SUSTAINABLE TOURISM –
An Emerging Issue in Post-COVID19 Recovery
TOURISM | ...a powerful development engine

FOREX EARNINGS
EXPORT DIVERSIFICATION FOR RELATIVE LOW INVESTMENT
HIGH EMPLOYER
HIGH FEMALE PARTICIPATION
INCOME GENERATING OPPORTUNITIES
RELATIVELY LOW SKILLED ENTRY
URBAN & RURAL
GOOD GOVERNANCE TOOL
SUPPLY CHAIN BENEFITS
INITIATE INFRASTRUCTURE DEVELOPMENT
DRIVES INNOVATION

....
Have you changed your business model as a result of the COVID-19 crisis? (Asia Foundation/ Cambodia 2021)
Tourism...
destroys what it’s looking for
...... by finding it
Definition:

“If we take full account of current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities”

-UNWTO
ECONOMIC SUSTAINABILITY

Service Level

Tourist visits
In numbers
- Domestic
- Foreign
- Social
- Business
- Leisure
- Luxury
- Budget

Duration
In days
- Sighting
- Getaway

Expenditure
per capita per day
- Add-On-Experience
- Embellishments
- Products
- Tourism Infra
- Offering

Tourist Spend
Direct Tourist Spends further create secondary and tertiary ripple effects to enhance the overall contribution to GDP

- Segment tourist visitorship by source, market, geography, age, purpose, income
- Target growth/competitiveness strategies for each segment
- Align arrivals to carrying capacity—Increase / Decrease / Maintain constant
- Spread over seasons (peak / off-peak)
- Enhance offerings—especially evening and morning experiences to induce additional day/s of stay
- Align arrival, departure and last mile connectivity options
- Create bouquet of curated offerings for all segments & Develop adjunct destinations
- Enhance value in existing offerings
- Curate premium and exclusive offerings
- Build products possible even in unfavourable weather
Public Level / Investments

**Investments in basic public infrastructure**
- Benefiting local population and tourists
- Pricing models that leverage ‘higher propensity to pay’ amongst tourists
- Making the case for higher public investment
- Integrated approach to destination level facilities

**Tourist experience infrastructure**
- Opportunities for PPP
- Operation and Maintenance through private sector (concession)
- Environmentally sensitive ‘investments’

**Promotion & Branding**
- Enabling innovation
- Incentivising private operator
## ENVIRONMENTAL SUSTAINABILITY

### Graded Environment Sensitivity and Appropriate Strategies

<table>
<thead>
<tr>
<th>Bulk of the Tourism Volume</th>
<th>Need for Carrying Capacity Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established locations</td>
<td>Urban settlements</td>
</tr>
<tr>
<td></td>
<td>Heritage destinations</td>
</tr>
<tr>
<td>Developable areas</td>
<td>Greenfield Development, Rural regions</td>
</tr>
<tr>
<td>Environmentally Resilient Hubs</td>
<td>Hill Stations, Coastal towns</td>
</tr>
<tr>
<td>Fragile Ecosystems</td>
<td>National Parks, Wetlands</td>
</tr>
<tr>
<td>No Developable Zones</td>
<td>Bio-Reserves, Eco-sensitive zones</td>
</tr>
</tbody>
</table>

- **Areas already developed**: Implement efficient SWM and sanitation activities, Appropriate standards and environmental compliances.
- **Areas ideal for development**: with appropriate safeguards and design standards, Incorporate environment sensitive planning and design.
- **Places of natural beauty, resilient, but need safeguards and statutory compliances**: CRZ, DCR, FCA Clearances.
- **Optimal resource utilisation; demand-side management**.
- **Development not permitted, however tourism enables sensitization, conservation**: critical community support, Enforce stringent regulations for preservation.
- **Highly sensitive areas** with restricted human access.
  - Curate non-intrusive curated experiences (Camera trap feeds, AR / VR, heli-tours).

