



Sustainable Tourism and Stakeholder Networking for SIDS Policy Makers

- Online-Course Transcript –

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WEEK 6

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Week 6: Impact Monitoring & Peer Review

List of Acronyms

CDP	Carbon Disclosure Project
ETIS	European Tourism Indicator System
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
INSTO	International Network of Sustainable Tourism Observatories
ISO	International Standard for Sustainable Operations
MST	Measuring the Sustainability of Tourism
NGO	Non-Governmental Organization
PwC	Price Waterhouse Cooper
SMS	Sustainable Management System
SPTO	South Pacific Tourism Organisation
TIMM	Total Impact Monitoring and Management
TSA	Tourism Satellite Account
UNEP	United Nations Environment Programme
UNWTO	United Nations World Tourism Organization
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

Introduction to Sustainable Tourism

In this unit you will learn to:

- ✓ Describe the importance of impact monitoring at the destination level
- ✓ Monitor and track progress on sustainable tourism
- ✓ Employ monitoring recommendations

In this module, we take a deeper dive into monitoring tourism impacts on the economy, environment and society at the destination level, building upon the destination monitoring information previously presented in Week 2 and Week 4. This unit discusses why monitoring is important, explores approaches to monitoring, and outlines challenges in measuring tourism impacts.



Monitoring Tourism Results and Impacts

Monitoring is an important tool for social, environmental and economic change. Monitoring is the organized (i.e. a plan is in place) and periodic (i.e. fixed timeframes) measurement of key indicators of conditions at the destination. Destination indicators relate to specific areas of information, and are a key aspect of monitoring. For example, the most commonly used and understood industry indicators include tourist arrivals, overnights spent, accommodation capacity and occupancy and tourism revenue and expenditure. Monitoring these indicators provides destination managers with more information so that they can make better decisions. There are also many other indicators that can be used as sustainability indicators. For instance, you can use the number of tourists and levels of pollution as correlating indicators to measure the environmental impact on a protected area.

The Importance of Monitoring

Travel and tourism is the largest service industry in the world. It accounts for 10% of global GDP, employs more people than any other industry, and contributes 5% of the world's CO₂ emissions. As a result, it has a tremendous effect on global, regional and local trade, investment, infrastructure, income, and environment. Tourism therefore plays a significant role in developing economic opportunity worldwide, and when done right, it also has enormous potential to protect places, minimize climate change, and enhance social well-being.

The general agreement amongst the tourism industry is that sustainability is no longer an afterthought, but rather a major component of growth and development. As a result, there have been increasing calls from both the public and private sectors for a more complete understanding of the multitude of impacts—environmental and social in addition to economic—generated by travel and tourism. A better understanding of the effects, scale and value of tourism's different impacts would enable tourism businesses and destination managers to make more informed decisions (i.e. in forming effective policies to deal with issues, designing programs to mitigate specific impacts, and prompting shared responsibility for destination stewardship).

“If you can't measure it, you can't manage it.”

-Peter Drucker-

Given the tourism industry's scale and cross-sector nature, measuring the range and depth of tourism impacts matters to a large quantity and variety of stakeholders. Tracking and reporting the economic, environmental, and social impacts of tourism activities and projects, and their change over time, helps all stakeholder groups. This includes everyone from governments and destinations of all sizes, to NGOs and development agencies, to businesses and individual consumers.

Monitoring tourism impacts helps these stakeholders to better:

- Measure and compare performance (know if and how they're improving, both internally and against their competition)
- Identify and minimize risks or limitations
- Determine actions which could prevent damaging impacts
- Demonstrate effective use of resources
- Predict future impacts and provide an early warning system for potential risks
- Sell and market (attract donors, partners, investments, customers)
- Communicate with other stakeholders about progress
- Raise awareness about the impact
- Inform and educate
- Share and exchange knowledge and best practices

Approaches to Monitoring Tourism Impact

Numerous approaches exist to address the management, monitoring, evaluation and reporting of tourism impacts. These impact monitoring and reporting systems, whether they are generalized or specific, provide a more complete understanding of the different types of impacts generated. They help to improve management, inform decision-making, and communicate progress. Leading destinations, policy makers, governments, businesses and other groups in the travel and tourism sector can utilize impact monitoring and reporting systems in various ways. They are useful if you want to:

- contribute to monitoring programs that already exist to collect data on a larger scale; compare how/what you are doing to other destinations;
- see the impact of relevant tourism policies and activities;
- gain an understanding of monitoring and evaluation in the greater world or in your backyard; and/or
- establish your own monitoring system.

