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Dr. Ravinder N. Batta, India, served as the author.

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Tourism certification schemes aim to make tourism operations more sustainable. The schemes allow businesses that meet or exceed specific standards to use a marketable logo to demonstrate their environmental and social credentials and hence enable consumers to identify responsible tourism operations. Such schemes can therefore play an important role in making tourism more sustainable by providing participating businesses with an action plan for improvement which is linked to market incentives.

In 2008, the World Tourism Organization reported that tourism is the largest business sector in the world economy. It employs 200 million people, generates US$3.6 trillion in economic activity, and accounts for one in every 12 jobs. The industry is especially important to developing countries since it is the principal foreign exchange earner for 83% of them. The same report states that “the Asia and Pacific region was the world’s second best-performing region in 2007. And it included the world’s two best-performing subregions: Southeast Asia and Northeast Asia.” To sustain growth, however, tourism requires large amounts of infrastructure including hotels, roads, parking lots, and restaurants, which typically result in a number of negative consequences such as increased pollution levels, destruction of natural habitats and subsequent displacement of wildlife, and undesirable influences on once-remote cultures. Certification helps reduce the prospects for such consequences given the awareness measures included within it.

Because of the importance of tourism certification for APO member countries, the Asian Productivity Organization (APO) conducted a workshop on Green Tourism and Certification in August 2008 in Kathmandu to increase the awareness of those in government agencies of such schemes. The participants strongly recommended the development of a manual to help governments develop certification schemes.

The seminar found that existing sustainable tourism and eco-tourism certification programs have considerable overlap and commonality. New ones should not reinvent the wheel; rather they should draw on the basic components to develop a certification scheme tailored to specific operational needs. Key factors are: accessibility and usability, especially for SMEs; feasibility of the unit of certification (e.g., holiday, destination, or company); applicability at the local level; focus on performance as well as process; focus on environmental and sociocultural criteria; iterative revision of criteria for progressive improvement of standards; input from multiple stakeholders; transparency; and independent third-party verification.

Based on those key factors, the APO produces this manual to explain the step-by-step approach to develop certification schemes for enterprises involved in tourism. The APO hopes that it will be helpful to governments as well as local enterprises in developing and/or improving certification standards for the tourism industry in member countries.

Shigeo Takenaka
Secretary-General

Tokyo, June 2009
EXECUTIVE SUMMARY

Among the three major impacts of tourism—economic, sociocultural, and environmental—the economic impact has occupied the most important position in tourism policy. With the focus on its economic benefits, the adverse sociocultural and environmental impacts of tourism were often totally ignored. Environmental costs continued to be neglected because of the prevalent belief that nature is inexhaustible and renewable. This assumption led to indiscriminate and unplanned growth of tourism infrastructure in many countries, and soon negative effects in the form of social and environmental degradation started to emerge. Recently, however, due to enhanced awareness of the negative impacts of tourism on the environment, the need has been felt to develop approaches that make tourism sustainable.

The growing need for sustainability is the result of increased knowledge and concern about the impact of tourism and about environmental issues in general. At major tourist destinations, the growth and impact of mass tourism in particular were seen to be problematic both for the environment and for the industry’s future. Tourism has impacts on the natural, the built, and the social environments. However, despite the increased awareness of the impact of tourism on the host environment, progress towards sustainability in the tourism sector has been slow. Among the main factors responsible are the lack of a clear workable definition of sustainability; the dominance in the tourism sector of small, marginal, and community-owned enterprises which are not able to afford environmental interventions; and the long-term nature of environmental interventions.

Owing to increased regulatory pressures and rising awareness among tourists and tourism professionals, there is a trend among hotels towards the adoption of environmental protection measures. One way of doing this has been the introduction of certification programs in the tourism industry. Several programs have come into existence in the past few years, and others are in the process of development. This manual offers a step-by-step guide for governments, policy-makers, the tourism industry, and tourism professionals to develop certification programs. Special attention is given to the problems of developing countries and to those of small, medium-sized, and community-owned enterprises which are not able to afford environmental interventions; and the long-term nature of environmental interventions.

Aimed at providing a framework for the industry as well as for governments that are starting country-specific certification programs, this manual provides a step-by-step approach to handling the startup, operational, and consolidation stages of certification programs. Beginning with the definition of key tourism concepts and certification terminology, the manual discusses all the issues involved in developing certification programs, illustrating them with examples from experiences from the currently leading programs to provide a balanced view.

