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# Implementing Sustainable Tourism in the USAID Context

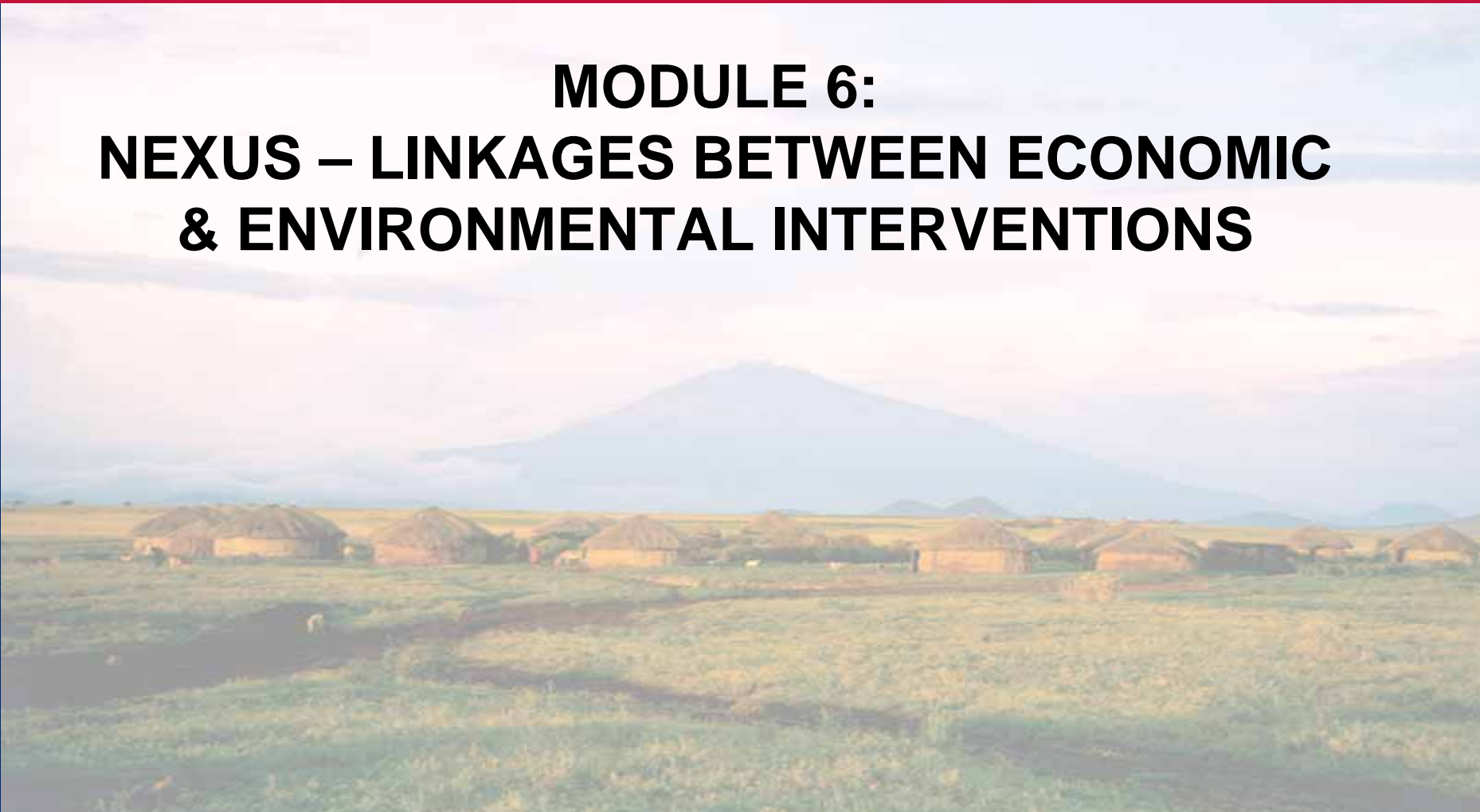
Arusha, Tanzania

February 2006



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# **MODULE 6: NEXUS – LINKAGES BETWEEN ECONOMIC & ENVIRONMENTAL INTERVENTIONS**





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## Objectives

**By the end of the session participants will be able to:**

- Understand and apply environmental best practices to sustainable tourism businesses
- Understand and apply sound business practices to ecotourism operations



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## Revisiting the definitions of sustainable tourism and ecotourism

- Sustainable tourism development meets the need of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes and services, and biological diversity.
- Ecotourism is responsible travel to natural areas that conserves the environment and improves the well being of local people.



