesser developed country' thanks to the economic impact of tourism,

particularly organised tourism. Cancun in Mexico had a local population of 600 before tourism arrived. It now provides income for 600,000 and support for ten times that number through organised tourism from North and South America, and Europe.[38] In Turkey, tourism revenues reach 30% of total commodity exports, most attributed to organised tourism.[39]

Foreign exchange received by countries through tour operators takes the form of payments to hotels and ground handlers as well as taxes, duties and charges. In addition, consumers spend money outside the hotel on the 'complementary offer'. This amount can vary from 150% of the hotel cost in countries such as Spain to virtually zero in those developing countries that offer little to see, do or buy.[40]

Outbound tourism demand is affected by confidence in economic conditions and security as well as perceptions of discretionary income. Leisure outbound travel has been growing at around one and a half times the growth in GDP and is not highly volatile, unless there are safety concerns. Fluctuations in tourism revenues in receiving countries are more marked due to consumer perceptions of the relative safety and attractiveness of destinations, as well as changes in relative price.

11 Social dimensions

The ability to travel and to witness other cultures not only brings prosperity to the receiving country, but also fosters understanding and tolerance in the visitor. The tour operator offer – based on high volumes, bulk buying and low prices – has provided access to travel to millions of people. The tour operator's main contribution has been to increase tourism volume in many destinations that would otherwise have had little tourism development. However, the way in which different countries and destinations have dealt with the effects of this increase varies widely.

11.1 Influences of increased tourism on citizens of receiving countries

By far the most positive influence of tourism has been on the citizens of the receiver countries, where the foreign influx has provided income for much greater social choices than have hitherto existed and accelerated the process of modernisation and openness. As local people have become richer through tourism, countries dependent on international tourism have found themselves generating a greater number of domestic tourists. The effect of this phenomenon in Spain, for example, has been the restoration of a strong Spanish identity – both cultural and culinary – which had been weakened. Tour operator distribution has created jobs in originating countries, particularly for women in travel agencies, airlines, airports and hotels as well as for tour operators themselves.

Negative social consequences have been felt in a number of different and significant ways. The 'homogenisation' of global products and services devoid of local identity has been exacerbated by tourism movements. There is no doubt that people brought for a short time to another country seek to retain their own habits and practices – while host communities adapt to satisfy visitor tastes in order to make money from them. Those with vulnerable cultures are likely to suffer most and local disaffection is most keenly felt where there are high densities of tourists. Reaction tends to come from regional, religious or cultural entities attempting to preserve key features that provide a manifestation of a local identity.

Overall, the opportunity for jobs in tourism and tourism-related activities in receiving countries have been very positive, as has the opportunity for training and development. However, a major market failure has been the inability to develop and diversify the complementary offer (things to see, buy or do outside the hotel) that would provide extra jobs and income in the community and allow monies to be distributed more widely and

(38) Source: Mexican Ministry of Tourism
(39) Source: TURSAB
(40) Source: IFTO estimates

deeply This remains a significant opportunity to alleviate poverty in some developing countries.

In countries where the money economy is limited and unemployment high, tourism can be seen to benefit the few who are directly involved in tourism, leaving workers in the informal economy marginalised and disaffected. In addition, children vulnerable to sexual exploitation have found themselves targeted by a small number of paedophiles.

11.2 The role of tour operators in the community.

Tour operators have many sub-contracted suppliers that are expected to deliver quality services under some form of supervision. They rely upon close relationships with people working in the destinations – at airports, hotels, restaurants, excursion venues, public administrations, medical authorities, etc. – for without them, holidays could not be delivered. Tour operators have resident staff, or those of their local agents that maintain these relationships and are expected to become familiar with concerns expressed by local communities. Where good quality accommodation for customers is in short supply, many tour operators co-finance developments on a short-term basis.

Tour operators act as a bridge between suppliers, customers and the country visited, providing information about the destination, safety and cultural sensitivity (dress codes, etc). With smaller guided tours, customers often seek greater detailed interaction and are very aware of their social and cultural responsibilities.

11.3 The role of the IFTO

The International Federation of Tour Operators (IFTO) acts as the spokesperson for tour operators (and their clients) with municipalities, regional and national governments and international organisations such as the WTO/OMT, UNCTAD, WHO, UNESCO, UNEP, and the EU. Issues range from the broadest level (e.g. Code of Ethics of Tourism

at WTO/OMT) to the narrowest (e.g. provision of clean water to particular hotels or districts). Its dealings with the public administration involve ministries of foreign affairs, home affairs, public works, environment, transport, tourism, education, health and finance.

In the private sector, all the actors in tourism and related to tourism are involved in discussions. As tourism is a horizontal activity, co-ordination, consultation and partnerships (public-public, private-private and public-private partnerships) are essential for it to be successful.

12 Environmental dimensions

The direct environmental impact of tour operators is relatively limited, but there are ways in which they can have a positive influence. Tour operators communicate with customers mainly through paper-based media, therefore brochures need to be used efficiently and to be sourced from renewable forests and recycled whenever possible. Offices need to consume as little energy as possible and customers need to be encouraged to make choices and to behave in ways that are socially and environmentally acceptable.

In considering the indirect effects of tour operators encouraging people to travel, a distinction needs to be made between developed and developing nations when considering environmental action.

Developed nations have the technical and financial resources to monitor and enforce environmental standards in tourism development and, in many cases, the political will to act as well as a body of planning regulations. In these circumstances, should a problem arise (e.g. an individual hotel failing to perform at the level required) a basis for negotiation exists between the governing authorities and the local tourism actors together with IFTO.

Developing countries may have priorities that are more pressing than sustainable development in tourism. There may be neither the political will nor the technical or financial resources to monitor environmental performance. In these situations it is important for the tour operator and other tourism actors to adopt self-regulation. For example, in the Antarctic where no legal framework exists and the environment is highly vulnerable, tour operators and cruise ships have signed up to a defined code of conduct. This is weaker than a legal solution as no effective sanctions can be applied to those not adhering to the code.

12.1 Energy consumption/emissions

Tour operators encourage people to travel from their local airport, which usually means a taxi or a car journey. (A taxi journey is twice as long as that by the owner-driver, and doubles energy consumption/emissions).

Airports have been extended as a result of consumer demand – larger aircraft are now used. Tour operators seek out the lowest seat mile costs – this requires in turn, high-density seating and fuel-efficient modern aircraft operating at high load factors. The resulting emissions of noise, CO_2 and NO_x per passenger are lower than for other forms of aviation, but nonetheless would not have occurred had customers stayed at home.

Customers are usually transported from the destination airport to the hotel by modern diesel-engined or gas-powered coaches which can carry up to 58 people and have low seat/mile CO_2 emissions. These vehicles reduce the incidence of car traffic by more than 25 times. However, in many developing countries these are not available; LPG (liquid petroleum gas) or CNG (compressed nitrogen gas) distribution is extremely limited.

While at the hotel, visitor energy consumption/emissions due to air-conditioning is broadly equivalent to energy consumption/emissions through central heating at home unless, as in

Cyprus, all tourist establishments are required to install solar panels, in which case energy consumption by tourists will be less than that by residents. In beach destinations where movement outside hotels is limited to excursions, consumption/emissions during a two-week stay are likely to be much less than staying at home.

12.2 Water consumption

The huge majority of tourists fly from colder to warmer climates in countries with beaches nearer the equator, which get less rain and have less available water. Although tourism uses very little water compared with agriculture, there is a significant increase in the consumption of water as a result of tourism. De-salination plants have been installed in some areas of high-density tourism where there are water shortages. Hotels pay for water consumption by volume and this is reflected in prices to consumers. Many hotels employ systems (including incentives for customers) to reduce consumption of water and energy consumption and waste, but this remains a major issue in much of the developed and developing world.

12.3 Waste management

Sewerage systems are expensive and 'high tech' systems are required to avoid contamination of seawater. These may be funded through central/local government and through multi-lateral sources. Huge investments have taken place in coastal areas of high tourism density, but much remains to be done. Likewise, solid waste is a major issue for many municipalities operating in tourism areas.

12.4 Planning regulations

Where construction of airports, roads, hotels and other infrastructure is concerned, planning regulations that determine maximum spread and density are required to maintain an appropriate balance. Where local governance is weak there are frequent examples of over development. The degradation of heritage sites

that suffer from visitor congestion is another issue, which has yet to be dealt with satisfactorily.

13 Conclusions

13.1 Key areas of progress

In the past ten years, a lot of progress has been made. Firstly, information to consumers by tour operators has vastly improved although there are still no objective international measures to indicate to consumers the environmental performance of sub-contracted suppliers or destinations. A plethora of eco-labels exist, but none with global credibility. Secondly, tour operators have developed and attempt to comply with codes of conduct, with some success.

The response of tour operators to global warming issues relating to emissions has been to encourage zero emission engine manufacture and ensure that emissions per passenger are the lowest currently available economically by using modern fuel-efficient aircraft and coaches with high-density seating.

In terms of indirect impact, where tour operators have been accepted as legitimate partners in tourism development in many countries and destinations, there is the opportunity for the tour operator to be influenced by, as well as to influence, the behaviour of various public and private sector actors in the destinations. However, results are very varied both between and within countries.

It is in the area of tourism management that the large tour operators have sought to influence the public and private sectors. Many tour operators seek to monitor the environmental performance of sub-contracted suppliers and destinations. They support countries and regions in implementing the development processes of local 'Agenda 21s' and actively promote the harmonisation of local, communal and regional needs in tourism development plans. They support measures that help in visitor management and make their own staff aware of sustainable development needs.

Strong governance and institutional frameworks have helped to manage flows of tourism through tour operators in most developed nations, although more could be accomplished. In the developing world this has been less effective with the exception of low volume specialist destinations, which have benefited from responsible management policies of tour operators. It is in the few developing countries with volumes of tourists that are not appropriate for the habitat or current infrastructure that problems can arise.

It should be emphasised that multi-stakeholder involvement in receiving countries/destinations can only be effective if tour operators are included as active partners. In the end it is for the country/destination to determine what role tourism should play in their community and what policies they want to follow. Attempts by outsiders (e.g. tour operators or NGOs) to create solutions based on 'western criteria' are almost certain to fail.

13.2 Key areas for improvement

Key areas for improvement include:

- tour operators need to develop a responsible tourism policy;
- better information to consumers from tour operators, particularly on credible environmental standards applied to and monitored among sub-contracted suppliers;
- stronger relationships with tour operators and local public-private sector actors in all significant tourism destinations to support destination management policies aimed at sustainable development. This should lead to constructive consultation as well as the emergence of true local partnerships;
- significant development of the 'complementary offer' to create jobs

among women and the local community in developing countries, and greater development of local agriculture to provide specific foods for tourists;

- encouragement of zero-emission terrestrial vehicles and aircraft;
- management of water, waste and energy consumption and the protection of tourism sites (heritage and natural) from unmanaged tourism flows that degrade both the natural environment and the visitor experience;
- encourage tour operators to adopt self-regulation through appropriate codes of conduct specific to habitat and destination where there are insufficient governance and institutional frameworks;
- raising tour operators' awareness of the social dimension of sustainable development and ensuring that policies and communications to consumers reflect local community concerns;
- tour operators need to ensure those sustainable tourism development concepts, procedures and practices are included in their management and representative training programmes;
- tour operators need to set goals for sustainable development against which their performance can be measured and reported both internally and publicly.

14 Means of implementation

Tour operators use a variety of tools to create feedback systems to alert the tour operators as well as public and private actors in the destinations.

- TUI, a part of Preussag, one of the largest tour operators in the world, with 23 million customers, and Scandinavian Leisure Group, part of MyTravel, track the environmental performance of destinations and sub-contracted suppliers;
- many of the small tour operators have clear guidelines for their staff to follow and report back on adverse consequences of

their tourism activity. Customers, too, are quick to bring to the attention of tour operators' adverse consequences. NGOs can also contribute their views;

- the issues raised are commonly dealt with through the local contacts of tour operators in the destination. Otherwise, in a destination with high volumes of tourists, IFTO is often used to communicate the adverse consequences and recommend remedial action;
- more recently, the Tour Operator Initiative (under the aegis of UNEP, UNESCO and WTO/OMT) has provided the beginnings of a network of tour operators large and small, to develop better policies and systems of implementation;
- IFTO has played an active and prominent role with WTO/OMT by chairing its Business Council. Sustainable development is a key part of WTO/OMT's programme of work.

15 Future challenges and goals

Tour operators should set the goal of introducing a comprehensive responsible tourism policy covering direct action and indirect impacts, within the next five years.

15.1 Tour operators direct action:

- better information to consumers;
- more use of electronic communication;
- reduction in use of paper;
- better use of recycled paper and paper from renewable forests;
- eliminate use of toxic paper coating;
- aggregate performance data to support corporate annual reporting and year on year improvements;

- ensure that sustainable development concepts, procedures and practices are included in management and representative training programmes;
- ensure greater adherence to tour operator codes of conduct.

Success in the above areas will depend on:

- the development of agreed international criteria against which to measure the environmental performance of subcontracted suppliers in order to keep consumers better informed;
- the extent of the use of electronic means of communication;
- technological innovation and progress that will allow the development of low cost, thin (low weight) shiny paper for brochures that have high levels of environmental performance.

15.2 Tour operators indirect impacts:

- tour operators need to improve their monitoring of the social and environmental performance of sub-contracted suppliers and destinations (building on health and safety initiatives and guidelines);
- tour operators should develop stronger relationships with local public and private sector actors in all significant tourism destinations, to support destination management policies and strategies aimed at sustainable development (multi-stakeholder involvement).

In addition, tour operators need to:

- protect the natural environment and cultural heritage,
- conserve plants and animals, protected areas and landscapes,
- respect the integrity of local cultures and their social institutions.

Part 3: Incoming tour operators, agents, groundhandlers, coach and rent-a-car companies and major attractions

16 Social and economic dimensions

Most international visitors are unfamiliar with the countries they visit. To assist them plan and operate their itineraries, hotels, visits and attractions, the role of the incoming tour operator, agent or groundhandler has emerged. Many are simply organised as a service to customers, others have broadened the scope of their activities through backward integration by buying coach companies and hotels.

With the emergence of outbound tour operators, the role of the incoming tour operator has been much enhanced. Contracts are made between the two to deliver transfers and excursions and (on occasions) hotels. The incoming tour operator provides all logistical support as well as providing local knowledge (commercial, legal, political and environmental) on what can and cannot be done.

Very few incoming tour operators have been acquired by outbound tour operators, and 99% remain as local independent businesses. Worldwide there are many thousands of incoming tour operators. In developing countries, in particular, these local businesses compete to represent tour operators and those that fail resent that all the business of the outbound tour operator goes through one local business.