1 TOURISM AND THE ENVIRONMENT

1.1 INTRODUCTION

The emergence of tourism as a major industry is one of the most remarkable changes that have taken place in global economic activity since World War II. Tourism is the third largest economic activity in the world (after oil and automobiles), and it is one of the fastest-growing activities. The World Tourism Organization (WTO, 2008) projects that by the year 2010, international tourist arrivals will have increased to 1.018 billion, which represents 71% more tourists than in 1996. In terms of direct receipts, world tourism is expected to expand fourfold in nominal terms from 1996 levels, to US$1.55 trillion, by 2010. Furthermore, although reliable statistics on domestic tourism are generally unavailable in many developing countries, evidence suggests (WTO, 2008) that domestic tourists greatly outnumber international tourists. The total amount of economic activity generated by international and domestic tourism in 1998 was estimated to be US$4.4 trillion, providing employment for 230 million people—about 10% of the formal workforce worldwide.

Receipts from tourism make an important contribution to the economies of the developing countries in terms of income, employment, and balance of payments effects. Because of this, many developing countries have begun to actively pursue tourism as a means to create jobs, diversify their economies, and earn foreign currency. To stimulate development, governments are investing in infrastructure and advertising and are providing incentives to developers. In recent years, as the number of tourists has continued to grow, tourism has become an increasingly attractive source of private profit and economic development. Many countries in the developing world today rely on tourism as a key source of economic development, and others are seeking to significantly increase the scale of their tourism industries.

Among the three major impacts of tourism—economic, socio-cultural and environmental—the economic impact played a dominant role in policy-making in the early post-World War II period. With the focus on the economic benefits that accompanied the development of tourism, the adverse sociocultural and environmental impacts of tourism were totally ignored. Environmental costs continued to be neglected because of the prevalent belief that nature is inexhaustible and renewable. Based on the projections of economic benefits, tourism development was prescribed as a panacea for many social and economic problems in the 1960s and 1970s. This led to the indiscriminate and unplanned growth of tourism infrastructure in many countries, and soon the negative effects in the form of social and environmental degradation began to emerge. More recently, due to enhanced awareness of the negative impact of tourism on the environment, efforts have been made to develop approaches for making tourism sustainable. The last two decades have witnessed a growing interest in the relationship between tourism development and environmental quality.
The growing need for sustainability is the result of increased knowledge and concern about the impact of tourism and environmental issues in general. At major tourist destinations, the growth in and impact of mass tourism in particular were seen to be problematic for the environment and for the industry’s future. Among the main effects of tourism are its impacts on the natural, the built, and the social environments. Table 1-1 presents the major environmental impacts of tourism.

Table 1-1 Impacts of tourism on the environment

<table>
<thead>
<tr>
<th>Impact Aspect</th>
<th>Potential Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floral and faunal species</td>
<td>Killing of animals through hunting to supply goods to the souvenir trade; change in extent and nature of vegetation cover through clearance of plantation to accommodate tourist facilities.</td>
</tr>
<tr>
<td>Pollution</td>
<td>Water pollution through discharge of sewage; spillages of oil/petrol, air pollution from vehicle emissions; combustion of fuel for heating and lighting; noise pollution from tourist transportation and other activities.</td>
</tr>
<tr>
<td>Erosion</td>
<td>Compaction of soil causing increased surface runoff and erosion; increased risk of occurrence of landslides; increased risk of avalanches; damage to riverbanks.</td>
</tr>
<tr>
<td>Natural resources</td>
<td>Depletion of ground and surface water; depletion of fossil fuels to generate energy for tourists; depletion of mineral resources for use in building material.</td>
</tr>
<tr>
<td>Visual impacts</td>
<td>Littering; sewage discharge; poorly sited buildings.</td>
</tr>
<tr>
<td>Built environment</td>
<td>Changes in character of built-up areas; changes to urban fabric and overload of infrastructure; changes in land use in a given area; increased burden on civic amenities.</td>
</tr>
<tr>
<td>Cultural environment</td>
<td>Decrease in quality of recreational experience; tension in the host population.</td>
</tr>
</tbody>
</table>

Even though recent research on the impacts of tourism the world over has exposed its environmental and sociocultural impact on the host environment and on society, the industry’s progress towards sustainability has been very slow. Day by day new sites are being added to the list of unsustainable tourist destinations. Among the main reasons for this slow progress towards sustainable tourism are the following:

(a) Sustainable tourism is a poorly defined concept, making it difficult for the industry and governments to implement it in practical terms. As in the case of sustainable development, there are disagreements on the precise definition, and there is overlap between its subcomponents (like nature tourism, ecotourism, and green tourism).