Destinations and their stakeholders are responsible for ensuring that benefits from tourism growth are maximized and any negative externalities are minimized. This is a continuous process of planning and management that develops through time, requiring different levels of support and resources. Effective management requires a sound understanding of impact through monitoring systems. A more holistic, longer-term approach to impact work would better serve the interests of all responsible parties, and a better integrated, collective effort between all groups yields better results.



Global and National Level

Historically, impact monitoring efforts specific to the tourism sector have concentrated on the industry's *economic* impacts. Data quality, reporting, and comparability have improved considerably over the last 20 years, owing much to the hardworking efforts of the UNWTO, World Travel & Tourism Council (WTTC), and other leading international tourism bodies. There is a range of econo-metric approaches to examining the economic impacts of tourism at multiple scales and for different stakeholders using several modelling techniques. These include comparison and forecasting of travel and tourism's macroeconomic contributions across 180 countries carried out by the WTTC; use of tourism satellite accounts (TSAs), and more in-depth case studies of the socioeconomic impacts of specific tourism projects and investments. These approaches use a mix of quantitative and qualitative methods to examine multiple types and depths of impacts at the macro and micro levels.

The WTTC has been investing in economic impact research for over 25 years to assess and quantify the value of Travel & Tourism's contribution to GDP and employment. They produce reports and forecasts of the sector's impact in [184 countries and 24 geographic and economic regions in the world](#), as well as 10-year forecasts to provide unique information and seek to better equip both public and private bodies with empirical evidence for policy making and investment decisions. [Tourism Satellite Accounts \(TSAs\)](#), a UNWTO methodology based on a statistical input/output model, were established in an attempt to estimate tourism's contribution to standard national economic indicators such as GDP, employment, trade and investment. The UNWTO has launched the initiative [Towards a Statistical Framework for Measuring the Sustainability of Tourism \(MST\)](#) to build on previous work and develop an international statistical framework for measuring tourism's role in sustainable development, including economic, environmental and social dimensions, with Fiji as one of the pilot destinations. Another UNWTO program, [International Network of Sustainable Tourism Observatories \(INSTO\)](#), links observatories that monitor the impact of tourism at the destination level in order to enable the sustainable and resilient growth of the sector through measurement, monitoring, and supporting the evidence-based management of tourism.

CASE STUDY: The Aegean Islands Observatory

Established by the University of the Aegean in collaboration with UNWTO and with the support of the Ministry of Tourism of Greece, the first Sustainable Tourism Observatory in Europe opened in the Aegean Islands, the main archipelago of Greece, in early 2013. The observatory has several physical sites, one in Rhodes for the South Aegean, another in Chios for the North Aegean, and one at the University of Aegean in Mytilene, on the island of Lesbos.

The monitoring efforts focus on the environmental, social and economic impacts of tourism in the Aegean archipelago and seek to serve as a model to expand the concept to a national level. The monitoring and implementation of sustainable tourism practices are being realized in close cooperation with the tourism public and private sector in the area of the Aegean.

For more information, visit <http://tourismobservatory.ba.aegean.gr>

Source: (INSTO, nd.)

The [World Economic Forum's \(WEF\) Travel & Tourism Competitiveness Index](#), which covers 136 economies across the world, takes into consideration many indicators to measure competitiveness. The index aims “to provide a comprehensive strategic tool for measuring the set of factors and policies that enable the sustainable development of the travel & tourism sector, which in turn, contributes to the development and competitiveness of a country... [T]he results can be used by all stakeholders to work together to improve the industry's competitiveness in their national economies. It also allows countries to track their progress over time in the various areas measured” (WEF, 2017)

Enterprise Level

Increasing national and international concern over the high rate of natural resource use, destruction of the environment and climate change, led tourism stakeholders to examine both their environmental and economic performance. This began at the level of individual businesses, with the development of criteria and standards for responsible resource use, such as [International Standard for Sustainable Operations \(ISO\)](#), and the measurement and reporting of business' carbon footprint. Enterprise level monitoring is relevant to destination policy makers because collecting monitoring data from individual businesses across their



destination will help increase the understanding of the destination impacts; policy makers, tourism managers, and the private sector join forces in data collection, monitoring and evaluation.