The incoming tour operator attempts to create a range of offers to attract consumers that are practical in terms of logistics and the environment and provide the right price/value to consumers and profits to themselves. From the perspective of the suppliers in the receiving destination, the incoming tour operator forms part of their destination network for which they are prepared to pay. The outbound tour operator can also play a role in that distribution to customers.

The coach companies play a crucial role in the batch distribution of customers from airport to hotels and on tours to excursion venues. Their fleets are, in the main, very modern and well maintained. The rent-a-car companies usually provide new or nearly new vehicles for hire. The economic value of rent-a-cars for tourism is that customers can reach destinations not accessible without motorised transport.

The major attractions act as magnets to tourists providing the motivation for visits and leading to increased use of hotel rooms, roads, airports, rail transport as well as the land use for the attraction itself. They can provide a major drive for increased local employment. Major attractions depend on very high visitor throughput.

17 Social and environmental dimensions

The incoming tour operators can, and do, lay down clear policies and procedures for subcontracted suppliers to follow to protect the environment (for example, relating to driving on safari in Africa) and to support enlightened social policies, (portering in mountainous areas in south-east Asia). However, these local businesses are run on local labour law, regulations, custom and practice.

In some developing countries, the custom and practice may not meet the standards demanded, for example, by International

Labour Organization (ILO). Outbound tour operators can have influence over how their passengers are handled by the incoming tour operators/suppliers, however, they have no influence on how the incoming tour operator arranges for the majority of their work with their suppliers that takes place with individuals on independently organised groups.

The incoming tour operators recognise that they have a significant role to play in tourism development. Their decisions on excursion venues and planning of trips can have strong impacts on particular communities. These communities are in competition with each other for offering attractions to tourists who have limited time (e.g. craft markets). Tourists will often go to one craft market, but not two, so decisions by incoming tour operators count heavily.

The obligation of the coach companies is to ensure that the vehicles are safe and secure and emit the lowest emissions possible with the use of local fuels. Their social obligations relate to conditions of work, particularly drivers' hours, as well as driving and parking procedures.

The major attractions can be of cultural heritage e.g. Karnak, Taj Mahal, or can be recently man-made e.g. Disney or Universal Studios. The attractions of cultural heritage can lead to excessive use and congestion and to environmental degradation. The man-made attractions have imposed upon them a panoply of planning and social regulation with which to comply. This includes stringent environmental impact assessments before any project is finally approved.

18 Conclusion

The opportunities for incoming tour operators are to be recognised for the important and influential role they can play in tourism development. As small local enterprises, they are often not brought into policy discussions

with government at the appropriate level. The challenges for incoming tour operators, agents and groundhandlers are:

• to obtain from government recognition of their influential role,
• to take a balanced and responsible approach to the provision of services that they provide within the context and possibilities of their local conditions,
• to influence their subcontracted suppliers to adopt a similar balanced responsible approach.

The coach and rent-a-car companies will adopt more fuel-efficient, and eventually, emission-free vehicles. What will then remain is the question of congestion and the challenge of the measures taken by them, together with the authorities responsible for traffic management. Their objective should be to manage congestion, so that delays and disruption to the visitor experience are minimised.

The challenge for attractions is to contribute to and obtain measures for access and subsequent distribution of very large numbers of customers, while complying with their social and environmental responsibilities.

Part 4: The hospitality industry

19 General overview

The hospitality sector (i.e. hotels and restaurants) is an essential and dynamic component of the world's largest industry – travel and tourism. The global hotel industry covers a wide range of accommodation services from full-service luxury hotels to bed and breakfast operations, inns, all-suite hotels, and limited service and economy properties. These establishments may be owned and/or managed by independent operators, multinational chains, insurance companies, pension funds, governments and other investors.

The International Hotel & Restaurant Association (IH&RA) as the sole trade association exclusively dedicated to representing the hospitality industry at the international level, is also the only body to have attempted to quantify the size and scale of the sector on a global basis. This research was published in 1995 and 2000 in the form of two White Papers on the Global Hospitality Industry. Their findings indicate that as of 1997 the industry comprised over 301,400 hotel properties worldwide, totalling 13 million rooms and generating over USD202 billion in revenues. It identifies the largest concentration of hotels in the European Economic Area (EEA) with 159,226 properties, followed by the North American region, with just over 65,000 hotels.[41] This contrasts sharply, for instance, with South Asia, which, with 15,066 hotel properties, represents less than 1% of total world supply.[42]

An industry of such magnitude inevitably has far-reaching impacts of a social, economic and environmental nature, as was confirmed by the second IH&RA White Paper (2000). This found that sustainable development and social issues had become key forces driving change in the multinational hospitality industry and an important yardstick against which the industry's development will be measured in the near future.

20 Economic dimensions

Although industry consolidation is a continuing trend, the hospitality sector is still predominantly made up of small and medium-sized enterprises (SMEs). Research indicates that approximately 20% of hotels worldwide are branded (i.e. have an affiliation to a national or international chain of hotels), and 80% are independent, although the ratio of branded to non-branded hotels in the United States is higher (70/30)[43], a trend which Europe is likely to follow – albeit at a slower pace – given the existing low level of brand penetration and continued high volumes expected in international travel.

Given its size and scope, the international hospitality industry makes a major contribution to gross domestic output. In both developing nations (where tourism may be the primary industry) and developed countries, industry revenues constitute an important part of the local and national economy. They do so via four major activities, profits earned and distributed to owners, taxes paid on sales, wages and real estate, jobs created; and purchases of supplies and materials.

Industry taxation generates significant funding for governments. This in turn, is used to provide services for citizens and travellers. As well as income tax, hotels pay business taxes, licence fees and real estate taxes, in addition to the social charges often imposed on employee wages. Being such an important source of tax revenue, hotels can be viewed as highly productive members of the economic community, compared with other property investments that do not provide this multiple taxing opportunity.

(41) Olsen, M. D., Zhao, J., Sharma, A., Choi, J., 2000: Leading Hospitality into the Age of Excellence: Expansion, Competition and Vision in the Multinational Hotel Industry 1995-2005. International Hotels &Restaurants Associations. France.
(42) UNITED NATIONS, 1998: United Nations Conference on Trade and Development, International Trade in Tourism-Related Services: Issues and Options for Developing Countries. United Nations. 1998
(43) Arthur Andersen, 1998: 10th Annual European Hotel Industry Investment Conference: New Capital for a Changing Europe. London. November 1998.

Hotels and restaurants also contribute to the important process of job creation. As a labour-intensive industry, hospitality employs large numbers of wage earners, whose taxes and disposable income add to gross domestic output and help to create further employment opportunities. Given that each hotel room typically requires one member of staff, every hotel room built has the potential to create an additional job.[44]

Furthermore, for every dollar spent by a guest in a hotel, one additional revenue dollar is generated for the community. Referred to as the 'multiplier effect', this concept is used by economists to explain how money spent by a hotel guest travels through a community to purchase the goods and services required to meet the guest's needs. In the United States, for example, the multiplier effect is approximately two; that is, for every dollar spent by a guest in a hotel, one additional revenue dollar is generated across a wide range of businesses.[45]

The total output of the hotel industry is closely tied to the variables associated with economic development such as basic infrastructure and levels of Gross Domestic Product (GDP), employment and education of the workforce. This relationship is worth noting since it can be expected that the hotel industry has considerable growth potential in those nations and regions that are just beginning to fully develop their economies and improve their performance in each macro-economic variable.

20.1 Labour supply
Of particular concern to the hospitality industry in high-income countries are current demographic trends – notably declining birth rates and ageing populations – which put further pressure on an industry characterised by high turnover and a shortage of qualified labour in both developed and developing countries[46]. These problems are exacerbated by constraints on the international mobility of workers as a result of visa restrictions and national immigration quotas.

Although no data is currently available as to the actual extent of the labour shortfall globally, it can be anticipated that trade associations will lobby for a more flexible job market on a global scale, and that in order to help combat the labour shortage hotels will have to embrace a training culture in their businesses and employ people from an increasingly wide cross-section of cultures and backgrounds.

21 Social dimensions
By providing many young or unskilled people with their first job experience, the industry also effectively offers them an entry into the labour market. The industry's labour-intensive nature puts it in a prime position to draw upon all sectors of society to meet its workforce needs. It is worth noting that in some countries women account for up to 70% of all employees in the catering and accommodation sector, according to estimates by the International Labour Organization (ILO).[47] Given its key contribution to gross global output and employment generation, and the social consequences this may have, hospitality industry leaders are being challenged to demonstrate greater levels of social responsibility and will be increasingly called upon to address the gap between the so-called 'haves' and 'have-nots'.

In this spirit, some hotel companies have signed agreements with trade unions, which focus on issues of trade union rights, skills training and equality in the workplace. Noting that 'in the global economy, all social and economic progress is contingent upon the maintaining of a society based on democratic values and respect for human rights'[48], the Accor Group and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) have undertaken to respect ILO conventions relating to:

• the right of employees to affiliate to the union of their choice,

(44) Olsen, M. D., 1995: Into the New Millennium: A White Paper on the Global Hospitality Industry. International Hotels &Restaurants Associations. France.
(45) ibid
(46) Olsen, M.D., 2000: Leading Hospitality into the Age of Excellence. International Hotels &Restaurants Associations. France. p.18.
(47) ILO, 2001: Hotel Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector. International Labour Organisation. Geneva.
(48) Agreement Between the IUF and the Accor Group on Trade Union Rights. For more information on the Internet http://www.iuf.org/iuf/accor/tur ight.htm (see Appendix 4)

• the protection of employees against all acts of discrimination that tend to violate freedom of association,
• the protection of employees against any measures that could harm them as a result of them being union representatives.

The Accor Group undertakes not to oppose efforts to unionise its employees and considers respect for union rights to be part of the good reputation of its brand names (see Annexe 4 for the full text).

There is also growing pressure on the multinational industry to plough more of its wealth back into those parts of the developing world where it operates. In an era when wealth sharing can be achieved through joint venture schemes or other forms of ownership, the expectation is that all stakeholders in a hotel project (be they investors, employees, or government) should have an equitable share in the profits. Increasingly, criticism is directed at governments that remove all forms of financial obstacles as an incentive to hotel companies to locate within their borders.

The challenge of the shrinking labour pool is compounded by pandemic HIV/AIDS particularly for hotels located in high-risk areas where the disease is widespread. An actuarial study of South Africa, for example, revealed that the transport, catering and accommodation sectors are the most at risk from the epidemic with an estimated 26% of the region's hospitality workforce ultimately becoming infected.[49]

Yet the problem is by no means exclusive to sub-Saharan Africa and its implications extend well beyond the labour supply. Hotels increasingly recognise the need for measures to protect 'frontline' employees given the higher-than-average extent of direct contact between customers and staff. One response to this need has been the publication of the *Guide for the Hospitality Industry on dealing with HIV/AIDS in the Workplace* produced by IH&RA

in collaboration with UNAIDS.[50] This gives guidance to hotels on introducing an AIDS policy and AIDS education in the workplace and details essential safety measures (treating injuries, disposing of syringes and razors etc.).

The commercial sexual exploitation of children in tourism – commonly referred to as child sex tourism – is a further area of social concern with implications not just for hotels worldwide, but for the tourism industry as a whole. No matter how inadvertently, hotels along with other tourism operators may be implicated.

Experience in the field shows that this is one area where collaboration between the various private sector partners, national governments and their law-enforcing agencies is vital. IH&RA, for example, is an active member of the international steering committee on the *Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism*, together with other stakeholders, including Interpol, WTO, the Tourism Authority of Thailand (TAT), and other representatives from the tourism industry.

22 Environmental dimensions

As a major component of travel and tourism, the hospitality industry (characteristically a private sector activity involving SMEs widely dispersed across the local environment) has a vested interest in protecting the environment - its key resource.

Individual operators and major hospitality chains alike are increasingly hearing this message as they implement environmentally-friendly energy conservation and waste disposal measures tailored to their specific needs. Indeed, by the very nature of their operations, hotels are likely to take a multitude of environmental actions that extend beyond the control of any single monitoring agency. As a result, self-regulation appears to be the most viable course of action, whether in the form of

(49) Leading Host, 1999: FEDHASA Begins to Address AIDS in the Hospitality Industry. 1999 .
(50) IH&RA, UNAIDS, 1999: The Challenge of HIV/AIDS in the Workplace: A Guide for the Hospitality Industry. France. (see Appendix 5).

in-house environmental audits, the adoption of an environmental management system, and/or application for eco-certification such as Green Leaf, Green Key or Green Globe issued by one of a number of recognised bodies (see Annexe 7).

Indeed, the moral, social and political arguments for conducting business in an environmentally-sound manner are becoming more and more widely accepted. This is particularly noteworthy given the potential impacts the industry can have on air quality, energy and water consumption, land use and waste generation.

Although less 'polluting' than some other industries such as certain manufacturing processes, hospitality businesses, like most others, contribute to emissions into the atmosphere (through the use of fossil fuels and ozone-depleting substances and the transportation of supplies). The hospitality industry can also be considered a significant user of energy in the form of heat and power. As this directly involves the burning of fossil fuels and the emission of greenhouse gases, the hospitality industry is also an indirect contributor to global warming. As a result, industry bodies regularly draw attention to the importance of eliminating ozone-depleting substances in refrigeration, air-conditioning and fire-extinguishing appliances to avoid further contributing to this phenomenon.

Water is perhaps the hospitality industry's most important resource. Tourists typically consume considerably more water than local residents. A hotel can consume between 60m^3 and 220m^3 per guest room per year depending on the facilities provided and whether sound water conservation practices are in place, such as water flow restrictors and on-site waste water treatment facilities. Major efforts have been made by the industry to disseminate information and advice on these and other resource and energy-saving measures, including several produced jointly by

IH&RA and partner organisations.[51]

Hotel developments can hasten the installation of much-needed water, power and transport infrastructure. Hospitality developers are well aware that poor siting, design, engineering and construction of tourism facilities run counter to their long-term interests by causing erosion, landslides and flooding. Much has been learnt from past experience, including the importance of preserving natural protective features such as dunes and vegetation cover when constructing hotel facilities on the waterfront in low-lying and coastal areas, and of harmoniously integrating hospitality facilities with the natural or architectural features of the surrounding area.[52]

Constructing or refurbishing hotels can be an opportunity to apply traditional techniques and technologies, to rediscover local materials, and to consult with local communities to learn how best to construct buildings that respect a given landscape and suit a particular climate. The 2001 IH&RA Environmental Award Winner – Chumbe Island Coral Park, Tanzania – for example, employed local craftsmen for their knowledge and skills in the use of traditional building techniques. As a result, 14 'eco-bungalows' were constructed with materials that have close to zero impact on the environment.

It should be remembered, however, that hospitality developers do not operate in a vacuum. The control of environmental impacts also depends on a strong local government capable of enforcing building and planning regulations. This is particularly important at a time when tourism and hospitality businesses continue to expand into remote areas.