(b) Sustainability factors are not key factors in tourism decision-making. This is an unfortunate reality, true for both tourism businesses and travelers. The tourism companies (hotels and travel agents) base decisions about their businesses mostly on economic and commercial considerations and less on environmental or sustainability considerations. At the same time, travelers choose their destinations and time of travel based on their own preferences and not on the host region’s environmental or social considerations.

(c) The tourism industry consists mostly of small, medium-sized, and community-based enterprises (SMCEs) which do not give environmental issues high priority. In the context of developing countries, SMCEs constitute the lifeline of the travel and tourism industry, and strongly influence the development of a region. It is estimated that these SMCEs constitute about 90% of the total (Erkkila, 2004). Most of these small businesses do not have knowledge about their impact; nor are they in a position to take remedial measures.

(d) Although sustainability practices may generate some immediate business advantages in the form of cost savings and improved relations with staff and local communities, many of the benefits (both to individual companies and to society) are long-term.

(e) In addition, not all the benefits are tangible, and some cannot be easily measured, which may make up-front investments in sustainability difficult to justify.
1.4.1 Increasing regulatory pressure and awareness of cost savings
An increasing number of tourism businesses today are affected by the changing nature of environmental regulations, particularly the shift to the principle of "pollution prevention" rather than that of "polluter pays". Where regulations previously primarily tackled large-scale polluters once pollution had occurred, the new generation of financial and regulatory tools increase the costs of poor environmental practices for all businesses regardless of type and size. The Climate Change Levy in the UK, for example, is estimated to have increased energy costs for hospitality establishments substantially. At the same time, businesses are also becoming aware of the fact that environmental management programs can cut utility costs by up to 25% (IHEI, 1996).

Some governments have established stringent regulations against specific types of tourism development. Planning laws and regulations typically deal with building height, style, and location; they also regulate the installation of basic infrastructure such as waste water treatment plants, transport routes, and waste treatment facilities. These regulations have mainly focused on the larger hotels, attractions, or transport facilities, in an attempt to target the environmental impacts of the industry. They have been applied with varying degrees of success, and are increasingly being applied to prevent blatantly unsustainable forms of development.

1.4.2 Awareness of effects of mass tourism
Some specific niche markets have a unique dependence on the environment. Ecotourism is one such market. Ecotourism includes a range of tourism experiences like safaris; travel to remote or isolated areas; adventure travel (including walking, white-water rafting, kayaking, and mountain biking); travel specifically to view nature; travel to view cultural heritage sites; and travel to national parks. The growth in some types of nature-based tourism now threatens many of the world's pristine environments.

1.4.3 Change in attitudes of tourists and tourism professionals
Over the last few years, there has been a perceptible change in the mindset of both tourists and tourism professionals. Due to increased effort by national governments and international bodies, both tourists and tourism professionals in the developed and the developing countries alike consider environmental quality essential to their business. According to one survey (SGS, 1998) 75% of tourism professionals consider that the lack of an environmental standard can have a negative impact on corporate image. A decade's research on tourist behavior indicates that "changing values and customer expectations show that traditional ideas of what constitutes product quality are outdated. Environmental quality is very high on the list of holiday essentials" (Middleton and Hawkins, 1998).

1.4.4 Awareness of effects of mass tourism

1.5.1 What is development?
The World Bank (1992) defines development as about improving the well-being of the people by raising their living standards and improving education, health, and equality of opportunity. A distinction is often drawn between economic growth and development. While economic growth is an essential means of enabling development, in itself it is a highly imperfect proxy for progress. Economic development is much wider in scope. As supplements to statistical indices like Gross Domestic Product and Gross National Product, more intangible factors like educational opportunity, infant mortality, and nutritional standards are also used to measure progress in development. The Human Development Index constructed by the United Nations Development Program (UNDP) is one effort that includes and combines these factors.