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## Environmentally Sustainable Tourism

- Conservation and efficient use of natural resources
- Management of wastes and chemical products
- Environmental education and best practice training
- Reduce impact of tourism operations on ecosystems
- Extend programs to nearby communities, suppliers, vendors, and contractors



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## **Program for Environmental Performance Improvement**

- Environmental management assessment
- Environmental Management System (EMS)
- Environmental management best practices
- Environmental certification



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## Environmental Management Assessments

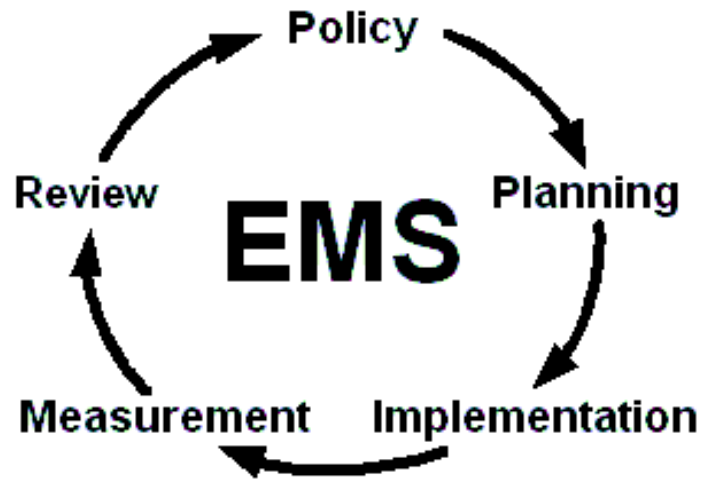
- Environmental Walkthrough Assessment
- Best Practice Assessment
- Detailed Environmental Management Assessment





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# Environmental Management Systems



Source: Environmental Management Systems for Caribbean Hotels and Resorts: A Case Study of Five Properties in Jamaica, PA Consulting Group, 2001.





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## Elements of an Environmental Management System

- Environmental policy statement
- Objectives, targets and action plan
- Organizational structure
- Standard operating procedures
- Environmental purchasing
- Emergency preparedness
- Monitoring and reporting



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# Environmental management best practices:

- Energy
- Water
- Waste

**SAVING MONEY THINKING ENVIRONMENTALLY**

### CONTROL WATER FLOW & REDUCE YOUR COSTS

Water flow can be regulated for efficient water use by installing:

- low-flow showerheads
- low-flush toilets
- flow aerators, flow regulators or flow restrictors

...or by changing wasteful, costly habits!

MAXIMUM RECOMMENDED FLOW RATE	
Guestrooms	7.6 liters per minute
Public Buildings	5.7 liters per minute
Staff Changing Rooms	2.8 liters per minute
Kitchen Wash Sinks	2.5 liters per minute
Kitchen Island Wash Sinks	2.8 liters per minute
Baths	4.0 liters per minute

#### Low-flow Showerheads

Low-flow showerheads reduce water usage to 7-9 liters per minute, providing guests a more comfortable shower using less water.

A satisfied guest using a less amount of water!

According to international standards, all showerheads installed in guestrooms, staff changing rooms and public areas should consume less than 9 liters per minute.

#### Low-flush Toilets

The toilet is one of the highest water-consuming devices in a hotel. Many Red Sea resorts have toilets that consume more than 15 liters per flush, while others choose to use ultra-low flush toilets that save the hotel thousands of liters every year.