Most hotels generate large quantities of solid waste including bottles and food packaging, kitchen and garden waste, old furniture and equipment and potentially hazardous wastes such as asbestos and solvents. Waste disposal costs money and for this reason, hotels are

(51) IHA, IHEI, UNEP, 1995: Environmental Action Pack for Hotels: Practical Steps to Benefit your Business and the Environment, 1995.
(52) IH&RA, EUHOFA, UNEP, 2001: Sowing the Seeds of Change: An Environmental Teaching Resource Pack for Hospitality Professionals, 2001.

increasingly careful to reduce waste volumes because it makes sound business sense. They do so by minimising the materials used in the first place, recycling and reusing waste materials wherever possible, and by safely disposing of residual wastes. The Orchid Hotel in Mumbai, India, provides a particularly good example of innovative recycling and waste disposal. Virtually all in-room products are reusable or recyclable, paper usage is kept to a minimum and kitchen waste is composted in on-site vermiculture pits. (See Annexe 5 for further examples).

As a major consumer of goods and services, the industry has a strong impact on the supply chain and can induce better environmental practices here. Through their collective efforts hospitality businesses can contribute to increasing recycling volumes, driving down recycling costs, increasing the profitability of local recycling markets and raising customer awareness.

Hospitality services people at leisure – who offer a captive audience for environmental communication. Many tourists feel good knowing that they have spent a low-impact holiday and used the services of environment-conscious operators. The feel-good factor is not limited to tourists – it can also extend to employees. In fact, good environmental stewardship has been found to reduce employee turnover, and motivate employees to become environment-conscious citizens.[53]

23 Conclusions

The 'triple bottom line' – the consideration of ecological and social, as well as economic concerns – is increasingly guiding business strategy. Since the introduction of Agenda 21 and its adaptation for travel and tourism in 1996,[54] the hospitality industry has introduced numerous voluntary initiatives to reduce the negative and enhance the positive environmental impacts associated with its

operations.[55] This is particularly relevant given that shareholders, customers, employees, community groups and governments are increasingly showing an interest in the 'green' performance of their corporate citizens, including hospitality businesses.

Most of the leading hospitality chains have introduced environmental policies and many have senior executives dedicated solely to environmental issues. In smaller hotels, environmentally-sound business practice is often driven by the individual general manager, resulting in both creative solutions and cost reductions. Clearly, the industry is progressing both in environmental awareness and concrete action, although opportunities for further improvement still abound.

As indicated, voluntary initiatives have been undertaken to help hotels deal effectively with HIV/AIDS in the workplace and the commercial sexual exploitation of children in tourism, but much remains to be done. To date, industry associations, such as IH&RA, have focused their efforts on raising awareness of the issues involved and formulating guidelines that can be incorporated into operating procedures. They have emphasised that the challenge for all hotels – large or small, chain or independent – is to address these problems proactively rather than be forced to comply with legislative requirements (by the government) on which they may not have been consulted. A detailed discussion of voluntary actions undertaken in the last decade by the hospitality industry in pursuit of sustainable development will be the topic of the following section.

24 Means of implementation

Since the introduction of Agenda 21, the hospitality sector has adopted numerous strategies, approaches and measures in response to the challenge of sustainable development. These include:

(53) IH&RA, EUHOFA, UNEP, 2001: Sowing the Seeds of Change: An Environmental Teaching Resource Pack for Hospitality Professionals.
(54) WTTC, WTO and the Earth Council, 1996: Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development.
(55) PriceWaterhouseCoopers, 2000: New Europe and the Hotel Industry. London.

- environmental management systems and tools;
- education, awareness creation, training and information dissemination;
- voluntary initiatives;
- multi-stakeholder communication and consultation;
- environmental reporting;
- implementation of the Rio principles.

24.1 Environmental management systems and tools

Many multinational and independent hotel companies have introduced environmental management practices at the property level. Ideally, the framework for this involves defining an environmental policy and building a management system to measure environmental impacts and compliance both with corporate policy and with local regulations, as well as documenting the system's performance for inspection and auditing purposes.

One such system is Six Continents' (formerly Bass Hotels & Resorts) *Conserving for Tomorrow* programme, a worldwide initiative involving over 1,100 participating hotels. Such environmental management systems (EMS) help businesses to evaluate, manage and reduce their negative environmental impacts by providing a methodology to integrate environmental management into business operations in a systematic manner. Examples of hotel companies that have successfully implemented EMS are documented in Annexe 5.

24.2 Education, awareness creation, training and information dissemination

IH&RA, in conjunction with partners such as UNEP-DTIE, the International Hotels Environment Initiative (IHEI), the UNAIDS programme and its member national hospitality associations, has sought to raise industry awareness of the social, economic and environmental dimensions of sustainable development through numerous educational programmes and publications (see Annexe 6).

As indicated above, in the social domain, IH&RA has collaborated with UNAIDS to produce a manual addressing the issue of HIV/AIDS in the workplace[56] and has actively participated in WTO's campaign against Child Sex Tourism by publishing practical advice for hoteliers on how to deter this form of criminal activity and where to get help. The IH&RA leaflet *Stop Child Sex Tourism* is available on the association's Web site for member hospitality associations to download and adapt. A number of these have promoted the campaign by distributing the material to their members while others – notably in Brazil, the Philippines and Taiwan – have launched their own campaigns at the national level.

At the corporate level, many global hospitality companies are also involved in a range of voluntary initiatives. Marriott International, for instance, has committed to assisting the communities in which it operates, believing that business enterprises should be active in supporting community concerns (see Annexe 6).

In the specifically environmental domain, curriculum materials for hotel schools recently developed by IH&RA[57] demonstrate that sound environmental policy is not limited to one geographical region, nor is it the exclusive preserve of multinational companies - independent hotels have also shown outstanding leadership here. Since 1990, IH&RA, with sponsorship from American Express, has presented an annual Environment Award recognising outstanding achievement by independent establishments as well as chains. Entries are used for educating and raising awareness in the industry as a whole, and have been incorporated into a number of publications[58] and press articles (see Annexe 6).

24.3 Voluntary initiatives
Given the predominance of SMEs in the hospitality sector, legislative enforcement and verification of compliance with environmental

(56) IH&RA, UNAIDS, 1999: The Challenge of HIV/AIDS in the Workplace: A Guide for the Hospitality Industry. 1999.
(57) IH&RA, EUHOFA, UNEP, 2001: Sowing the Seeds of Change: An Environmental Teaching Resource Pack for Hospitality Professionals. 2001.
(58) IH&RA, UNEP, 1997: Environmental Good Practice in Hotels: Case Studies from the IH&RA Environmental Award. 1997.

measures is highly complex. Therefore, voluntary initiatives such as eco-labels, environment awards and codes of conduct are proving to be an effective method of encouraging environmental improvement across a large number of businesses. In addition to those discussed, other examples are cited in Annexe 7.

In response to growing consumer awareness of the environmental context when purchasing products, eco-labelling has been one of the most successful means for a hotel to gain environmental credibility and custom. Certification may originate within a national hotel association, such as the Hotel Association of Canada's Green Leaf programme, as a joint initiative between the national hotel association and other local tourism partners, such as HORESTA's Green Key programme in Denmark, and Green Globe 21 supported by WTTC and other key international players. Or, finally, it may be devised by a consulting firm such as the HVS Ecotel certification programme. In order to obtain an eco-label, a hotel must be independently audited on a regular basis to ensure it meets standards and policies relating to a general code of conduct or specific benchmark.

According to the Caribbean Alliance for Sustainable Tourism (CAST), an environmental initiative run by the Caribbean Hotel Association for the benefit of its member hotels, the eco-label certification process has not only created a competitive advantage for many hoteliers, but has also directly benefited the bottom line. Routine measures can reduce water consumption and related costs by up to 30%, provide significant savings in energy, solid waste haulage, chemical and maintenance costs, and have a typical payback period of less than two years.

Other advantages frequently include a positive impact on corporate/hotel image, internal management, local community relations, client satisfaction (reported to be 90% under Costa Rica's Certification for Sustainable Tourism), and reduced environmental liability. Examples of certification schemes in the hotel industry are detailed in Annexe 7.

In terms of the hospitality industry's social contribution, one initiative particularly worth noting is the Singapore-based Pan Pacific Hotel & Resort's *Youth Career Initiative*. Launched with support from the United Nations Children's Fund (UNICEF) at the Pan Pacific Hotel in Bangkok in 1995, this IH&RA-endorsed programme offers severely under-privileged young people a 20-week training course in basic life skills along with an introduction to the hospitality industry. It seeks to open up genuine career opportunities that will lift them out of poverty and protect them from prostitution.

The programme has now been set up in Manila (Philippines), Jakarta (Indonesia) and Dhaka (Bangladesh) and will be extended to other world regions such as Africa, Latin America and the Caribbean in the near future. To date, over 400 young people have benefited from the programme, some even using it as the stepping-stone to higher education (see Annexe 7).

On the cultural side, IH&RA has partnered with the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in a joint initiative encouraging hotel companies to invest in the archaeological and cultural heritage on which cultural tourism thrives. Major hotel chains participating in this 'Memories of the Future' programme have financially supported restoration and enhancement projects for UNESCO World Heritage Sites such as Prince Gong's Palace, Beijing and the Medina of Tunis (Accor) or the historic City of Krakow in Poland, the City of Tyre in Lebanon and the Bahla Fort in Oman (Radisson SAS). (See Annexe 7 for a more detailed description of this programme.)

24.4 Multi-stakeholder communication and consultation

Hospitality companies, like all businesses, answer to a variety of stakeholders, including investors, customers, employees, suppliers and the local community. Increasingly, they are experiencing demand for greater participation in decision-making by representatives of the latter category, which may translate into a heightened need to obtain voter approval for planning and development, for example, by carrying-out an environmental impact assessment. In this new regulatory context, corporations are being pressured into making a higher community commitment through charitable involvement, a trend mirrored in the corporate marketing techniques increasingly used for the generation of brand awareness.

Exemplary instances of local community consultation can be found in both the independent and chain hotel sector. Facing the threat of becoming an island of conserved habitat in a sea of rural poverty, the Phinda Mountain & Forest Lodge, in South Africa, has made a commitment to ensure the local community draws sustained benefits from its natural resources. Radisson SAS has established its *Responsible Business Agenda* for key stakeholder groups (including suppliers, local communities, media and environmental representatives) to determine what they can rightfully expect from the company. Both companies recognise the role of key stakeholders in the decision-making process (see Annexe 8 for further details).

Beyond these individual examples and others like them, however, further research must be conducted to track what the industry is doing as a whole in regard to communicating and consulting with its stakeholders.

24.5 Reporting

The ever-increasing pressure from hotel stakeholders for transparency and openness about the broader environmental aspects of hospitality operations is reflected in a widespread trend towards environmental reporting among hotels. Company environmental reports are considered an excellent means for self-assessment – by monitoring progress and measuring the results achieved. Indeed, environmental reporting is starting to evolve into 'sustainability reporting' which communicates the economic performance of the company, and its environmental and social impacts. Moreover, financial institutions have come to regard sustainable principles and practices as fundamental to sound business management, giving companies that wish to be considered 'responsible' an additional incentive to monitor, measure and report performance in the future.[59]

Accordingly, more and more multinational hotel companies are reporting their environmental activities and performance on a regular basis. Examples include Six Continents (formerly Bass), Starwood, Radisson SAS and Golden Tulip in addition to independent hotels, such as the winner of the IH&RA's Environment Award 2000 – Hotel Victoria, Freiburg, Germany – which regularly communicates quantified data on the hotel's environment performance to guests. It can be expected that companies in the years ahead will undertake to report on more and more aspects of their operations.

24.6 Implementation of the Rio principles

IH&RA has been instrumental in advocating the implementation of the Rio principles in the hospitality industry through its ongoing efforts to raise environmental awareness. With WTTC, it participated in the 7th Session of the United Nations Commission on Sustainable Development (UNCSD, April 1999), which focused for the first time on tourism. In particular IH&RA and WTTC co-ordinated industry representation at the multi-stakeholder dialogue on tourism.

(59) PricewaterhouseCoopers, 2000: New Europe and the Hotel Industry. 2000.

The meeting's conclusions placed a strong emphasis on:

• educating the consumer on environmental responsibility,
• promoting environmental and social responsibility among travel and tourism companies,

• encouraging multi-stakeholder participation in the development of policy and programmes.

Through its congresses, think-tanks, publications and partnerships, IH&RA continues to communicate the above messages to the global hospitality industry and the voluntary industry initiatives outlined in this report illustrate that these are being received and understood.

25 Conclusions

It is clear from the examples in this paper that hotels from all geographic regions are successfully implementing strategies in favour of sustainable development. Key areas of progress include: rising levels of awareness by using resources in an efficient and environmentally sensible manner can positively impact the bottom line, the multiplication of voluntary initiatives undertaken across the globe, and the recognition that transparency and reporting make for good business practice. In the SME sector particularly, the primary contributing factor of success appears to be the enthusiasm, creativity and commitment of individuals. However, there are still areas where progress needs to be made. These will be addressed in the following section.

26 Future challenges and goals

Since the introduction of Agenda 21, the hospitality sector, as demonstrated in this paper, has done much to improve its performance in terms of sustainable development. Efforts by IH&RA, UNEP, UNAIDS, IHEI, CAST, national associations, individual hotels and others to record and disseminate information on best practices, has enabled a wide sample of hospitality businesses to benefit from the experience of others.

Over the next ten years, however, the industry will face new challenges as it gears up for further growth in a period where social and environmental sensitivity are becoming progressively more acute. This, in conjunction with the fact that global capital flows will exert pressure on managers to provide greater returns on investment, makes for an even more challenging context in which the hospitality sector must focus its efforts on making progress in the following specific areas:

• increasing participation of all sectors of society and involving all stakeholders (governments, NGOs, local communities, local authorities) in the decision-making process;
• increasing provision of benefits, especially economic opportunities, to local residents. These could include purchasing from local suppliers, outsourcing laundry functions to local businesses, and supporting local enterprise through the provision of business advice, and by sharing marketing resources and infrastructure;
• lobbying governments to loosen visa requirements in order to facilitate the mobility of workers to address the shortage of qualified labour;
• focusing on attracting and retaining employees through lifelong learning, empowerment, better balance between work, family and leisure, greater workforce diversity, equal pay and better career prospects for women, profit sharing and shared the ownership scheme;
• ensuring that all establishments have the necessary policies and tools in place to manage the threat of HIV/AIDS;

- garnering further support among industry players and working with governments to combat the commercial sexual exploitation of children in tourism, for example by adopting an explicit ethical policy against child sex tourism on the property, training staff to spot and report suspicious incidents and agreeing to participate in programmes such as the Youth Career Initiative;
- guaranteeing that all new properties built are sited and designed to minimise negative environmental impacts. This can be partially accomplished through conducting Environmental Impact Assessments (EIAs);
- ensuring that the conservation of natural resources, including water and energy, is at the core of all operations and espousing new technologies which facilitate this;
- ensuring that waste generated in individual properties is kept to a minimum and disposed of in an environmentally sound way;
- clearly communicating and ensuring that the economic justifications for being environmentally-friendly and for supporting sustainable development are understood throughout the sector;
- stimulating consumer awareness about making socially and environmentally responsible choices when travelling;
- continuing to gather and disseminate information on best practice;
- further developing a common body of knowledge so that all stakeholders in the hospitality experience can be informed of the choices available to them;
- incorporating sustainable development teaching into hospitality school curricula.