Box 1-1 What is sustainability?
The term "sustainable activities" usually implies that the activity can be done the same way or a similar way for the indefinite future, in three main aspects:
- Environmentally: the activity minimizes any damage to the environment and ideally contributes to benefit the environment through protection and conservation.
- Socioculturally: the activity does not harm, and may revitalize, the social structure or culture of the community where it is located.
- Economically: the activity does not simply begin and then rapidly die because of bad business practices. It continues to contribute to the economic wellbeing of the local community.

1.5.2 What is sustainable development?
The World Commission on Environment and Development (WCED) introduced the term "sustainable development" in its modified version. This definition by the Brundtland Commission was a departure from the earlier one emphasizing the supremacy of ecology over human needs. The commission defined the term as "development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs" (WCED, 1987).

The focus essentially is to measure how economic growth contributes to human wellbeing; determine the limits to the growth of the human population; and achieve levels of economic growth that do not reduce environmental quality. There are different forms of capital: natural, financial, built, and human capital. Can these different forms of capital be substituted without any adverse
effect; and if so, to what extent? Similarly, aspects like the capability of technologies to mitigate the environmental effects of development and the rights of non-human species are equally important from the standpoint of sustainability.

Sustainability rests in three integrated elements: the ecological, the sociocultural, and the economic (Figure 1-1).

Figure 1-1  Dimensions of sustainability

The interaction between environmental and social aspects produces liveability; that between environment and economy produces eco-efficiency; and that between social and economic aspects produces equity. However, when all three aspects combine, it generates sustainability.

1.5.3 What is sustainable tourism?
The principles of sustainability can be applied to any type of tourism: mass or specialized (city, beach, or wilderness); large or small. They also can be applied to all sectors of the tourist industry: lodging, tours, agencies, ground operators, guiding, and transport. Many sustainable tourism certification programs consider sustainable tourism to be any kind of “tourism that seeks to minimize ecological and sociocultural impacts while providing economic benefits to local communities and host countries” (Honey and Rome, 2000). The World Tourism Organization (WTO) declared that sustainable tourism is “envisioned 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, biological diversity and life support systems” (WTO, 1988).

The twelve aims for making tourism sustainable are described in “Making Tourism More Sustainable: A Guide for Policy Makers” (WTO, 2005) as:

(i) Economic Viability: To ensure the viability and competitiveness of tourism destinations and enterprises, so that they are able to continue to prosper and deliver benefits in the long run;
(ii) Local Prosperity: To maximize the contribution of tourism to the economic prosperity of the host destination, including the proportion of visitor spending that is retained locally;
(iii) Employment Quality: To strengthen the number and quality of local jobs created and supported by tourism, including the level of pay, conditions of service and availability to all without discrimination by gender, race, disability, or in other ways;
(iv) Social Equity: To seek a widespread and fair distribution of economic and social benefits from tourism throughout the recipient community, including improving opportunities, incomes, and services for the poor;
(v) Visitor Fulfillment: To provide a safe, satisfying, and fulfilling experience for visitors, available to all without discrimination by gender, race, disability, or in other ways;
(vi) Local Control: To engage and empower local communities in planning and decision-making about the management and future development of tourism in their area, in consultation with other stakeholders;
(vii) Community Wellbeing: To maintain and strengthen the quality of life in local communities, including social structures and access to resources, amenities, and life-support systems, avoiding any form of social degradation or exploitation;
(viii) Cultural Richness: To respect and enhance the historic heritage, authentic culture, traditions, and distinctiveness of host communities;
(ix) Physical Integrity: To maintain and enhance the quality of landscapes, both urban and rural, and avoid the physical and visual degradation of the environment;
1.5.4 What is ecotourism?
The notion of ecotourism was initially developed in 1987 by Ceballos-Lascurain, who defined ecotourism as an experience of “traveling to relatively undisturbed areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals as well as any existing cultural manifestations found in these areas” (Boo, 1990: pxiv). The World Tourism Organization (WTO, 1993:23) defined ecotourism as “tourism that involves traveling to relatively undisturbed natural areas with the specified object of studying, admiring and enjoying the scenery and its wild plants and animals, as well as any existing cultural aspects (both of the past and the present) found in the areas.” As is obvious from these definitions, the focus is solely on visiting nature-based areas.

Recent definitions include impacts on the area visited as an important ingredient of ecotourism. Black (1996) defined ecotourism (1996:4) as being “an experience with a focus on the natural and cultural environment, ecologically sustainable activity, an activity with a predominant educative and interpretative program, and an activity that contributes to local community groups and projects and to the conservation of the surrounding environment.”