Reduce 15 liters of flush to only 6 or 7 liters with a low-flush toilet.

By displacing some of the water in the toilet tank, the amount of water used per flush is automatically reduced. Each liter you displace equals thousands of liters the hotel will save each year. Simply place a water-resistant object, such as a filled 1.5 liter plastic bottle, inside the tank as a temporary measure. Install low-flush toilets to increase savings.

#### THE BOTTOM LINE

A 300 room Red Sea hotel saved 20,000 cubic meters per year of water after installing flow restrictors in guest-room shower heads. The payback period was less than 2 months.

**SAVING MONEY THINKING ENVIRONMENTALLY!**

**WATER EFFICIENCY SAVE WATER SAVE MONEY**



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## Impact of Best Practices on Energy & Water Consumption

- The most efficient hotel consumed ~1/12th as much electricity and water per guest-night than the least efficient hotel.
- Hotel star rating and type of guest amenities affect consumption.
- Efficient design, equipment and operations, and effective maintenance and staff participation have by far the greatest impact on performance.





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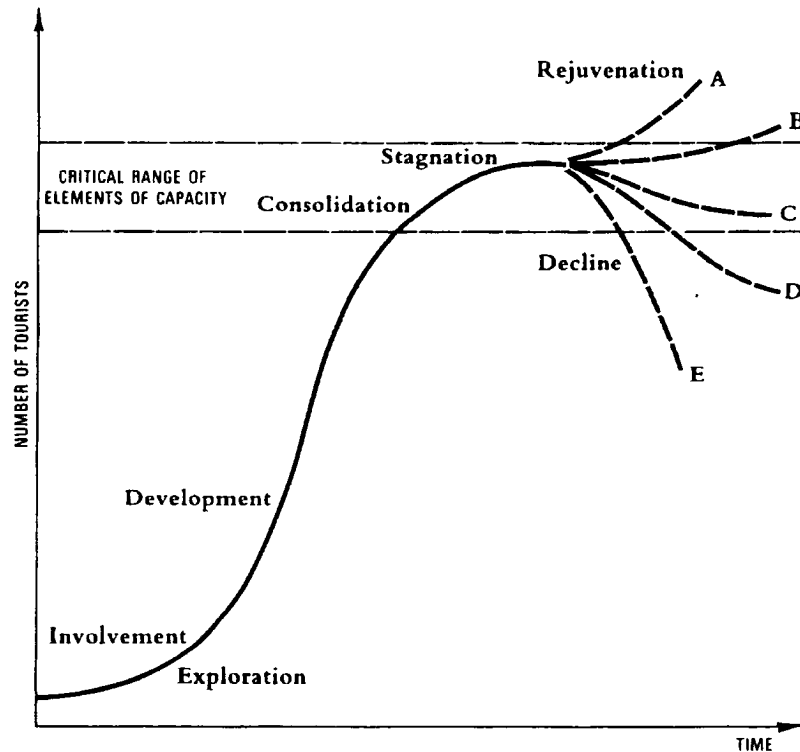
## **Lessons Learned in Introducing Environmentally Sustainable Tourism Businesses**

- Site and design to minimize impacts
- Environmental management assessments to identify areas of improvement and cost savings
- Environmental Managements Systems to establish a process for continuous improvement
- Sustainable tourism certification to recognize accomplishments
- Procurement that “greens the supply chain”
- Actively engage in community and biodiversity conservation to ensure long term viability



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# The Need for Sustainable Tourism Approaches at the Destination Level



Butler's well-known Hypothetical Evolution of a Tourist Area diagram (Butler, R.W. 1980, "The Concept of a Tourism Area Life Cycle of Evolution: Implications for Management of Resources." The Canadian Geographer 24(1), p. 8.