27 Summary

In brief, while the hospitality industry is making a concerted effort to initiate programmes for sustainable development, its success will depend on the extent to which national governments encourage sustainable tourism initiatives and their ability to understand how other policy areas can affect the hospitality industry. If the latter can work in co-operation with continued hospitality industry involvement and commitment, then the principles of sustainable development within the sector stand a better chance of being applied.

Part 5: The cruise line industry

28 General overview

The passenger cruise industry is an exciting, modern and rapidly expanding global industry. During the current decade, it has continued to expand its capacity and to develop new cruising opportunities for vacationers. The growth and global reach has been exceptional for an industry with such high capital costs, and with such a complex regulatory and legal environment in which to operate.

With capacity projected to continue to increase each year, the future offers extraordinary opportunities for the industry, its customers and suppliers. This increase in capacity is driven by a record number of new ships coming into service. Among these will be mega-liners that can accommodate more than 3,000 passengers as well as smaller, more intimate luxury vessels. The industry has a history of growth approaching 8% per year for the past decade, and the outlook for the future seems extremely bright.

According to a recent study conducted by analyst G.P. Wild,[60] total cruise passengers are forecasted to grow from 9.8 million last year to 20.7 million by 2010. Within these figures, the North American market will go up from 6.8 million to 11.9 million and mainland Europe will grow from 1.3 million to 5.3 million. In sum, the passenger cruise industry is a dynamic sector of the global economy.

ICCL is the leading trade association that represents the interests of the 16 largest passenger cruise lines that handle 95% of the North American vacation cruise market and approximately 85% worldwide[61]. It also represents a growing number of over 73 strategic cruise industry business partners. In 2002, the member lines of ICCL will sail over 90 vessels and will carry more than seven million passengers.

The mission of ICCL is to participate in the international and United States regulatory and policy development process and ensure that all measures adopted provide for a safe, secure and healthy cruise ship environment. Under the direction of the chief executives of its member lines, ICCL advocates industry positions to key domestic and International regulatory organisations, policy-makers and other industry partners. ICCL actively monitors domestic and international shipping policy and regulations and develops recommendations for its membership on a wide variety of issues, including safety, public health, environmental protection, security, medical facilities, and passenger protection.

Conferred the status of a non-governmental consultative organisation to the International Maritime Organisation (IMO), ICCL actively participates in reviewing current maritime issues and developing conventions and treaties which, when adopted and ratified by member nations, become international law. Through IMO, maritime nations have developed consistent and uniform international standards that apply to all vessels engaged in international commerce. These standards are set forth in a number of conventions and codes such as:

- SOLAS (Safety of Life at Sea);
- STCW (Standards of Training, Certification and Watchkeeping);
- MARPOL (Marine Prevention of Pollution from Ships);
- ISM (International Safety Management Code).

International conventions set the benchmark for environmental and safety standards throughout the world. As an NGO, ICCL actively contributes to the deliberations of the Maritime Safety Committee (MSC), the Marine Environment Protection Committee (MEPC)

(60) G. P. Wild (International) Limited, 2001: Implications of Fleet Changes for Cruise Market Prospects to 2010. August 2001.
(61) ICCL members are Carnival Cruise Lines : Celebrity Cruises : Costa Cruise Lines, N.V. : Crystal Cruises : Cunard Line Limited: Disney Cruise Line : Holland America Line : Norwegian Cruise Line : Orient Lines : Princess Cruises: Radisson Seven Seas Cruises: Regal Cruises : Royal Caribbean International : Royal Olympic Cruises : Seabourn Cruise Line : Windstar Cruises.

and the numerous sub-committees, working groups and correspondence groups through submission of reports and papers, participation in discussion, and correspondence groups. ICCL is an active participant in the development and fine-tuning of these important international regulatory regimes that apply throughout the world.

The countries where vessels are registered or 'flagged' have the responsibility to oversee compliance with the internationally agreed-upon requirements established by these and other treaties. Additionally, a port state, such as the United States, provides additional oversight regarding compliance and exercises jurisdiction over vessels while they operate within the waters of that coastal nation. While operating within United States waters, laws such as the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the Refuse Act and the Federal Water Pollution Control Act apply. The United States Coast Guard enforces both international requirements and the United States domestic laws with regard to cruise ships operating within their jurisdiction.

ICCL works with leading flag and port state administrations, international shipping associations and classification societies on safety, security and environmental issues. ICCL constantly strives to improve safety procedures, and the excellent safety record of ICCL member operators attests to the proactive steps taken by these operators to safeguard their passengers and crews, and their commitment to provide a safe, clean and fair work environment for their on-board personnel.

ICCL's commitment to excellence is also demonstrated by its readiness to work with, and to initiate partnerships with various United States government agencies. ICCL currently has a formal partnership agreement with the United States Coast Guard and a Memorandum of Understanding (MOU) with the Florida Department of Environmental

(62) WTO, 2001: World Overview & Toursim Topics - 2001. World Tourism Organisation. Provisional Education. Tourism Market Trends.
(63) 2001 CLIA Destination Analysis, (Cruise Industry Overview).

Protection (FL DEP). ICCL also works closely with the United States EPA, other state and federal agencies and public advocacy groups to address safety, security, health and environmental protection concerns.

29 Economic dimensions

During the last decade, the cruise ship business is a tourist industry that has grown rapidly. According to WTO[62], world demand reached 8.7 million passengers in 1999. The North American markets cover two-thirds of the global volume, this is primarily due to the renaissance of the cruising destinations in the Caribbean. Although the number is relatively small in the global holiday market, the industry has an enormous momentum and it is believed that North American and European demand will, by the end of 2010, surpass 12 million passengers.

In the North American market, the United States is the dominant source of cruise passengers. However, in recent years a growing percentage of passengers have come from Europe, Canada, and other areas. This expansion has led to cruise line employment of men and women in these markets both ashore and aboard ships. Comparing 1998 to 1990, cruise ship embarkation from North American ports increased by almost 70 %. The major United States ports of call are located in Florida, Alaska, California, Louisiana, New York, Texas and Massachusetts. In Florida alone, over 3.2 million passengers embarked from the ports of Miami, Everglades, Canaveral, Palm Beach and Tampa in 2001. An additional 1.1 million passengers also boarded in San Juan, Puerto Rico and non-US ports, primarily Vancouver and Montreal (Canada)[63].

Globally, while the Caribbean region is the principal destination with 44.5% share of placement, a significant percentage of the global capacity is allocated to other markets. These include Alaska, 7.9%, the Mediterranean, 12.7%, Europe, 8.1%, the Trans-Canal (Panama),

Global demand for cruises						
Passengers by area	1989	1991	1993	1995	1997	1999
North America (millions)	3.29	4.00	4.48	4.40	5.05	5.89
Europe (millions)	0.53	0.70	0.88	1.00	1.30	2.00
Rest of the world (millions)	0.20	0.22	0.25	0.30	0.46	0.85
Total (millions)	4.02	4.92	5.61	5.70	6.81	8.74
Diem (millions)	27.74	32.96	36.47	38.72	47.23	59.47
Beds (thousands)	81.00	100.65	114.11	132.53	160.10	194.39
Beds. Day (millions)	28.34	31.98	36.25	42.10	50.86	50.89
Occupancy (%)	97.88	103.09	100.59	92.01	92.85	97.66

Source: J.P. Wild, 2001

4.0%, United States West Coast, 3.3%, Hawaii, 2.6%, and South America, 2.4%. Among the remaining destinations, the capacity for world, Transatlantic, Asia, Australia, Middle East and Antarctica cruises has more than doubled since 1990. The social, environmental and economic sectors of these emerging destinations will prove to be a challenge and an opportunity.[64]

The cruise industry has developed into a significant economic contributor to the United States economy, including industry, agriculture, and the service sector. A study conducted in 2001 by the Business Research and Economic Advisors (BREA)[65] concluded that in 2000, total economic benefit by the cruise industry and cruise-related activities was approximately USD17.9 billion. Of this, the cruise industry contributed USD9.4 billion in direct spending for the products and services of United States companies.

The industry's extensive economic relationships include high-tech equipment, travel services, banking and insurance, textiles, technical services, dry-docking and shipyard repair. Other major United States industries that benefit from the cruise business are the airlines, travel agents, food and beverage suppliers and the business and service sectors. Total wages generated for United States employees was USD8.7 billion.

As a result of these economic partnerships, the cruise industry is able to create employment for thousands of United States citizens and support for state and local economies in all 50 states. The BREA study estimates that in 2000, the cruise industry generated jobs for 257,067 Americans.

In the United States, capital expenditures by the cruise lines more than doubled between 1997 and 2000. According to BREA[66], this growth required significant investment in new cruise ships and upgrading of the existing fleet. Other purchases by the cruise lines rose 30%. In total, spending in the United States associated with the industry increased by nearly a third between 1997 and 2000, to USD9.4 billion.

While these economic benefits in the United States are substantial, there are also significant benefits worldwide in the industry's new emerging markets. By way of example, the cruise industry has significant impact in Germany, Finland and Italy due to the shipbuilding activities in those nations. In nations where tourism is encouraged, the cruise lines purchased services ashore (transportation, tour operations, supplies, etc) and many of the service sectors and local business benefit from cruise ship tourists spending ashore.

(64) 2001 CLIA.
(65) Business Research and Economic Advisors (BREA), October 2001: Contribution of the North American Cruise Industry to the Uniterd States Economy in 2000. USA.
(66) Business Research and Economic Advisors (BREA), October 2001: Contribution of the North American Cruise Industry to the United States Economy in 2000. USA.

Moreover, tourism activity can lead to development of new markets for the products of local artisans, which not only has both the social and economic benefit of additional local income, but also helps preserve cultural tradition and identity. Although there has been some concern that these economic gains in tourist destinations are seasonal, it is clear that the markets involved are better off with the cruise industries financial input, and sufficient growth can more than compensate for the seasonal variation.

29.1 Economic contributions

The cruise industry brings a burgeoning tourism economy to many ports around the world. The importance of the social and economic opportunities cannot be understated. It has an effect on all sectors in the port city and country. The cruise lines' presence, even on a seasonal basis, in port cities strengthens the economy for many local elements. In addition to local port user fees and head taxes and surcharges, cruise ships purchase supplies and services such as pilots, tugboats, waste disposal services, fuel and fresh water at ports of call worldwide.

Visits by cruise ships generate hundreds of millions of dollars worth of business to attractions, restaurants, retail shops, shore tour operators and other businesses at ports of call. From local artisans and craftsmen to infrastructure development such as transportation, all benefit from the expenditures of the tourists that cruise ships provide. In some instances, foreign ports that the cruise industry decides to visit become an economic stimulus for host countries to develop tourism and destination development programmes, involving local participation in providing goods and services.

A 2001 study conducted for the Florida-Caribbean Cruise Association (FCCA) by PricewaterhouseCoopers (PwC) and BREA[67] found that during the 1999/2000 cruise year in the Caribbean, a typical cruise ship carrying 2,000 passengers and 900 crew members

generated an average of $260,000 in passenger and crew expenditures during an average port-of-call visit.

Other highlights of the PwC/BREA study include:

- FCCA member lines' passengers and crew accounted for a total economic impact of USD2.6 billion throughout the Caribbean;
- cruise-related expenditures generated 60,136 jobs, paying USD285m in wage income to Caribbean residents;
- average cruise passenger spending per port-of-call visit was USD103.83 and average spending by crew was USD72.06;
- Caribbean cruise passenger capacity grew by 21.8% in the year 2000;
- almost 80% of cruise passengers reported a high degree of satisfaction with the destinations they visited, and many (51.6%) expressed an interest in returning to the ports of call on a land-based vacation because of their cruise visit[68].

Cruise lines are continuously reviewing existing ports of call for tour operation capabilities, investment opportunities for development and upgrades to passenger terminal facilities, and total customer satisfaction of the cruise experience. With the expectation that the high passenger growth in the last decade will continue, the industry actively seeks new destinations and often will contribute to the development of a new port facility seeking calls from cruise vessels.

One example of this is a new port of call in Mexico. Construction of that facility will be a joint venture between the owner of a Mexican nature park and a cruise line, and when constructed will be able to handle four 100,000 tonne ships simultaneously. The terminal design will feature Mayan motif relating to the local culture. An additional example is a recent investment by the industry in a Bahamian shipyard that will contribute skilled jobs into the local economy.

(67) PriceWaterhouseCoopers (PWC) and Business Research and Economic Advisors (BREA), August 2001: The Cruise Industry's Economic Impact on the Caribbean. USA.
(68) PriceWaterhouseCoopers (PWC) and Business Research and Economic Advisors (BREA), August 2001: The Cruise Industry's Economic Impact on the Caribbean. USA.

30 Social dimensions

ICCL cruise line members demonstrate a commitment to environmental excellence that is embodied through their social responsibility. The industry promotes good stewardship of the marine environment through varying internal and external initiatives. They involve their crew members in reducing the number, volume and composition of chemicals used on ships and work with them to identify opportunities to reduce, reuse and recycle whenever possible.

Cruise guests are educated on the importance of using waste containers to ensure discarded items do not go over the side. Not only is recycling a part of the ships' day-to-day operating procedures, but passengers are also encouraged to assist in the effort by using special recycling bins located around the ships. The industry favours contracting with vendors, suppliers and service providers who have made their own commitment to similar standards for safety and health, as well as continuous improvement.

30.1 Social contributions

Cruise lines generally donate to charitable causes throughout the world, including their local home ports and major ports of call. The following examples are just a brief overview of cruise line efforts to promote local environmental stewardship.

- In 2001, FCCA cruise line members partnered with St. Lucia, and Nassau, (Bahamas), to conduct the annual FCCA Caribbean Environmental Awareness Project. As part of their ongoing effort to spread environmental awareness, this project is staged every year throughout the Caribbean. In Nassau, more than 100 crew members teamed up, and were divided up into teams and given various tasks to beautify a section of Lighthouse Beach as follows:

  - removing sand that had been blown on to the walkway from past hurricanes,
  - re-distributing the sand over the rocks that had been exposed,
  - development of a native tree garden with rock formations,
  - white-washing the exterior of the beach facilities,
  - painting of concession stands for local vendors,
  - construction of an obstacle course and play area for children.