(x) Biological Diversity: To support the conservation of natural areas, habitats, and wildlife, and minimize damage to them;

(xi) Resource Efficiency: To minimize the use of scarce and non-renewable resources in the development and operation of tourism facilities and services; and

(xii) Environmental Purity: To minimize the pollution of air, water, and land and the generation of waste by tourism enterprises and visitors.

Box 1-2 Essentials of ecotourism (Batta, 2006)

- Preserves natural resources and biodiversity;
- Generates money for financing conservation;
- Contributes to the local economy;
- Promotes community partnership; and
- Educates visitors and the members of the local community.

The focus is three-dimensional: natural resources, the local economy, and stakeholders. Individually these are interrelated, and together they constitute nature tourism, or ecotourism. Natural resources are protected and strengthened through conservation plans; the local economy gets a boost with the operation of multiplier effects; and the stakeholders are consulted and educated while developing tourism. For ecotourism to be successful, it has to fulfill the above criteria.

A major problem for true ecotourism businesses is a practice called “greenwashing.” This term refers to a business that presents itself as “sustainable,” “ecological,” “green,” and “responsible” when it does not comply with generally accepted standards or, worse, is acting in contradiction with these concepts. For those who are really trying to do their best to comply with ecotourism standards, businesses that falsely use the term “ecotourism” compete unfairly and damage the credibility of the whole industry. One way of determining which businesses are truly practicing ecotourism (or sustainable tourism in other market segments) is certification.

1.5.5 What is green tourism?
Green tourism is an important component of sustainable tourism. It is typically defined as “travel to destinations where the flora, fauna, and cultural heritage are the primary attractions.” This definition is further expanded to include environmentally sustainable travel to destinations where the flora, fauna, and cultural heritage are the primary attractions and where climate impacts are minimized with the aim of respecting and preserving natural resources and adapting programs to fit the context of fragile resources. The main aim is to find a way of using and appreciating these areas without damaging them.
Thus, while sustainable tourism is a generic concept used to describe all sustainable forms of tourism in nature areas, urban areas, and historical and cultural places, “green tourism” refers to a specific form of sustainable tourism where the tourism product being offered is the fauna and flora of a particular area. In both sustainable tourism and green tourism, the main emphasis is on environmental preservation. Compared to this, ecotourism is a much stronger form of nature-based tourism which, apart from preserving nature, is also concerned with the local economy, the local community, and the education of all the stakeholders. Ecotourism is therefore the most refined form of nature-based sustainable tourism.

Certification is defined as “a voluntary procedure that assesses, audits, and gives written assurance that a facility, product or service meets specific standards and awards a marketable logo to those that meet or exceed baseline standards” (Honey and Rome, 2000). The purpose of certification has been to achieve voluntary standards of performance that meet or exceed baseline standards or legislation. The process starts with a body that sets credible certification standards. The certification body has to be without conflict of interest, and the indicators for meeting standards should be recognized by an accreditation body. The applicant or business then is assessed according to the indicators and, if successful, receives recognition, usually in the form of a logo, which informs the consumer that the business has met minimum criteria. The aim of certification is to foster responsible environmental, social, and cultural behavior and provide a quality product to consumers. To be considered reliable, certification programs need to have a third-party audit and effective assessment as well as clearly defined accreditation criteria.

A distinction is often made between certification and accreditation. Certification applies to the awards given to businesses, products, processes, or services; while “accreditation” applies to the process of qualifying, endorsing, and licensing the entities that perform certification. In other words, accreditation is certifying the certifier.

Box 2-1 Elements of a credible certification system (Toth, 2002)

- Adequate, appropriate standards developed/accepted by all affected interests;
- Trained, qualified assessors with standards defining training and qualifications; professional/ethical operations at all levels with no biases or conflicts of interest;
- Qualified, financially stable certifying body: if there are multiple certifiers, an accreditation mechanism is needed;
- Even-handed certification and accreditation;
- Transparency; defined procedures; an appeals mechanism;
- Recognition by relevant agencies and/or customers;
- Criteria that facilitate recognition; and
- Acceptance in the marketplace or by regulators through marketing and promotion.
Certification sets standards and helps distinguish genuine ecotourism and sustainable tourism businesses from others; this process helps to protect the integrity of these concepts. However, it is not an end in itself; rather, it is one of a number of tools for motivating businesses and others to improve their environmental, social, and economic performance, while rewarding them for doing so. There are a number of other reasons why certification is important.