The [Global Sustainable Tourism Dashboard](#) measures hotel performance and provides a broader insight into how the tourism sector is contributing to key sustainability goals. Similarly, Sustainable Travel International has developed [Sustainable Management Systems \(SMS\)](#) for destinations and companies to measure the environmental and social impact of tourism activities. These systems allow users to easily assess, monitor and report on customizable indicators revolving around sustainability planning, local social impact, business management, environmental resources, supply chain management, economic development, ecosystems and cultural heritage.

https://www.griffith.edu.au/data/assets/pdf_file/0035/89288/GlobalTourismDashboard2016-Infographic.pdf

Figure 1: 2016 Global Sustainable Tourism Dashboard Summary Infographic (Griffith University and University of Surrey, 2016).

Calculation and reporting methodologies, such as the [Global Reporting Initiative \(GRI\)](#) and the [Carbon Disclosure Project \(CDP\)](#), assist a broad range of sectors and business types to identify, calculate, monitor, and report their environmental impacts. Other efforts, such as the WTTC's [Hotel Carbon Measurement Initiative](#), focus on tourism businesses specifically.

Indeed, reporting and rewarding strong natural resource management and emissions reduction performance was, and is, the primary focus of now hundreds of mandatory and voluntary certification programs for tourism businesses around the globe. However, increasingly, there is also a strong analysis of a tourism business' *social* and *cultural* impacts. Social and cultural impacts are being included in more comprehensive initiatives such as [EarthCheck's Evaluation](#), and the [Total Impact Monitoring and Management \(TIMM\) system](#) developed by Price Waterhouse Cooper's (PwC).

CASE STUDY: South Pacific Tourism Organisation (SPTO) Sustainability Monitoring Program

During 2017-2018, Sustainable Travel International and the South Pacific Tourism Organisation (SPTO) designed and piloted the “SPTO Sustainability Monitoring Program” in Fiji and Samoa. This program aims to combat sustainability challenges affecting the Pacific Islands to create a better, more prosperous future for the islands and their inhabitants.

The program strives to achieve this impact primarily by empowering and incentivizing tourism businesses in the Pacific Islands to monitor and improve their sustainability behavior. To accomplish this, a Sustainability Monitoring System (including relevant indicators, data monitoring tools and processes, and reporting templates) was developed that allows accommodation providers to track their sustainability data on an ongoing basis and monitor changes in their sustainability performance. Along with the monitoring system, program participants also receive access to training workshops and educational information that is intended to raise awareness of sustainability management best practices, understand and improve their environmental and socio-cultural impacts, and communicate the importance of sustainability.

In addition to assisting individual businesses in making sustainability improvements, participant data will be collected on a regular basis and published at the regional and destination level. This will support government agencies, regional organizations and private sector associations in better understanding the sustainability data and trends across the industry so that they can take effective action. While the program is currently limited to Fiji and Samoa, the vision is to eventually expand it to other Pacific Islands as well.

More information at:

- <https://sustainabletravel.org/our-work/regional-alliances/pacific/hotel-sustainable-resources-pacific/>
- <https://sustainability.southpacificislands.travel/sustainability-monitoring-program/>

Destination Level

There are also numerous existing management structures that address multiple types of tourism impacts at the destination level. The early "[Limits of Acceptable Change](#)" methodology developed by the U.S. Forest Service, and the Pan Parks initiative in Europe, both attempted to address the unique planning and management needs of natural protected areas, with the latter including a certification component. The [Tourism Optimization Management Model](#) developed for Kangaroo Island, Australia, is an example of a site-specific monitoring initiative. While all four of these initiatives were developed for specific destinations or destination types, there are elements of each that can be, and have been, adapted to other destinations. For more information on establishing a destination level management system, refer to Week 2.

Global and regional criteria for destination impact monitoring have also proliferated in recent years. Prominent examples include the Global Sustainable Tourism Council's [Global Sustainability Criteria for Destinations](#), UNWTO's [destination indicators](#) and the [European Tourism Indicator System \(ETIS\)](#). These systems all include a full set of indicators relating to economic, environmental, social, and cultural impacts with the goal of regulating the monitoring of several impact types across multiple destinations for an improved comparison and analysis.