- Grants have been awarded to the Centre for Marine Conservation and the World Wildlife Fund, the Alaska SeaLife Centre, Bahamas Reef Environment Educational Foundation, National Audubon Society and Earthwatch Institute.

  - the Centre for Marine Conservation is using the Ocean Fund grant to expand its Caribbean Model Communities programme, which aims to reduce marine pollution and improve waste-management practices in Puerto Rico, the Bahamas, Bermuda and the United States Virgin Islands. Model communities, using education and citizen involvement to design local solutions, focuses on recreational boating and marina operations and curbing coastal littering.
  - the World Wildlife Fund's Marine Steward Council launched in March 2000 a public awareness campaign in the United States, Europe and Australia to promote long-term sustainable fishing, using the power of consumers and the certification of fisheries. Through global use of the Marine Steward Council logo, seafood companies and consumers will be encouraged to purchase fish only from those certified with environmentally responsible practices.

- Raised funds for flood relief efforts in Caracas, (Venezuela) after the country was hit by devastating floods.

- Grants awarded to the University of Miami's Rosensteil School scholarship programme, and establishment of student and marine scientist laboratories on cruise vessels.
- Grants awarded for the protection of the coral reefs off the Galapagos Islands.
- Nature Conservancy (Florida Key Initiative) was awarded a grant for its extensive volunteer programmes to protect the biodiversity of the coral reefs.
- Funds donated to the Turkish Red Crescent, the country's national relief agency, to benefit the country's earthquake relief efforts.
- Donations to the University of Alaska. These are used to help the university in its key educational initiatives such as the University of Alaska Scholars Program, academic programmes in information technology, natural resources, and arctic sciences.

30.2 Employment and training

Cruise industry employment provides substantial opportunities for employees from developing nations. Approximately 85% to 90% of ICCL cruise industry employees are hired from the international workforce. Many of these employees are from developing nations where employment is often limited and difficult in terms of either opportunity or stability. Through cruise line employment, these men and women not only become economically independent, but in many cases direct a portion of their income back to their country of origin through contributions to family members. This way, the cruise industry not only provides a high level of economic opportunity for those who are employed, but also helps sustain these families in their home countries and feeds funds into local economies.

Moreover, a growing number of women across the globe are finding economic opportunities within the cruise industry. The devastating effects of poverty are particularly severe on women in nations struggling with a weak economy and oppressive social and cultural factors beyond their control. Women are relegated to either very low-paying wages or non-employment. Those women who are employed by the cruise industry enjoy personal autonomy from a sustained income that is not matched in their own country. In essence, the cruise industry has provided opportunity for women to achieve increased economic, social and cultural equality.

Another aspect of the benefits gained through cruise ship employment lies in the value of the skills acquired in the course of work aboard a ship. Training in new technologies, cross-cultural awareness, certification in management practices and hands-on experience brings added benefits to the employee. There are comprehensive education and training programmes in place for crew members, primarily to ensure that there are not inadvertent violations of environmental policies, and to heighten sensitivities to environmental issues.

When they return to their country of origin, the employees utilise their experiences, training and resources for the benefit of the local economy and fellow nationals. They also develop a sense of empowerment and leadership that comes from pride in position, economic autonomy and the development of contacts with nationals of other countries.

The working and living environment that the employee enjoys is clean, safe and controlled by international and United States laws. Room, board and medical care are provided by the industry, as well as the ability to experience international travel. The standard of medical care is excellent and usually far exceeds that of their country of origin.

31 Environmental dimensions

ICCL member cruise lines are dedicated to preserving the marine environment, and the

pristine condition of the waters upon which their vessels sail, and demonstrate this by a reduction of waste by over 50% over the past decade. As an industry that is based on carrying passengers to locations where they can experience and enjoy the beauties provided by nature or human achievements, ICCL members recognise that even a perception that the industry is not meeting relevant international and local environmental standards around the world is damaging to their image and therefore their business prospects.

ICCL members have made a substantial investment in new building with over 32 ships scheduled for delivery between 2001 to 2005. With a capital cost of USD12 billion, the industry's investment in the future is substantial. With these realities in mind, ICCL member cruise lines have established standards regarding environmental practices and ship safety. In the past, initiatives such as ICCL's Waste Management Practices and Procedures were strictly voluntary guidelines. The member lines of ICCL have agreed to adhere to these as standards, thus demonstrating the commitment of its members to protecting the safety and health of people on-board cruise ships, as well as the marine environment. ICCL members believe that these self-imposed voluntary industry standards meet or exceed all requirements of the law wherever ICCL ships operate throughout the world.

31.1 ICCL Environmental Standards

The *Cruise Industry Waste Management Practices and Procedures* document was unanimously adopted by ICCL membership in June 2001, as an attachment to ICCL Mandatory Environmental Standard[69] (see Annexe 9). The procedures enumerated in this document have been incorporated into all ICCL member lines' operating policies using as a vehicle, the requirements of the International Safety Management Code (ISM), which is a mandatory chapter of SOLAS. This is the first

time an association of international vessel operators has adopted mandatory waste management practices and procedures. Compliance with this comprehensive environmental standard is now a condition of ICCL membership.

The goal of this initiative is to embrace the most advanced technology and procedures in order to establish a leadership position in environmental compliance and reduce the industry's environmental impact. This decision has far-reaching implications in sectors of the world where marine and shore environments are intricately linked to the social, commercial and economic status of its inhabitants.

The goals and objectives are set by the Environmental Committee of ICCL, which is comprised of representatives from all 16 member cruise lines. As a sign of their commitment, ICCL members continuously seek out and test new environmental and safety technologies. In keeping with this commitment, numerous ICCL members have invested millions of dollars to purchase and field test new advanced technology in graywater and blackwater (sewage) treatment. These advanced treatment systems, when fully developed and proven, are expected to remove sediments and impurities from shipboard waste water streams to the point that the output is essentially clean water. This clean water may then be reused or discharged without fear of any environmental impact.

Additionally, ICCL member lines are investigating new technologies for dry-cleaning operations, photo processing, and digital imaging in order to reduce the production of hazardous waste. New on-board incineration systems are being investigated to improve the efficiency and cleanliness of on-board disposal of waste that cannot be recycled or reused.

The industry has also developed relationships with state and local officials in various communities on which it calls to establish co-

operative relationships and to demonstrate its commitment to solving environmental challenges. For example, in Alaska, ICCL members have paid for waste water and air monitoring and have committed to discharging wastewater only when a vessel is underway at a speed of at least six knots, and away from port. ICCL members are committed to continuous improvement. Through this commitment, ICCL members have endorsed policy goals based upon the following fundamental principles:

• full compliance with applicable international laws and regulations;
• maintaining co-operative relationships with the regulatory community in the United States and internationally;
• designing, constructing and operating vessels so as to minimise their impact on the environment;
• embracing new technology;
• conserving resources through purchasing strategies and product management;
• minimising waste generated and maximising reuse and recycling;
• optimising energy efficiency through conservation and management;
• managing water discharges;
• educating staff, guests and the community.

The mechanism for accountability is established by placing the Mandatory Standards into each company and ship's Safety Management System (SMS). The requirement for a SMS is detailed in the ISM Code, which was mentioned previously. Additionally, the ISM Code requires annual internal audits of the SMS, as well as bi-annual third party audits conducted by a recognised auditor named by the vessel's flag state as acceptable for performing this task. The results of compliance audits for each vessel are archived and may be made available to appropriate enforcement entities upon request.

The *Cruise Industry Waste Management Practices and Procedures* document also forms the basis for a memorandum of understanding (MOU) between the State of Florida and the Florida Caribbean Cruise Association (FCCA) that was signed 6 December 2001. It has been utilised in discussions with federal agencies such as the United States Coast Guard and the United States EPA, as well as the Alaska Department of Environmental Conservation (DEC) and legislators in Washington, Alaska and California. As technology develops, ICCL will recognise additional acceptable practices that will be incorporated into this living document.

It is important to the industry to establish partnerships with governments. The ICCL's success has been based on continuing partnerships with government agencies and local communities. ICCL members have invested a large amount of time and resources to initiating and continuing the partnership with United States Coast Guard, joint environmental studies with Florida Environmental protection Agency (EPA) and MOU with the Florida Department of Environmental protection (DEP) in order to contribute to the objective of sustainable tourism development. Additionally, ICCL has worked toward sustainable inter-relationships within the port cities visited by its members. The importance of a continued, open dialogue between the industry and the host countries cannot be overstated.

In response to a petition from a number of environmental groups, United States EPA developed an action plan to evaluate cruise ship wastewater discharges as well as the industry's environmental operating practices. Public meetings were held in Juneau, (Alaska), Los Angeles, (California) and Miami, (Florida) as a part of EPA's evaluation process. As a co-operative partnership issue, the United States Coast Guard together with ICCL, co-hosted a two-day workshop for United States EPA, other federal officials, cruise industry segments and public environmental advocacy groups.

This forum focused on the practical application of the international regulatory regime and other aspects of environmental management practices adopted by ICCL vessel operators. In August 2001, United States EPA sampled waste water discharges from cruise ships and will utilise this research to determine dispersion patterns and, in turn, environmental impacts of cruise ship waste water discharges. This effort is being conducted with the full support and co-operation of ICCL members.

ICCL welcomes the opportunity to demonstrate global adherence to these best practices, and responsibility to environmental preservation. ICCL knows of no other segment of maritime industry that will be willing or able to meet these types of standards. Indeed, ICCL is raising the bar for global environmental performance in maritime industry.

31.2 Health and safety

In the 1970s, because of several gastro-intestinal illness outbreaks on cruise vessels, the United States Centre for Disease Control (CDC) established the Vessel Sanitation Programme (VSP) as a co-operative activity with the cruise ship industry. The programme assists the cruise ship industry in fulfilling its responsibility for developing and implementing comprehensive sanitation programmes, in order to minimise the risk for gastro-intestinal diseases. ICCL has embraced this programme to ensure health and safety on-board cruise ships.

Health and safety is built into every aspect of a cruise ship beginning at the vessel's design stage. CDC, in partnership with the cruise industry and the shipyards, developed construction guidelines for the various components of the vessel's facilities that are related to public health. These include food storage areas, refrigerators and freezers, food preparation service and serving areas, water bunkering, storage, disinfecting, and distribution systems, the construction of pools and spas,

and many other aspects of ship construction. Experts from the CDC and the cruise industry completed the latest revision of the guidelines in August 2001.

Every vessel that has a foreign itinerary, carries 13 or more passengers, and calls on a United States port, is subject to unannounced bi-annual inspections and, when necessary, to re-inspection by VSP staff. The vessel owner pays a fee, based on tonnage, for all inspections. Currently, over 140 cruise ships participate in the programme. The inspections are conducted by Environmental Health Officers (EHO) of the United States VSP, and take place only in United States ports. The inspection focuses on the following: the ship's water supply, spas and pools, potential for food or water contamination, practices and personal hygiene of employees, general cleanliness and physical condition of the ship, and the environmental and public health practices training programmes.

Since the programme began, the number of disease illness outbreaks on ships has declined significantly despite substantial growth in the number of ships sailing and the number of passengers carried.

Cruise ship companies frequently ask the VSP staff to help them improve their on-board sanitation efforts. Since December 1989, VSP staff has offered sanitation seminars four times each year for shipboard personnel. These seminars bridge the communication gap between government regulators and shipboard personnel by explaining recommended standards, emphasising the reasons for them, and discussing how to comply with them. Topics covered are: the storage, distribution, protection and disinfecting of a ship's water supply, protection of food during storage, preparation, cooking, and service, employee practices and personal hygiene, general cleanliness, facility repair, vector control, and potential for contamination of food and water.

This programme is also a global training environment for the shipboard employees from developing nations. Education, hands-on training and practical application in sanitation and the reduction of the risk of disease are skill sets that are applicable in their home countries. This training is often not available in the developing world or there are constraints due to the lack of trained professionals available. Often cruise ship staff attain leadership status in their communities as a direct result of being exposed to advanced training and practical experience opportunities.

31.3 Safety

Over the past two decades, an estimated 60 million passengers enjoyed a cruise vacation. During this period, not one passenger death due to a marine incident (such as a fire, collision, or grounding) occurred on any ICCL vessel operating from a United States port. This enviable safety record is the direct result of the important focus that is placed in this area. Of course, the cruise industry cannot be complacent; ICCL constantly investigates ways to improve its performance.

This excellent safety record demonstrates ICCL members' commitment to safety. In 1996, the United States Coast Guard published a comprehensive cruise ship safety study, which concluded that the industry was one of the safest modes of transportation available and that international safety initiatives coming into force would further improve its safety record. As reported by this task force, many SOLAS requirements 'are now significantly more stringent than United States regulations.[70]' This is especially true with regard to fire protection.

No other form of transportation (bus, train, or aeroplane) can claim to be as safe as a vacation cruise or provide as extensive fire emergency and life support systems. If a cruise ship sails from a United States port, the United States Coast Guard has conducted an in-depth examination of that ship for safety. The United States Coast Guard reviews the ship plans for

compliance with construction requirements and then visits the vessel while under construction to assure it is properly built. The United States Coast Guard also verifies the adequacy of crew training through observation of drills, examination of documentation, and interviews with officers and crew.

To assure compliance with safety regulations, the United States Coast Guard exercises port-state control authority over foreign flag cruise ships operating from United States ports. Other maritime agencies exercise port-state control under similar programmes in the ports where they have jurisdiction. The United States Coast Guard, in accordance with its Control Verification Examination (CVE) programme, conducts quarterly inspections on all vessels embarking passengers at United States ports. The examinations focus on fire safety systems and life saving equipment and their safety and environmental protection items. Additionally, the United States Coast Guard witnesses fire and abandon ship drills to ensure crew proficiency. The average response time for an on-board emergency is within a matter of minutes – fire teams and trained emergency and medical crews are always only a few hundred feet away.

The formalised partnership with the United States Coast Guard has resulted in meetings on a regular basis both at the executive and technical levels to discuss emerging safety issues and recent passenger vessel initiatives adopted or under consideration at IMO. The partnership has planned and co-ordinated joint emergency preparedness exercises to ensure the effectiveness of response capabilities, has worked on methods to identify lessons learned from past marine casualties, and has instituted crew training policies in response to STCW.

ICCL believes this partnership is a productive way to exchange information on the operational impacts of proposed policies as well as identification of resources required to

(70) October 31, 1995: Report of the Cruise Ship Safety Review Task Force. U.S. Coast Guard.

respond to various types of vessel emergencies. The partnership between ICCL and the United States Coast Guard has been a factor in the establishment of industry standards for lifejackets in excess of international requirements, infant personal flotation devices, and helicopter pick-up areas.