### 2.2.1 Benefits for certified businesses

- Certification helps businesses to improve their knowledge about elements of sustainability in their operations and focus their attention on the changes needed in their businesses. A well-operated business tends to be more efficient and to attract more clients.
- Certification tends to reduce operating costs. This has been found in almost every type of business certification. In tourism, it has been shown to dramatically reduce the costs of water, electricity, and fossil fuels, without reducing the quality of service.
- The process of implementing certification of sustainable tourism is often accompanied by easier access to technical assistance and financing for businesses to implement new technology. The business is educated about these technologies, for which donors and financial institutions offer low-cost financing.
- Potentially, certification can provide a marketing advantage to certified businesses, as consumers learn to recognize credible certification brands.

### 2.2.2 Benefits for consumers

- Certification provides tourists with environmentally and socially responsible choices. It helps consumers to know which businesses are truly socially and environmentally responsible and to make choices on this basis. As certification programs become better known, this may produce tangible benefits for a business's reputation and popularity.
- Certification in general increases public awareness of responsible business practices. It can alert tourists to the environmental and social issues in an area, allowing them to act more respectfully or contribute to solutions.
- Certified businesses tend to offer higher-quality service.

### 2.2.3 Benefits for governments

- Certification helps governments protect their market niches as ecotourism or sustainable tourism destinations, especially when the credibility of the destination is threatened by greenwashing.
- Certification raises industry standards for health, safety, the environment, and social stability.
- Certification lowers the regulatory costs of environmental protection.
- By requiring economic benefits to communities, certification can help reduce poverty, especially in rural areas.

### 2.2.4 Benefits for the environment and local communities

- Certification of sustainable and ecotourism protects both the environment and the social and economic structure of local communities near the certified businesses.
- Certification requires the businesses to protect the environment and do little or no damage to it.
- Certification requires businesses to respect local culture and provide real economic and social benefits for it.
- When the business is economically sustainable, it is likely to continue offering high-quality service and benefits to the community for the long term.

### 2.3 Overview of Green Tourism Certification

The best known schemes or country initiatives in tourism certification include Voluntary Initiatives for Sustainable Tourism VISIT (Europe-wide), the Costa Rican Standard Certification for Sustainable Tourism (CST), Green Deal (Guatemala), and Scotland's Green Tourism Business Scheme (GTBS). The best known industry certification programs are Green Globe and Blue Flag. Green Globe offers product as well as destination certification, while Blue Flag certifies beaches only. There are two industry-based standards which do not solely address tourism: ISO 14001, which addresses environmental impacts, and ISO 9001, which addresses quality assurance (both mainly used by larger hotels rather than small operators or accommodations).

The majority of European eco-labels are related to environmental criteria; however, some of the recent initiatives in Australia, Latin America, and South Africa have included social and cultural aspects as major components. Development of certification and eco-labels has been irregular, and although there are benefits of putting forth such programs to set baseline standards, the programs are not worldwide, nor is there a critical mass of certified products. There are few programs in low-income countries: two-thirds of the approximately 7,000 certified tourism products are in Europe. Programs and practices vary from region to region. Most schemes are national in scope, such as the CST, Guatemala's Green Deal, and South Africa's Fair Trade Tourism label. The model for certification in Latin America is the CST, and this is now being expanded to become the Network of the Americas and to include enterprises in Guatemala, Brazil, Ecuador, and other countries.
In Europe, the VISIT program has created an inclusive system to raise standards and cooperation among current European programs; it markets approximately 4,000 certified products through ethical trade fairs (the green travel market) and to tour operators. The most successful certification program, Blue Flag, has extended its program outside Europe to the Caribbean, North America, and Africa, although this program only applies to the certification of beaches.

Green Globe is an industry standard which currently operates out of Australia but has certified properties worldwide. Destination certification has been gaining momentum in recent years due to issues of sustainable destination management; Green Globe’s program offers a comprehensive approach for multiple players. Green Globe is one scheme that does offer certification of more than just ecotourism or small-scale products: it offers services for tour operators, hotels, and destinations.

A Sustainable Tourism Stewardship Council (STSC) was set up with the aim of harmonizing and providing mutual recognition of schemes, and to set up an international accreditation agency in 2002, but little progress has been made since its inception. Reasons include the lack of an overriding body to adopt international certification, confusion of existing criteria, and competition between existing schemes.