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## **Destination Planning and Management**

- Multi-stakeholder governance
- Positioning in the marketplace
- Organizational development
- Upgrade planning and monitoring capabilities of local communities
- Linkages of tourism circuits



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# Market Positioning as an Eco-Destination: The Costa Rica Example

Stages of Tourism Development in Costa Rica

<b>Stage</b>	<b>Stage 1 Pre-Boom and Slow Growth</b>	<b>Stage 2 Boom and High Growth</b>	<b>Stage 3 Stagnation and Decline</b>	<b>Stage 4 Recuperation and Sustained Growth</b>
<b>Years</b>	1970s - 1987	1987 - 1993	1994 - 1997	1997 - Present





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## Destination Design: Exercise 6-1

**3 Groups to illustrate a sustainable tourism destination.**

**Read about your destination and then:**

- Draw the natural and cultural attractions (coastline, mountains, villages, wetlands, species, forest, ruins, etc.)
- Draw the critical infrastructure (roads, ports, airports, water supply, energy, hotels (?), etc.)
- Identify their target market segments (domestic or international, adventure, history, nature, birdwatcher, family, retiree, etc.)
- Identify vulnerabilities (places where tourism may impact community or nature, potential threats to tourism, etc.)



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## **Ensuring the Economic Viability of Ecotourism Enterprises**

- Understanding business considerations
- Role of conservation managers in the business of ecotourism
- Creating a business partnership with tour operators
- Preparing a feasibility analysis
- Preparing a business plan
- Financing for ecotourism business

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.



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## Overview of Business Considerations

- Protected area management and business planning
- Financial and environmental quality
- Business planning
- Roles of NGOs in ecotourism business development
- Risk factor in ecotourism business development

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.



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## Ecotourism Enterprise Structures

- Selecting an ecotourism enterprise structure
- Assessing potential partners
- Defining partnership expectations

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.





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## Creating a Business Partnership with Tour Operators

- The tour operators' perspective
- Marketing advantages of responsible tourism
- Community expectations
- Partner relationship

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.



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## Preparing a Feasibility Analysis (10 steps)

- Preliminary questions
- Information gathering
- Definition of goals
- Resource inventory
- Market analysis
- Competitive analysis
- Business description and operation
- Sales forecast
- Financial analysis
- Viability assessment

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.



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## **Basic Rules for Creating a Viable Ecotourism Business**

- Business ideas must be market-driven
- A business must make a profit
- All costs must be taken into account
- Judgement is required where information is lacking

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.



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## Preparing a Business Plan

- Address the target audience (funding providers)
- Work with business owners
- Consider social and environmental factors
- Avoid common business plan mistakes

Source: Ecotourism Development – A Manual for Conservation Planners and Managers, The Nature Conservancy, 2005.





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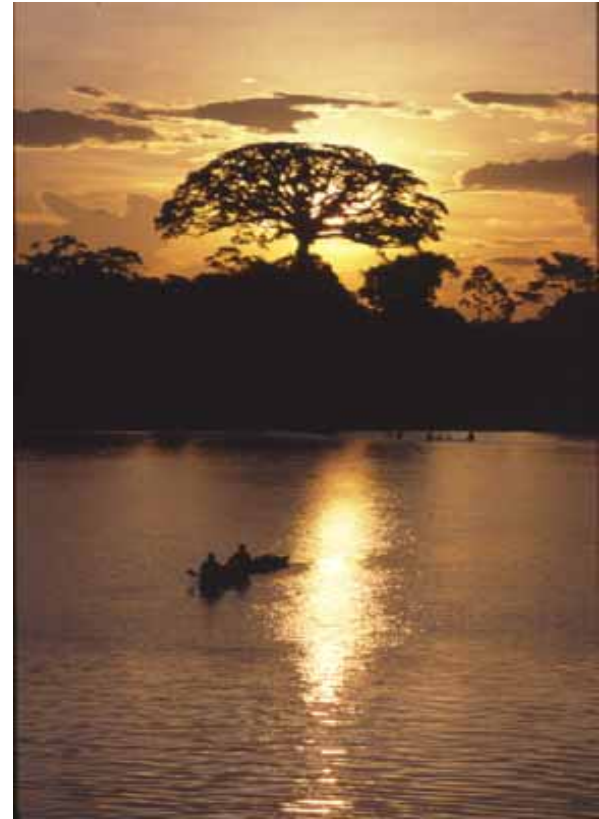
## Financing an Ecotourism Business