31.4 Passenger security

The highest priority of the cruise industry is to provide a safe and secure vacation experience for our passengers. The cruise industry takes any and all cases of reported crimes on-board our ships seriously. Every person on-board a cruise ship, from the captain to the cleaning staff and all guests, is placed on an official manifest. Passengers and crew may embark or disembark only after passing through security. Access is strictly limited to documented employees and fare-paying passengers.

Most importantly, since 11 September 2001, the cruise industry has heightened its security measures both on and off the vessel in order to provide the most secure environment for its passengers and crew. Even though a cruise ship is inherently secure because it is a controlled environment with limited access, immediately following the terrorist attacks all ICCL members implemented Security Level III, even before the United States Coast Guard (USCG) ordered it.

Security Level III is the highest level of security set by Coast Guard Passenger Vessel Security regulations. At United States cruise terminals, passenger vessel security measures include passenger screening procedures similar to those found at airports. This includes 100% screening of all passenger baggage, carry-on luggage, ship stores and cargo, and also includes higher levels of screening of passenger identification. Official passenger lists are carefully reviewed and proper identification is ensured before anyone is allowed to board the vessel.

Coast Guard regulations implemented in 1996 require ship operators to submit Comprehensive Security Plans to the USCG for review and acceptance. These regulations address both passenger ship and passenger terminal security and outline methods to deter unlawful activities on-board. All ICCL member lines have submitted security plans that have been accepted by USCG and these plans are audited annually.

Since 1998, ICCL and its member operators have been members of the United States Interagency Task Force on Passenger Vessel Security. This group meets every 60 days to discuss emerging security issues, receive updated threat information, and address specific security concerns. Since 11 September 2001, ICCL Security and Operations Committee members have efficiently communicated and resolved problems in daily conference calls with all of the appropriate federal agencies. This information exchange has proven to be valuable both to our member lines and the federal agencies involved as we mutually address matters impacting both ship operations and security. We are committed to providing the highest levels of security for our passengers and to working with appropriate federal agencies to address additional security measures that may become necessary.

Cruise lines operate within a very strict legal framework that gives international, federal and state authorities the right to investigate crimes on-board cruise ships. Unlike most instances of crime ashore, the United States Federal Bureau of Investigation (FBI) has the authority to investigate alleged crimes in international waters when an American is involved. In July 1999, ICCL executives announced an industry-wide position regarding the reporting of crimes committed on-board cruise ships. This statement of zero tolerance for any crime committed on-board ICCL vessels requires the reporting of all serious crimes involving United States citizens to the FBI for further investigation.

Incidents of criminal conduct are extremely low in comparison to similar incidents reported ashore. FBI and United States Census Bureau statistics indicate that the numbers of reported crimes in United States communities are at least 20 times greater than the number of reported shipboard assaults per capita. This level of security is carried on ICCL's ships as they travel around the world and visit the ports of many countries.

31.5 Medical facilities

The cruise industry has taken a proactive role in addressing the provision of shipboard medical care. Over five years ago, members of ICCL began work on development of industry-wide guidelines for the medical facilities, staffing, equipment and procedures utilised on-board passenger vessels. Then, in 1996 it issued guidelines that represented the work of a group of experienced medical physicians and other medical experts knowledgeable about the unique needs and limitations of shipboard medical care.

During this effort, ICCL worked in conjunction with the American College of Emergency Physicians (ACEP), the national association representing over 20,000 practising emergency and other physicians in the United States and abroad. ACEP's Section of Cruise Ship and Maritime Medicine are specifically dedicated to training, education and research in the advancement of shipboard medical care.

Medical Facilities Guidelines are intended to foster the following goals to provide reasonable emergency medical care for passengers and crew on-board cruise vessels, to stabilise patients and/or initiate reasonable diagnostic and therapeutic intervention, and to facilitate the evacuation of seriously ill or injured patients when deemed necessary by a shipboard physician.

Both ICCL and the cruise industry have continued to promote enhancements in their guidelines. Each year, ICCL medical facilities

experts meet with the ACEP Cruise Ship Medicine Section to discuss new developments as well as to update guidelines in this area.

31.6 Accessibility for persons with disabilities

Subsequent to the passage of the Americans with Disabilities Act (ADA), the Passenger Vessel Access Advisory Committee (PVAAC) was empanelled by the United States Architectural and Transportation Barrier Compliance Board to make recommendations for the development of regulations that would improve accessibility for persons with disabilities on-board passenger-carrying vessels ICCL participated in all discussions. The PVAAC report was presented to the board in Miami on 17 November 2000.

In the meantime, ICCL cruise members have included new and innovative ideas and technologies in their newly constructed ships and have, in most instances, modified older ships to provide improved access to all public spaces for guests with many different types of disabilities – not just the mobility impaired. All this has been done at the initiative of the cruise vessel operators without detailed regulation.

32 Future challenges and goals

The international cruise industry has a remarkable story of success and achievement in a number of sectors, not the least of which has been our safety record, particularly for the 16 cruise line members of ICCL. This success could only have been achieved through the teamwork with industry partners and the innovation, energy and devotion of many very talented individuals.

Moreover, because there is a mutual interdependence between the cruise line industry and the countries visited by its ships, there is a bright future. As the industry grows, so will the issues and challenges that it faces.

Issues that the industry will be focusing on in the future include safety, environmental management, and continued product enhancements. As the ships become more complex, and the locations visited become more distant, the sophistication of cruising operations will grow exponentially. Through private-public sector relationships, solutions can be devised for all issues and challenges. As global leaders in the maritime industry, the members of ICCL will always be at the cutting edge in the utilisation of new technologies.

As passenger demand increases and the cruise industry continues to grow, ICCL and its member lines will continue to participate in the development of new IMO safety initiatives that govern the operation of cruise vessels worldwide. Over the past several years, IMO has adopted several new international regulations that significantly enhance passenger vessel safety. These comprehensive IMO regulations established stringent new standards that require significant fire safety upgrades for new and existing vessels, adopted advanced crew safety training requirements, and required all vessels to implement a specified safety management system that delineates crew responsibilities and establishes mandatory codes of practice. These are internationally mandated by the United States government; both flag-state and port-state authorities closely monitor standards, and treaties are adopted throughout the world.

33 Summary

ICCL is dedicated to responsible environmental management and protection of global natural resources. Regulation by governments and international organisations is increasingly influenced by communities and local bodies directly participating in policy making. ICCL is committed to working in partnership with United States EPA, United States Coast Guard, other international, federal and state environmental protection agencies and public environmental advocacy groups such as the United Nations, the Ocean Conservancy, and Ocean Advocates to find productive solutions to the very real issues that confront us on a daily basis. ICCL strives to inform the public that the cruise industry is dedicated to preserving the marine environment and the oceans upon which cruise vessels sail.

Cruising is one of the most popular vacation options in large part because of its excellent safety record and the high level of quality service provided on-board cruise ships. ICCL will continue to work to ensure the safety and well-being of all passengers and crew on-board cruise vessels, as well as the pristine environments visited by ICCL's members' ships.

Part 6: Open for dialogue

The World Summit on Sustainable Development (WSSD) will bring together representatives from governments, concerned citizens, UN agencies, multilateral financial institutions and other major groups. The purpose of the summit is to provide a forum to engage all stakeholders in sustainable development in a constructive and informative dialogue. The summit also provides an occasion to bridge the gap between these various stakeholders – who are all ultimately responsible for the future of the planet.

Tourism is one of the industry sectors UNEP was requested to report on at WSSD. The tourism industry agreed to be a part of the process and has written this tourism industry report charting the progress and priorities for the sustainable development of the industry.

To ensure the report offers an open, self-critical assessment of the industry the authors agreed to be part of a multi-stakeholder dialogue. The authors of the tourism industry report participated in a consultative meeting on 3 October 2001, in Paris, with representatives from invited NGOs, trade unions, the International Labour Organisation (ILO), the WTO/OMT and other chosen groups (see Annexe 10 for full list of delegates). This provided an open forum for a frank and honest assessment of the report during which many suggestions were made to the industry partners.

Taking the multi-stakeholder approach one step further, the steering committee also agreed to post the draft report on the UNEP Web site for one month. All concerned parties were invited to participate in this consultative process by reviewing the report and forwarding their written comments to the authors.

One of the criticisms from the stakeholders was the lack of case studies, statistics and hard data in the report. For every negative case study there is a positive one and the lack of hard data available makes examples very subjective. The authors therefore decided to reduce the amount of case studies and concentrate instead on the major issues facing the industry. The report has not mentioned the airline industry because they have co-ordinated their own report under ATAG that looks in detail at the impacts the airline industry makes and its specific contribution to sustainable development.

Many valid points were made during this process and many of these have now been incorporated into the main text. There are other avenues and processes that are looking at sustainable development topics in greater detail and other international bodies are conducting similar research. However, there are some areas that have been mentioned but have not been examined in more detail in this report. These issues include the following:

- NGOs are concerned that further work needs to be done to fully evaluate the impacts of tourism in developing countries. There are significant variations in the issues of sustainability between 'the north' and 'the south' and between developed and developing countries, which often require different approaches;
- further attention has been requested towards issues such as human rights, labour rights, water rights, religious rights, child labour and indigenous people;
- solutions to the shortage of skilled labour, training and human resources development are among the highest priorities for the industry, and are being explored further;
- there is disagreement as to whether tourism is a victim of the consequences of global warming or a contributor to it;

- non-industry stakeholders urge the industry to set minimum and optimum levels of sustainable development that operators need to achieve using specific performance indicators and to involve different stakeholders in this process;
- there is a need for clarity as to the extent to which the industry is committed to local partnerships for development and the empowerment of local communities;
- NGOs would welcome more detail on issues such as energy, water, sensitive ecosystems, and contributions to conservation of biological diversity and protected areas and international environmental regulations through the General Agreement on Trade in Services (GATS) and WTO;
- the question of transparency and monitoring of the tourism industry's activities is still open and needs to be further addressed.

This final report, however, cannot and will not satisfy all stakeholders' concerns. It was never designed to do so. It is an industry report, written and researched by industry representatives. Its purpose is not to reflect the many views of all the different stakeholders, who have other designated channels for expressing their views at WSSD. Nor does it provide perfect solutions for travel and tourism, or have all the answers to some of the pressing problems of real concern to the industry. The steering committee and the industry as a whole are well aware that there are still major challenges ahead to ensure preservation and protection of our natural resources and local and indigenous communities.

However, this tourism industry report and the consultative process it went through demonstrates the industry's willingness to engage in an open, self-critical assessment with all groups involved in travel and tourism. It is now time for everyone to share in the responsibility of maintaining and sustaining the natural resources essential to tourism's very existence instead of each stakeholder blaming the other. Just as all should share the benefits that can be accrued from travel and tourism, so all, from consumers to governments, should start taking responsibility for their actions in this industry.

The authors of the report believe that the co-operative and constructive discussion at the meeting in October bodes well for the beginning of a new approach to sustainable development. The industry is aware and responsive to both the negative and positive impacts it makes on countries and destinations where it operates and sees this frank and open approach as a watershed for the way forward for travel and tourism.

The industry stands ready and willing to take the initiative to work in partnership with all involved. It is now vital to engage all stakeholders, industry, governments, non-governmental organisations, unions, consumers and UN organisations in constructive dialogue.

The ultimate goal for the industry is for travel and tourism development to become fully sustainable and beneficial for everyone. Major progress towards this goal can be achieved during the next decade if all stakeholders work together in partnership. Moreover, practical and feasible sustainable development policies must be adopted by industry and governments alike – policies that can and will ensure the future of travel and tourism and thus sustain the natural resources and local communities of the planet.

Annexe 1: World Travel & Tourism Council (WTTC)

Tourism satellite accounting, estimates and forecasts

WORLD	Estimates for year 2001 USD	Percent of total	Forecast for year 2011 USD	Percent of total
Travel and tourism industry				
GDP	1,381.5 billion	4.2	2,654.4 billion	4.2
Employment	78,183,400 million	3.1	99,321,700 million	3.4
Travel and tourism economy				
GDP	3,497.1 billion	10.7	6,958.3 billion	11.0
Employment	207.062 million	8.2	260.417 million	9.0

EU	Estimates for year 2001 USD	Percent of total	Forecast for year 2011 USD	Percent of total
Travel and tourism industry				
GDP	397.3 billion	4.8	784.7 billion	4.9
Employment	7.7 million	4.9	8.8 million	5.3
Travel and tourism economy				
GDP	1,017.2 billion	12.2	2,063.2 billion	12.9
Employment	19.3 million	12.3	22.9 million	13.9

Annexe 2: World Travel & Tourism Council (WTTC):

Sustainability initiatives

WTTC has focused much of its resources over the past decade on ensuring that the travel and tourism industry is accountable for its impact on the natural environment and that it accepts its social and cultural responsibilities. Examples of WTTC initiatives include the following:

Agenda 21

In 1996, WTTC, WTO/OMT, and the Earth Council together launched *Agenda 21 for the Travel and tourism Industry: Towards Environmentally Sustainable Development* – a sectoral action plan for sustainable development based on the outcome of the Rio Earth Summit in 1992. At the time it was the only industry-specific adaptation of Agenda 21.

Seminars and conferences

WTTC, often partnering with WTO/OMT, has participated in seminars and conferences around the world disseminating Agenda 21 for the travel and tourism industry and encouraging sustainable practises.

Green Globe 21

In 1994, WTTC established 'Green Globe', a voluntary environmental management certification programme designed specifically for the travel and tourism industry. In 1999 Green Globe became an independent organisation that now offers a wide range of environmental support services to its members. Green Globe 21 and the Council work on joint initiatives under a strategic alliance.

ECoNETT

In December 1995, WTTC and DGXXIII of the European Commission commenced a joint project to develop an information network for tourism and the environment – ECoNETT – the European Community Network for Environmental Travel & Tourism. The ECoNETT goal is to increase overall awareness of sustainable travel and tourism and in turn stimulate changes in management practices, in destinations and corporations to achieve sustainable travel and tourism development. This is being achieved by making information available on good practice, codes of conduct, activities of experts and organisations.

Dodo

Education is vital to securing a sustainable future. People's perceptions and behaviours are formed from a very early age and environmental awareness about best practices for travellers, tourists and the host community should start early too. The Dodo programme, developed by Cohesion and supported by the WTTC and the United Nations High Commissioner for Human Rights, targets a young audience and acts as an educational tool, introducing a range of nature-related and environmental topics.

It is designed to raise awareness and educate on important issues concerning the environment and on human and children's rights. In addition to a television series, teaching children of the consequences of human activity on the environment, Cohesion has partnered with many hotels, airlines and tour operators to remind guests of the contribution they can make to environmental sustainability.

Business Enterprises for Sustainable Travel (BEST)

BEST is an initiative of the Conference Board, one of the world's premier business membership and research network, in association with WTTC. Since its inception in 1999, BEST has gathered information on over 500 businesses in its expanding database. It provides information and services to the travel community on business practices that

simultaneously enhance destination communities, travellers' experiences and economic development.