- **Heritage conservation**.
- **Greenfield Development**.
- **Hill Stations**.
- **Coastal towns**.
- **National Parks**.
- **Wetlands**.
- **Bio-Reserves**.
- **Eco-sensitive zones**.
ENVIROMENTAL SUSTAINABILITY | (2)

Carrying Capacity / Limits of Acceptable Change

Assessing
Thresholds in adverse situations
- Occurrence of Water Shortages
- Duration of Traffic Congestions
- Maximum load on electricity
- Inability to process waste collection
- 100% occupancy at accommodation

Limiting
Tools to regulate tourism
- Regulated dynamic pricing, monitoring footfalls
- Limit free passage
- Compliance to environmental certifications
- Development Control Regulation
- Limiting connecting transport capacity

Managing
Optimising capacity utilisation
- Weather resilient tourism – curating experiences in adverse weather
- Overcome the seasonality in arrivals
- Stretching the tourist season
- Revamp the official tourism calendar
- Pricing driven Demand Side Management
SOCIAL SUSTAINABILITY

ECONOMIC BENEFITS THROUGH LIVELIHOOD CREATION

Creating Employment avenues
- Imparting hospitality skillsets
- Language training
- Reserving jobs for ethnic/local community members

Improved Customer Base
- Good demand for local produce, Fair Trade
- Increased visibility through Online presence

Community Based Planning
- Proactive role in planning
- Community organisations engaged through lifecycle of project implementation

CELEBRATING THE COMMUNITY AND THEIR WAY OF LIVING

Enjoy their livelihood
- Appreciate local traditions and practices
- Fishing, weaving, Coir making, farming, etc – not just ‘see’, but ‘do’

Learn from artists and experts
- Engage and learn in art workshops
- Learn local cuisines
- Document and promote the local essence

Spend time with community
- Prefer traditional homestays
- Partake in daily routines
- Relish the local culture and customs
SUSTAINABLE TOURISM | Different Expectations

PUBLIC SECTOR
- Employment
- Forex/Tax Base
- Efficient Service Delivery
- Economic linkages
- Biodiversity
- Land-use

Cost Limitation

VISITOR
- Quality Experience
- Unique Value for Money

- Clean Destinations
- Friendly Host
- Meaningful visit
- Local connections
- Positive contribution
- 

PRIVATE SECTOR
- Licensing
- Enterprise Standard
- Marketing/Communication
- (NE) Investments
- “Own-market operator”
- 

Conducive Operating Environment Profit

HOST
- Jobs/ IGO
- Positive livelihood Impact

- Skills
- Labor Conditions
- Visitor Management
- Inclusion
- Benefit Distribution
- 

POLICY & REGULATION
- Visa
- COVID-19 protocol

REGIONAL LINKAGES & COOPERATION

SUSTAINABLE TOURISM SYSTEM

INTERNAL. This information is accessible to ADB Management and staff. It may be shared outside ADB with appropriate permission.
SUSTAINABLE TOURISM | Across Product Levels

CORE Product

Why do we travel?  Relax, Educate/Learn, Status

PHYSICAL Product

Resource base  Natural, cultural & man-made resources

FORMAL Product

Enables travel  Infrastructure & Destination Facilities

AUGMENTED Product

Value addition  HR, shopping, events, digital environment (apps)

PSYCHOLOGICAL Product

Individual  Behavior, Experience & Image
In partnership with Sustainable Travel International and Slow Food, PALAU aims to mitigate its tourism-based carbon footprint and establish the island country as the world’s first official carbon-neutral tourism destination by focusing on specific approaches to sustainable tourism, such as promoting local food production and developing a transparent carbon management plan.
EBRD is developing a “how to” guide with evaluation criteria and metrics of impact indicators to ensure that the Sustainable Blue Economy Finance Principles can be used practically on analysis of investments, activities and projects that focus on tourism in coastal and marine areas of EBRD banking colleagues and their clients. Banks, insurers, and investors can play a leading role during the COVID-19 pandemic recovery in helping the tourism sector transition to a sustainable blue economy that foments productivity, health and prosperity.
GOOD EXAMPLES | Operations

Intrepid is committed not just to treading lightly, but to making a real difference – by investing in local communities, human rights initiatives, wildlife conservation projects and the environment. We’re all about operating in a responsible manner and incorporating principles of sustainable tourism and development into the way we provide our travellers with real life experiences. These values are more than just words; they’re ingrained in the culture and daily operations of every Intrepid office and trip.
SUSTAINABLE TOURISM | Growth/Profit vs Environment

How to address the issue of balancing growth/ profit with environment?