### Types of financing

- Equity
- Debt

### Sources of financing

- Self-financing
- Commercial banks
- Grants and donor agencies
- Micro-finance institutions
- Biodiversity enterprise funds
- Non-financial support





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## Ecotourism Enterprises: Exercise 6-2

Same groups as earlier exercise to illustrate 2 or more ecotourism enterprises based on a handout.

Also, answer...

- What are the enterprises? Who is/are the owner(s)?
- How are they linked to the target market?
- Who is the target market?
- What are the environmental best practices?
- What are the business best practices?
- What are the values of the destination we are representing?

## Extreme Events and Tourism

- Natural disasters (e.g., hurricanes, floods, earthquakes, landslides)
- Epidemics (e.g., SARS, AIDS, malaria)
- Instability in fragile states (e.g., war, terrorism, political oppression)





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## **Project Example: Jamaica – EAST**

**SO:** Improved quality of key natural resources in selected areas that are both environmentally and economically significant

**Program:** Environmental Audits for Sustainable Tourism (EAST)

**Intervention Areas:** Expansion of sound environmental management practices in tourism, Environmental management services capacity building

**Tools/Mechanisms Used:** Environmental audits, Training in EMS, Environmental certification, destination management, financing, hurricane recovery

**Partners/Collaborators:** Jamaica Hotel and Tourist Association, Ministry of Tourism and Industry Tourism, National Environment Planning Agency



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## **Project Example: Ghana – CBEP**

**SO:** Economic Growth

**Program:** Community-Based Ecotourism Program (CBET)

### **Intervention Area:**

Development of ecotourism destinations, improvement of resource protection and community awareness

**Tools/Mechanisms Used:** Construction of interpretive centers, ranger stations, huts and trails; performance of Biological Assessment; promotion of attractions; exchange program; training

### **Partners/Collaborators:**

Ghana Tourist Board, Government of Ghana, Forestry Research Institute of Ghana, Nature Conservation Research Center



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## Categories of Sustainable Tourism Performance Indicators



- 1) Sustainable Tourism Businesses
- 2) Community Well-being
- 3) Visitor Well-being



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## **Sample ST Performance Indicators:**

### **1) Sustainable tourism businesses:**

- # of sustainable tourism businesses
- # of businesses certified for eco-friendliness
- % of all tourism businesses certified
- # and % of staff trained in eco-standards
- # of visitors to eco-destinations
- Amount of financial support to NGOs
- # of private-public partnerships with local community



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## Sample ST Performance Indicators:

### 2) Community well-being:

- % of tourism staff with first-aid training
- % of local tourism workers receiving health care
- % of tourism operators who provide transport for women returning from night shifts
- Women/men as a % of all tourism employment
- Average income for women/men working in tourism
- # of harassment incidents reported
- Amount of tourism's contribution to training and education
- Amount of tourism's contribution to ICT infrastructure





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## Sample ST Performance Indicators:

### 3) Visitor well-being:

- # of visits by tourist to local doctors
- # of reports of food poisoning
- # of incidents of crime/violence per month, per year, per type
- # of tourists harmed per month, per year
- # of crime incidents reported to the international press
- Level of expenditure on security (regional, national, enterprise)
- # of police per tourist



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## Nexus Intervention: Exercise 6-3

Small groups; choose and develop an ecotourism development activity from one of your countries:

- What are the issues?
- What interventions could be used?
- What performance indicators could be measured?



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## RECAP

- Environmentally sustainable tourism presents a win-win approach to enterprises and destinations
- Ecotourism enterprises must operate like a business, but with special considerations
- Extreme events can have a devastating impact on tourism