Caribbean Alliance for Sustainable Tourism

Caribbean Alliance for Sustainable Tourism (CAST) is an alliance for sustainable growth developed by the Caribbean Hotels Association with the support of WTTC, the International Hotels Environment Initiative and the Caribbean Tourism Organisation. It develops training workshops and materials for its members on themes such as environmental management systems, energy efficiency and wastewater management.

Sustainability Policy Centre

The co-operative research centre for sustainable development which links 14 universities and research centres in Australia, advises WTTC on an ad hoc basis on issues relating to sustainability in travel and tourism.

Annexe 3: World Travel & Tourism Council (WTTC)

Private sector initiatives from WTTC members

Lusotur

In August 1996, the CEO of Lusotur, André Jordan, presented the 'Vilamoura XXI' vision. This was an innovative revaluation project proposal based on international standards of creativity, quality and value. Environmental Management Systems were implemented and are certified according to the Green Globe and ISO 14001 standards in order to monitor and control the environmental impact of its corporate activities.

Although the whole of Vilamoura (Portugal) is being developed and managed the most environmentally correct way, the protection of flora and fauna is a current concern. In response, the Vilamoura Environmental Park was officially inaugurated in 1999 exclusively dedicated to the protection and increase of habitats and environmental capacities. These efforts made by Lusotur have been internationally recognised with awards and honourable mentions including the UN and OECD environmental reports 1999 and 2001.

Japan Travel Bureau (JTB)

JTB joined the founding members of Tour Operators' Initiative for Sustainable Tourism Development, which was advocated by the UNEP and officially adopted on 12 March 2000 in Berlin. JTB has been constantly endeavouring to enlighten their clients for better understanding of the importance of sustainable development, as well as the preservation of the natural, cultural and social environment. JTB has been involved in sustainable development projects for more than 15 years and its activities include 'Clean-up Campaigns', which invite volunteers to clean up major tourist spots in Japan.

Apart from the UNEP initiative, in December 1999 its 100% subsidiary tour operator, JTB World Vacations, was the first travel firm in the world to acquire the ISO14001, which regulates environmental objectives in day-to-day operations. These guidelines have established the environmental policy of JTB World Vacations and has been mentioned in the UNEP's 'Good Practice Report' November 2001.

British Airways (BA)

British Airways has been a consistent leader in engagement with environmental issues. The airline has received a number of relevant awards: for reporting; for environmental stewardship; and for its outreach programmes. One of the two initial sponsors of Green Globe in its WTTC days, the airline's commitment to responsible tourism has developed through The British Airways Tourism for Tomorrow Awards, which are now the leading recognition worldwide for environmental and social responsibility in the tourism industry. The programme has attracted over 1,000 entries from more than 60 countries.

British Airways Holidays activities have included a successful traveller donation scheme, audits of hotels and identification of those with appropriate 'green' criteria, and, more recently, involvement in the UNEP Tour Operator's Initiative. BA and BA Holidays have been involved in the instigation and development of the current Sustainable Tourism Initiative of the United Kingdom Foreign and Commonwealth Office.

Taj Hotels

The Taj has been at forefront in sustainable development in India, adopting what it terms 'Green Technology'. The Taj Group utilises alternatives which reduce energy consumption and reliance on fossil fuels, eliminates the use of ozone-depleting substances, and promotes reduction in use of non bio-degradable materials, while implementing wastewater treatment and reuse of water, use of solar

energy, use of environment-friendly detergents in laundries and vermiculture.

Key measures and programmes that have been adopted group-wide are CFC-free air-conditioning, chlorine-free water treatment and energy-saving lighting. The Taj Group of Hotels set up 'ECOTAJ', a movement to standardize environmental-friendly practices in the company, in 1996. The Environmental policy of Taj is programme specific and meets all aspects of the ISO 14001 framework. To motivate staff and involve guests and community, many environment programmes are also conducted periodically across the company

Preussag

The Preussag group is directly involved in hands-on environmental protection projects. Preussag's subsidiary, TUI, introduced brochures containing a wide range of information on nature and the environment, as well as promoting hotels that are environmentally friendly. In collaboration with local organisations, hoteliers and environmental protection groups, TUI Group Service actively protects and conserves the local environment including the reforestation of endangered tree species and the protection of endangered animals.

TUI also awards its annual 'International Environment Prize' to individuals, NGOs or regional environmental initiatives which have made important and exemplary contributions to the protection and conservation of nature and the environment at TUI destinations. The 'TUI Environment Champion' award is a motivational instrument awarded to outstanding, environmentally-friendly hotels. Other Preussag subsidiaries such as Thomson Travel, Hapag-Lloyd airlines and cruises and Britannia Airways are also heavily committed to sustainable development.

Annexe 4: Hospitality Agreement between IUF and the Accor Group on trade union rights

The Accor Group and IUF[71]:

- Noting that, in the global economy, all social and economic progress is contingent upon the maintaining of a society based on democratic values and respect for human rights.
- Further noting that the hotel industry needs peace and social consensus in order to grow.
- Being committed, therefore, to work in this direction, above all by the examples they set.
- Recalling the basic right of each employee to be represented and defended by a union of his or her choice.
- Recognising the reciprocal legitimacy of the other party and its right to intervene in both social and economic affairs, while both retain their own responsibilities, to the extent that they comply with applicable laws, contracts or collective agreements.
- Are therefore convinced that reinforcing democracy in the group is the duty of both parties and that this implies both the recognition of differences over ways and means as well as the search for solutions through collective bargaining.
- Further note that this goal requires, for its achievement, effort at educating and informing the employees concerned and their representatives so that they can better understand the problems, constraints and challenges faced by the company.

In this spirit, the Accor Group and IUF shall undertake to:

1) Verify the faithful application by all Accor establishments of ILO Conventions 87, 98 and 135, pertaining respectively to:
   - the right of employees to affiliate to the union of their choice;
   - the protection of employees against all acts of discrimination that tend to violate freedom of association;
   - the protection of employee representatives against any measures that could harm them, including discharge, motivated by their status or activities as employee representatives, in-so-far as they act in compliance with applicable laws, contracts or agreements.

The Accor Group therefore undertakes not to oppose efforts to unionise its employees. The Accor Group considers respect for union rights to be part of the good reputation of its brand names:

2) Encourage the management of subsidiaries and entities to allow union representatives to carry out their mandates and to have access to the same opportunities for training, pay increases and advancement as all other equally-qualified employees.

Both parties agree that any differences arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the parties concerned. The French version of this agreement shall be the point of reference.

Annexe 5: Hospitality Exemplary EMS

Six Continents Hotels (formerly Bass Hotels & Resorts)

Six Continents Hotels, a subsidiary of Six Continents Plc (formerly Bass) operates over 3,000 hotels worldwide. Its principal brands include Holiday Inn, Crowne Plaza and Inter-Continental Hotels.

Through its *Conserving For Tomorrow* programme, operational in 1,100 participating hotels, it saves seven million gallons of water and 46,920 gallons of detergent every month, by washing sheets and towels every three days instead of daily. Other measures taken by participating hotels have procured the following benefits:

- a hotel in Mexico achieved 20% savings in energy costs by placing presence sensors in guestrooms to control air-conditioning and lighting;
- a hotel in Turkey reduced its energy consumption costs by over USD71,500 by adjusting its automated temperature settings;
- a hotel in Canada saved USD65,000 annually in recognisable costs, of which over USD30,000 per year are those associated with waste-disposal and laundry.

Six Continents' owned and managed hotels use environmental self-audits to measure energy and water conservation, waste management, water quality, product purchasing, indoor air quality, external air emissions, noise, stored fuel, pesticides and herbicides, and hazardous materials (including asbestos). Further initiatives include the presentation of an annual environment award, publication of a corporate environment report every two years, development of a comprehensive guide to energy management, and a standardised environment self-audit form.

Golden Tulip Hotels

Golden Tulip Hotels has 67 owned hotels and additional franchised and licensed properties all over the world.

It launched a corporate environment effort in 1997 starting from the bottom with the appointment of 'green teams' and 'environment champions' in Golden Tulip-owned hotels and inns in the Netherlands. To improve the integration of environmental management into business operations and to 'sell' it to the management hierarchy, the Golden Tulip Business School developed an in-house training pack for environment co-ordinators and green team members.

Beginning with no-cost/low-cost good housekeeping and repair activities, it has progressed to a more capital-intensive phase with a new action area being introduced every month, such as water, waste, energy and chemicals. Through newsletters[72] green teams are invited to submit ideas for environmental management, which are compiled into a series of departmental action checklists.

Environmental performance targets and standards, monitoring and data-recording procedures are applied across all properties. Integrating and implementing the environment policy into everyday business is the company's main objective. It seeks to do so via training programmes, along the supply chain, in departments such as sales and human resources, and standardised auditing procedures. The company asserts that environmental action is not a marketing tool but a business and social responsibility.

(72) The newsletters include general environment information on the specific action area, resource use/waste volumes statistics, tips and ideas on resource conservation and waste management, quizzes and crossword puzzles, and news briefs about environment performance of selected Golden Tulip Hotels and Inns.

The Orchid Hotel, Mumbai, India

The 245-room, five-star, ECOTEL-certified Orchid Hotel in Mumbai was designed from the outset with preservation of the environment in mind. Some of its most notable environmental achievements include:

- a reduction in collective annual water use from 782.6 litres per available room to 614.3 litres;
- a master control panel, incorporating a 'green button' in each guest room which adjusts the thermostat of the air-conditioning unit by two degrees. Equivalent cost savings in electricity are displayed on the guest folio and the money is then used for funding NGOs and environment-related programmes;
- total savings per year in heat, light, power and guest amenities costs have reached USD152,471. Energy savings per available room are now 10% to 15%;
- waste water generated from the hotel amounts to approximately 120kl per day. 90kl to 95kl of grey water is recycled at the on-site wastewater treatment plant, 30kl of which is then used for gardening and air-conditioning purposes. Total savings in water purchasing costs per year have reached USD13, 440;
- in addition to training 140 temporary trainees and 71 apprentices, the hotel has created 430 new job opportunities for Indians living in and around the city of Mumbai;
- prior to The Orchid's opening, there were no local suppliers who manufactured or traded eco-friendly products. Today, the hotel's persistence in educating, informing and negotiating with suppliers has resulted in the development of a fully-fledged industry supplying such products, creating further local jobs.

Annexe 6: Hospitality Education, awareness creation, training and information dissemination

The Challenge of HIV/AIDS in the workplace: A Guide for the Hospitality Industry

In 1999, IH&RA published a manual to address the issue of HIV/AIDS in the workplace, in collaboration with UNAIDS, designed to help hotels and restaurants of all sizes to develop their own HIV/AIDS policies and awareness programmes, illustrated by examples of industry best practice. The initiative was highlighted at the meeting of UNCSD in April 1999, and the manual has been distributed to hotels in Southern Africa by the Federated Hospitality Association of South Africa (FEDHASA) and made available via the IH&RA Web site at http://www.ih-ra.com.

Global hospitality companies: HIV/AIDS initiatives at the Warsaw Marriott

The Warsaw Marriott has undertaken a number of initiatives since 1994 to promote HIV/AIDS awareness among its staff and support those living with the disease. In collaboration with the Polish Foundation for the Humanitarianism AIDS 'Res Humanae', the hotel has hosted major conferences for those living with HIV/AIDS and has undertaken advocacy work at business events to encourage other business leaders to incorporate HIV/AIDS initiatives into company operations.

Environmental initiatives: Manuals and awards

IH&RA, UNEP and IHEI jointly published an Environmental Action Pack for Hotels in 1995, which was updated in 1998. In 2001, IH&RA completed a new manual designed to promote the teaching of environmental management in hotel schools: *Sowing the Seeds of Change: An Environmental Teaching Pack for Hospitality Professionals*, in association with UNEP and the International Hotel School Directors' Association (EUHOFA). Both publications incorporate case studies submitted for IH&RA's annual Environmental Award, which has been rewarding outstanding environmental performance by corporate and independent establishments since 1990 with sponsorship from American Express.

Annexe 7: Hospitality

Industry voluntary initiatives

International Hotels Environment Initiative (IHEI)

IHEI, based in London, England, is a programme of the Prince of Wales International Business Leaders Forum. Founded in 1992 by a consortium of chief executives from ten multinational hotel groups, IHEI is an educational charity that functions to encourage continuous improvement in the environmental performance of the global hotel industry.

Representing now more than 11,000 hotels on all six continents - over 1.9 million guestrooms - IHEI initiatives have raised environmental awareness amongst the international hotel industry, tour operators, government bodies, the media, academia, and hotel industry suppliers. Its objectives are:

• to raise environmental awareness in the hotel industry and promote good practice internationally;
• to promote the business benefits of sound environmental practices and socially responsible business practices;
• to develop hotel-specific guidance, enabling hotels of all sizes to implement environmental programmes;
• to work with partners to extend the reach and impact of IHEI including hotel associations, government bodies, NGOs, academia, hotel suppliers, and tourism boards.

IHEI's environmental tools for hotels include publications focusing on best practice, action packs, a quarterly magazine, purchasing guidelines and videos. It launched a new web-based IHEI/ WWF Benchmarking Tool in September 2001 with support from Biffaward, designed to help hotels measure performance and resource consumption, compare it with similar hotels worldwide, and calculate the financial and resource savings to be made by improving environmental performance. See http://www.benchmarkhotel.com

Ecolabels and Certification Programmes

Green Key (Denmark)

Green Key is one of the most stringent eco-certification programmes in the world. Originating in Denmark in 1994 it has become an international eco-label covering hotels in Sweden, Greenland, and Estonia. Criteria for restaurants and sports centres are under development. To qualify for certification, hotels must meet 78 criteria starting with creating an environmental policy, and site-specific action plans, waste separation and collection of recyclable materials, measures limiting water, heat, and electricity consumption, use of eco-friendly suppliers and detergents, and of organic foods on the menu. The Green Key covers 15% to 20% of Denmark's accommodation segments.

In 2000, Denmark launched a certification programme for destinations – Destination 21 - which sets out eight sustainability goals covering the three principle pillars of the Rio Summit: economic, social and environmental sustainability.

Over the last four years, HORESTA on behalf of the Danish Energy Agency, has led an energy saving campaign for the entire industry – 14,000 businesses – which has exceeded its goal of reducing energy consumption by 5% to 10%. In co-operation with the Danish Environmental Protection Agency, it has developed an environmental work package for hotels, restaurants and tourism businesses that consists of 19 booklets on environmental management, heating, water, detergents, occupational health etc.