- **CORE Product**
  - Why do we travel?
  - Relax, Educate/Learn, Status

- **PHYSICAL Product**
  - Resource base
  - Natural, cultural & man-made resources

- **FORMAL Product**
  - Enables travel
  - Infrastructure & Destination Facilities

- **AUGMENTED Product**
  - Value addition
  - HR, shopping, events, digital environment (apps)

- **PSYCHOLOGICAL Product**
  - Individual
  - Behavior, Experience & Image
SUSTAINABLE TOURISM | Growth/Profit vs Environment

How to address the issue of balancing growth/ profit with environment?

<table>
<thead>
<tr>
<th>Product</th>
<th>Why do we travel?</th>
<th>Resource base</th>
<th>Enables travel</th>
<th>Value addition</th>
<th>Individual</th>
<th>Behavior, Experience &amp; Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHYSICAL Product</td>
<td></td>
<td>Natural, cultural &amp; man-made resources</td>
<td>Infrastructure &amp; Destination Facilities</td>
<td>HR, shopping, events, digital environment (apps)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FORMAL Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUGMENTED Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSYCHOLOGICAL Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CONSIDERATIONS | Post COV19 Recovery

1. **Broad scope of market linkages to be developed to remain competitive & resilient** by establishing the right product offer to meet demand in various source countries (including the domestic market).

2. **Improve spatial dimensions of tourism and its impacts on land use dynamics.** Proper planning enables a better spatial distribution of tourism activities, promoting the use of untapped resources, ensure sustainability and improving local participation in, and benefits from, decision-making processes related to sustainable tourism strategies.

3. **Tourism enterprises should provide safe, satisfying, and fulfilling experiences and services of value.**

4. **Effective coordination** in support of the multi-disciplinary nature of tourism.

5. **Research and production of skills, knowledge and ideas and to create tools that enable innovation and spread improvements and benefits.** To remain competitive and control the market position, it is necessary to have updated information and have expertise that can be applied by various stakeholders in implementing strategies.

A country’s differences in focus and scope of these objectives depend on the political system, the level of overall economic development, and the level of tourism development of the destination and more recently the recovery efforts post-COV19.
HOW | Understand what you Control

Effective tourism management starts with recognizing the position of the Destination in the GTVC in order to optimize tourism value while

- Aspire to tourism sustainability
- Establishing a competitive edge
- Spreading the benefits of tourism
- Improving tourism yield
- Building a strong and vibrant brand identity

LEVEL OF MATURITY

DEPENDENCY

- Lao PDR
- Nepal
- Pacific
- Cambodia
- Georgia
- Thailand
- Maldives

LEVEL OF MATURITY
SUSTAINABLE TOURISM | Entry Points

RESILIENCE, INCLUSIVE, SUSTAINABLE

Increasing sophisticated expectations > Failure to attract high quality tourists with high spending per head

Sustainability/Resilience > Damage to image & reputation of DMC as high-quality destination

Increasing importance of data (real time data for trip planning; data on tourists to better design products & policies) > Deteriorating competitiveness of products

Shortage of talent in workforce & in general communities > Un-inclusive with sub optimal benefits of tourism to local workforce & communities

Infrastructure bottlenecks > Concentration of tourists mainly in primary destinations with few visits to other areas reducing inclusiveness
Sustainability

- Lower costs
- Mitigate risk
- Maintain business continuity
- Appeal to Millennials and Gen Z
- Better reputation
- Better customer experience
- Reduce waste
- Reduce wastage
- Reduce carbon emission

Profitability