The development of ETIS includes a comprehensive review of eight of the world's most advanced destination monitoring systems. As a result of this review, the following destination monitoring best practices, recommendations and key takeaways were identified (Miller, Simpson, and Twining-Ward, 2012):

1. Fewer indicators may be better. Adopt an incremental approach so that skills develop first with a few indicators; expand later.
2. Develop a monitoring system that is integrated with tourism economic trend monitoring to avoid having parallel systems. Ensure the scope is integrated but not so comprehensive that it becomes unmanageable.
3. Engage stakeholders, particularly those expected to use and act on the results, at all stages in the process, particularly analysis of results.
4. Consider the role of certified businesses in data collection.
5. Consider an accessible online system with pre-set templates for data collection and analysis.



6. Analysis and communication should be informed by user groups. Straightforward, easy-to-visualize results are generally better.
7. The more transparent the process of data analysis and reporting, the greater credibility of the system.
8. To be useful, toolkits need to be clear to those who will use them; they need to be inclusive and accessible with a catchy name.
9. Design for use. Start from the end of the project. Think about use, then data, then indicators.
10. Be inclusive at all stages in monitoring; engage the large scale tour operators in particular.
11. Invest in a taskforce where roles and engagement are shared and not focused on one champion.
12. Have a clear purpose for the results and design the analysis to meet this purpose. Benchmarking across destinations can create meaning, motivation, and marketing value.
13. Implement a regional system or network of systems so results can be benchmarked to provide marketing benefit to destinations.
14. Pilot-test all indicators and data collection methodology; provide training and ongoing support for regional monitoring.
15. Indicators should include some standard baseline/ core indicators and others that are selected to monitor specific destination challenges.
16. Ensure monitoring is integral to the tourism policy and planning process so that results are used to influence spending and to prioritize investments.



Challenges in Impact Monitoring

While there is general consensus around how to monitor and report economic impacts at the global level, approaches for measuring other types of impacts (e.g. environmental, social, cultural) have been more difficult to establish. The fact that monitoring and reporting environmental and social impacts is trailing behind economic impacts owes much to the various technical and practical challenges that exist when monitoring social situations. The leading challenges being faced are the following:

- **Data:** It's difficult to find consistent and quality data to understand and measure tourism impacts.
- **Complexity:** As one of the world's most cross-cutting industries, with numerous sectors and actors involved in the value chain, impact measurement and monitoring is even more challenging in terms of practical coordination across numerous and dispersed stakeholders.
- **Timeframes:** When dealing with complex social situations, most changes will realistically occur gradually over extended periods of time. However, stakeholders typically want or demand short-term results.
- **Knowledge & Capacity:** Especially given the challenges described above, few have the dedicated technical expertise required to ensure consistent, high quality monitoring of multiple impact types. This is often due to a lack of funds, but can also result from a lack of understanding or education on how exactly impact monitoring and reporting could be helpful, relevant, or provide a real competitive advantage.
- **Cost:** For all the reasons described above, comprehensive impact monitoring is a costly undertaking. It requires a considerable investment of time and expertise that many stakeholders feel they simply cannot afford, or at least cannot justify its implementation over other pressing concerns.
- **Monitoring champion:** Leadership, drive and interest are all needed to maintain systems, many of which fail when the champion leaves. As a result, the champion plays arguably the most critical role in monitoring tourism impacts.

CASE STUDY: Impacts and Sustainable Destination Management

Environment - *Water Scarcity*

In dryer regions like the Mediterranean, the issue of water scarcity is of particular concern. Because of the hot climate and the tendency of tourists to consume more water when on holiday than they do at home, the amount used can run up to 440 liters a day. This is almost double what the inhabitants of an average Spanish city use.

Socio-Cultural - *Sense of Pride about Local Art*

Tourism has forced the Balinese to reflect on their artistic output as just one cultural identifier. The presence of visitors who continually praise Balinese art and culture has given people confidence and pride in their art and culture. This realization removed any possibility in the people's mind that their art was in any way inferior to the art of advanced nations, and plays an important role in conserving and developing the art in general.

Economic - *Leakage*

A study of tourism 'leakage' in Thailand estimated that 70% of all money spent by tourists ended up leaving Thailand (via foreign-owned tour operators, airlines, hotels, imported drinks and food, etc.). Estimates for other developing countries range from 80% in the Caribbean to 40% in India. Source (UN Atlas of the Oceans, nd.)



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