Green Leaf (Canada)

The Hotel Association of Canada's (HAC) Green Leaf programme is a graduated rating system designed to identify hotels committed

to improving their environmental performance. It recognises environmental achievements through a reward of one to five 'Green Leafs': One Green Leaf is awarded to hotels who commit to a set of environmental principles such as energy use, water conservation and waste reduction. Five Green Leafs signify that the hotel serves as a world leader in environmental performance. Ninety per cent of all applicants become certified.

ECOTEL

ECOTEL, HVS International's certification programme, focuses on energy efficiency, waste management and recycling, water conservation, legislative compliance and employee environmental education and training. The auditing process leads to the development of property-specific action plans. Additionally, a detailed cost-benefit analysis of projected savings is prepared. The auditing inspection is stringent, with the auditors present on the property for up to 30 hours and extensive interviewing of hotel staff. To date 34 hotels have obtained ECOTEL certification, which uses a graduated five Globe award system

Youth Career Initiative (Asia)

Pan-Pacific Hotels & Resorts' Youth Career Initiative targets young people, 17-19 years old, from poor, rural areas who have little access to education and are vulnerable to child sex exploitation. Its primary aim is to provide life skills training (HIV/AIDS awareness, health, hygiene, budgeting and English language instruction) and a basic introduction to the hospitality industry so that participants improve their chances of finding employment, either in the hotel sector or of a vocational nature.

Participants attend classes taught by management in the hotel five days a week and the hotel absorbs the cost of uniforms, meals and books. After graduation, students must fend for themselves for a year and may be hired by their host hotel, helped to find employment in their home province or offered a scholarship to pursue teaching or nursing training. To date, not one graduate of the programme has 'lost their way'.

IH&RA is working to increase awareness levels of this programme and develop it on a country-by-country basis, with the support from national associations and corporate sponsorship.

IH&RA Involvement in UNESCO's Memories of the Future Programme

In 1997, IH&RA entered into a specific agreement with UNESCO to promote the latter's Memories of the Future project designed to enhance and restore key cultural heritage sites around the world. IH&RA encourages its hotel chain members to partake in the project in two ways:

- by adopting a specific project identified by UNESCO as a priority and making a financial contribution to the site's preservation,
- by restoring and converting a historic building into a hotel to ensure its continued survival as a place of cultural interest.

Accor, for example, has contributed:

- USD50,000 towards the restoration of the prestigious Prince Gong's Palace, Beijing (China);
- USD25,000 towards the rehabilitation of a traditional building in the Medina of Tunis;
- USD25,000 towards a scheme to reproduce the major works of art in the Museum of Nubia (Egypt) for sale to tourists;
- USD25,000 towards the restoration of the Bat Chum Temple in Angkor (Cambodia);
- USD25,000 towards the cost of providing audio-visual equipment to the National Museum of Alexandria (Egypt).

Radisson SAS has donated:

- USD25,000 towards restoring the Old city of Cracow (Poland);
- USD40,000 towards restoring the alter of the Qasr El Bint Temple, Petra (Jordan);
- USD25,000 towards restoring the roof of the Friday Mosque in Bahla Fort (Oman);
- USD25,000 towards restoring the Roman mosaics in the City.

Annexe 8: Hospitality Multi-stakeholder communication and consultation

Phinda Mountain & Forest Lodge, South Africa

The Phinda Mountain & Forest Lodge, located in Kwazulu (South Africa), has a population of 22,500 within a 15km radius of its boundaries, This is expected to double in the next 20 years creating huge pressure on limited natural resources. Phinda faces the threat of becoming an island of conserved habitat in a sea of rural poverty. To counteract this, Phinda has made a commitment to community participation by:

- acknowledging that people are a cornerstone of the region's natural environment and thus are entitled to sustained benefits from its natural resources,
- realising that 'island reserves' that ignore the socio-economic aspirations of surrounding communities foster resentment that eventually leads to interference in the wildlife areas,
- playing a role in facilitating integrated rural development strategies for the region,
- becoming a vehicle for socio-economic advancement and enhanced sustainable resource utilisation, rather than a source of tension;
- establishing committees to liaise appropriately with Phinda's neighbours, in line with the above.

Radisson SAS

While recognising customers, employees and owners as the key stakeholder groups when operating its business, since 1999 Radisson SAS has extended its definition of stakeholders in the value-creating process to include suppliers, local communities, media, environmental interests and society at large. Using a Responsible Business Agenda, it analyses their impact on the long-term business success. Clear goal statements in the form of initiatives are communicated to each stakeholder group, indicating what stakeholders can rightfully expect from Radisson SAS, and vice-versa from a responsible business perspective.[73]

Environmental initiatives: Turtle Island, Fiji

Turtle Island, a luxury resort located in Yasawa, (Fiji), was the independent winner of the IH&RA Environmental Award 1999. With a strong environmental management programme in place, the island's owner constantly develops environmental awareness programmes and training so that all staff members understand the importance of their surroundings.

The eco-message is spread extensively through the resort's promotional material, and in most cases guests arrive keen to learn more about their role in preserving the environment. The resort has also established the Turtle Island Community Foundation, a trust fund that goes towards health, education and transportation of the local community. Again, this is a clear example of the hospitality industry showing leadership in environmental stewardship.

(73) Radisson SAS Hotels & Resorts Annual Report, 1999: Believing in Business Tomorrow As Well. 1999.

Annexe 9: Cruise lines
Waste management practices and procedures

INTERNATIONAL COUNCIL
OF CRUISE LINES

ICCL industry standard E-01-01
The members of the International Council of Cruise Lines (ICCL) are dedicated to preserving the marine environment and in particular the pristine condition of the oceans upon which our vessels sail. The environmental standards that apply to our industry are stringent and comprehensive. Through the International Maritime Organisation, the United States and other maritime nations have developed consistent and uniform international standards that apply to all vessels engaged in international commerce.

These standards are set forth in the International Convention for the Prevention of Pollution from Ships (MARPOL). In addition, the United States has jurisdiction over vessels that operate in United States waters where United States laws such as the Resource Conservation and Recovery Act and the Federal Water Pollution Control Act apply. The United States Coast Guard enforces both international conventions and domestic laws.

The cruise industry is commitment to protecting the environment is demonstrated by the comprehensive spectrum of waste management technologies and procedures employed on its vessels. ICCL members are committed to:

- designing, constructing and operating vessels, so as to minimise their impact on the environment,
- developing improved technologies to exceed current requirements for

protection of the environment,
- implementing a policy goal of zero discharge of MARPOL, Annexe V solid waste products by use of more comprehensive waste minimisation procedures to significantly reduce shipboard generated waste,
- expanding waste reduction strategies to include reuse and recycling to the maximum extent possible so as to land ashore even smaller quantities of waste products,
- improving processes and procedures for collection and transfer of hazardous waste,
- strengthening comprehensive programmes for monitoring and auditing of onboard environmental practices and procedures in accordance with the ISM Code for the Safe Operation of Ships and for Pollution Prevention.

Industry waste management standards

ICCL member cruise vessel operators adopt the following standards for waste stream management:

- photo processing, including X-ray development fluid waste: The industry will minimise the discharge of silver into the marine environment through the use of best available technology that will reduce the silver content of the waste stream below levels specified by prevailing regulations;
- dry-cleaning waste fluids and contaminated materials: The industry will prevent the discharge of chlorinated dry-cleaning fluids, sludge, contaminated filter materials and other dry-cleaning waste by-products into the environment;
- print shop waste fluids: The industry will prevent the discharge of hazardous wastes from printing materials (inks) and cleaning chemicals into the environment;
- photocopying and laser printer cartridges: The industry will initiate procedures so as to maximize the return of photo copying and laser printer cartridges for recycling. In

any event, these cartridges will be landed ashore;

- unused and outdated pharmaceuticals: The industry will ensure that unused and/or outdated pharmaceuticals are effectively and safely disposed of in accordance with legal and environmental requirements;
- fluorescent and mercury vapour lamp bulbs: The industry will prevent the release of mercury into the environment from spent fluorescent and mercury vapor lamps by assuring proper recycling or by using other acceptable means of disposal;
- batteries: The industry will prevent the discharge of spent batteries into the marine environment;
- bilge and oily water residues: The industry will meet and exceed the international requirements for removing oil from bilge and waste-water prior to discharge;
- glass, cardboard, aluminum and steel cans: To the maximum extent possible, the industry will eliminate the disposal of MARPOL Annexe V wastes into the marine environment through improved reuse and recycling opportunities. No waste will be discharged into the marine environment unless it has been properly processed and can be discharged in accordance with MARPOL and other prevailing requirements;
- incinerator ash: The industry will reduce the production of incinerator ash by minimising the generation of waste and maximising recycling opportunities;
- graywater: Graywater will be discharged only while the ship is underway and proceeding at a speed of not less than six knots. Graywater will not be discharged in port and will not be discharged within four nautical miles from shore or such other distance as agreed to with authorities having jurisdiction or provided for by local law except in an emergency, or where geographically limited. The discharge of graywater will comply with all applicable laws and regulations;

- Blackwater: Blackwater will be discharged only while the ship is underway and proceeding at a speed of not less than six knots and in accordance with applicable regulations. Treated blackwater will not be discharged in port and will not be discharged within four nautical miles from shore or such other distance as agreed to with authorities having jurisdiction or provided for by local law, except in an emergency, or where geographically limited. The discharge of blackwater will comply with all applicable laws and regulations.

To improve environmental performance, cruise lines are testing and installing wastewater treatment systems that utilise advanced technologies. These onboard wastewater treatment systems are designed to result in effluent discharges that are of a high quality and purity; for example, meeting or surpassing secondary and tertiary effluents and reclaimed water. Effluents meeting these high standards would not be subjected to the strict discharge limitations previously discussed.

Each ICCL cruise vessel operator will utilise one or more of the practices and procedures contained in the attached *'Cruise Industry Waste Management Practices and Procedures'* in the management of their shipboard waste streams. Recognising that technology is progressing at a rapid rate, any new equipment or management practices that are equivalent to or better than those described, and which is shown to meet or exceed international and federal environmental standards, will also be acceptable.

The use of equivalent or other acceptable practices and procedures shall be communicated to ICCL. As appropriate, such practices and procedures shall be included as a revision to the attached document. As an example, when improved systems for treating blackwater and graywater are perfected and shown to meet the requirements for MSDs and accepted by appropriate authorities, the

new systems and associated technology will be included in the attachment as a revision.

ICCL and its Environmental Committee experts will work with the United States Coast Guard, the United States Environmental Protection Agency and other appropriate agencies to further implement this standard and the above commitments.

Annexe 10:
Open for dialogue

List of delegates who attended 3
October 2001 multi-stakeholder
meeting in Paris

- Dirk Belau Hotels, catering and tourism specialist, International Labour Organization (ILO)
- Rebecca Bloom – Project Manager, WTTC
- Martin Brackenbury – President, IFTO (via conference call)
- Giulia Carbone – Associate Programme Officer, UNEP
- Elizabeth Carroll-Simon – Director of Industry Affairs, IH&RA
- Michael Crye – President, ICCL (via conference call)
- Patrick Dalban-Moreynas, International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association
- Graham Gordon, public policy officer, Tearfund, provided input to the report, but was unable to attend the workshop.
- Oliver Hillel – Tourism Programme Coordinator, UNEP
- Jan Jackson, chairman – (via conference call) of the Initiative Tour Operators' Initiative (TOI)
- Frans de Man, Northern Tourism NGO Caucus, UNCSD
- Angela Plott – Vice President, ICCL (via conference call)
- Nicola Pogson – Director of Programme Development, IH&RA
- Nina Rao, Southern Tourism NGO Caucus, UNCSD
- Yuri Toroptsov – Business Enterprises for Sustainable Travel/The Conference Board
- Graham Wason – Vice President Strategy and Development, WTTC
- Justin Woolford, Tourism, Business & Consumption Unit, WWF-UK
- Eugenio Yunis, head of Sustainable Development of Tourism, WTO

UNEP contribution to the World Summit on Sustainable Development

The mission of the United Nations Environment Programme (UNEP) is to provide leadership and encourage partnerships in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations. **The UNEP Division of Technology, Industry and Economics (DTIE)** contributes to the UNEP mission by encouraging decision-makers in government, business, and industry develop and adopt policies, strategies and practices that are cleaner and safer, make efficient use of natural resources, ensure adequate management of chemicals, incorporate environmental costs, and reduce pollution and risks for humans and the environment.

This report is part of a series facilitated by UNEP DTIE as a contribution to the World Summit on Sustainable Development. UNEP DTIE provided a report outline based on Agenda 21 to interested industrial sectors and co-ordinated a consultation process with relevant stakeholders. In turn, participating industry sectors committed themselves to producing an honest account of performance against sustainability goals.

The full set of reports is available from UNEP DTIE's web site (http://www.uneptie.org/wssd/), which gives further details on the process and the organisations that made it possible. The following is a list of related outputs from this process, all of which are available from UNEP both in electronic version and hardcopy:

- industry sectoral reports, including
  - accounting
  - advertising
  - aluminium
  - automotive
  - aviation
  - chemicals
  - coal
  - construction

  - consulting engineering
  - electricity
  - fertilizer
  - finance and insurance
  - food and drink
  - information and communications technology
  - iron and steel

  - oil and gas
  - railways
  - refrigeration
  - road transport
  - tourism
  - waste management
  - water management

- a compilation of executive summaries of the industry sectoral reports above;
- an overview report by UNEP DTIE;
- a CD-ROM including all of the above documents.

UNEP DTIE is also contributing the following additional products:
- a joint WBCSD/WRI/UNEP publication entitled *Tomorrow's Markets: Global Trends and Their Implications for Business*, presenting the imperative for sustainable business practices;
- a joint WB/UNEP report on innovative finance for sustainability, which highlights new and effective financial mechanisms to address pressing environmental, social and developmental issues;
- two extraordinary issues of UNEP DTIE's quarterly *Industry and Environment* review, addressing key regional industry issues and the broader sustainable development agenda.

More generally, UNEP will be contributing to the World Summit on Sustainable Development with various other products, including:
- the Global Environmental Outlook 3 (GEO 3), UNEP's third state of the environment assessment report;
- a special issue of UNEP's *Our Planet* magazine for World Environment Day, with a focus on the International Year of Mountains;
- the UNEP photobook *Focus on Your World*, with the best images from the Third International Photographic Competition on the Environment.

Sustainability profile of the Tourism industry

- ## Achievements
  - Travel and Tourism, one of the world's foremost industries, recognises its vital link to the environmental, social and cultural assets of the planet and has taken a lead in awareness raising, standards setting, certification, accreditation and voluntary initiatives.

- ## Unfinished business
  - Travel and Tourism's enormous potential to benefit host communities in developing regions through economic growth and job creation can only be fulfilled if all stakeholders work together.

- ## Future challenges and possible commitments
  - As one of the major stakeholders, the industry will do its part to ensure that Travel and Tourism works for everyone and is environmentally, socially and economically sustainable, now and in the future.

UNEP