The majority of certification schemes accredit accommodations (63%), whereas only 7% address tour operators, mainly ground operators specifically dealing with ecotourism. About 40% of the criteria or indicators in standards relate to management issues; the remaining 60% relate to specific actions such as environmental benchmarking (34%), economic indicators (8%), or sociocultural criteria (12%). The majority of programs to date (with the exception of Green Globe, Blue Flag, and ISO) have targeted small operations or ecologites rather than larger-scale tourism accommodations.

Some of the main distinctions among programs are (2.3.1) first-, second-, and third-party certification, (2.3.2) process- versus performance-based systems, (2.3.3) certification to minimum standards versus ecolabels, and (2.3.4) multiple levels versus pass–fail awards. All of these systems usually follow generally accepted rules.

**2.3.1 Who should certify?**
First-party certification is self-evaluation. For example, a company declares that its product meets certain standards, but no one from outside verifies the claim. Second-party certification is when a purchaser or industry body assures that the product meets the purchaser’s standards. Third-party certification is when a neutral, independent third party evaluates the compliance of the product with clearly defined standards. Most credible certification programs require third-party assessment.

**2.3.2 What should be certified?**
A debated issue in certification is whether processes or results should be certified. The most commonly used process-based systems are the ISO 9001 series for quality management systems and ISO 14001 for environmental management systems. They certify businesses that have established and documented systems for assuring the improvement of quality or environmental performance. They do not, however, determine any specific performance results other than the company’s own and those required by law. The business must show continuous improvement, but only compared to its own prior performance. This is the fundamental problem with process-based systems: as long as the business complies with the law and has mechanisms in place to ensure that its management system improves relative to itself, it can be certified regardless of its actual performance.

**Box 2-2 Process-based certification programs**
- Environmental Management Systems (EMS): ISO 14001 and related Programs
- Management establishes systems for monitoring certain significant environmental aspects
- Usually requires outside consultants; relatively expensive for small and medium-sized businesses
- Emphasis on internal cost saving and environmental impact mitigation
- No universal standards: cannot compare across businesses
- Logo given for setting up process, not for achieving fixed goals
- Best suited for large businesses, where it is very cost-effective and offers economies of scale

**Box 2-3 Performance-based certification programs**
- Have tangible criteria that permit comparisons among certified businesses
- Measure achievement and results, not intent
- Can include checklists intelligible to both business and consumers
- Are more transparent; less expensive
- Can include environmental and socioeconomic criteria within and without business
- Can involve a variety of stakeholders
- Can offer different levels of logos reflecting different levels of performance
- Are suited for small, medium-sized and large businesses
Performance-based systems certify whether or not a business or activity complies with objective outside criteria. For example, how many liters of water per guest per night does a hotel consume? This allows a direct comparison between two businesses to show which one has better environmental performance. In a number of ways, performance systems are better suited to small and medium businesses, which comprise some 80–90% of tourism businesses worldwide. They tend to be cheaper to implement than ISO 14001 or other types of environmental management systems, and they allow comparisons among businesses, since all are rated according to the same criteria.

### 2.3.3 How should businesses be certified?

The terms “environmental certification” and “eco-label” are often used interchangeably, although they signify different things. Environmental certification is awarded to businesses or activities that comply absolutely with a set of standards. Any number or all of the businesses in a sector can be certified, if they comply. Certification rewards meeting a set of baseline or minimum standards, which generally require more than legal regulations do.

An eco-label is an award that is given to a business or activity that has significantly better performance than the other businesses in its sector. Only the best performers, who show exemplary performance according to the established criteria, receive the eco-label. As the industry changes and more and more businesses adopt good practices, the requirements for receiving the eco-label are raised, so that once again only the obviously better environmental performance is rewarded. Eco-labels are based on comparison with the best performance (benchmarking), rather than on compliance with baseline standards. Many certification systems in sustainable tourism incorporate aspects of both certification to minimum standards and the comparative requirements of an eco-label.

### 2.3.4 Pass/Fail certification or classification to different levels

There are two different systems under this category: a pass/fail system and a grading system. The former system certifies whether a particular tourism establishment fulfills the minimum required criteria or not. However, no distinction is made among those who follow the criteria; certification merely indicates whether an establishment complies with the criteria or not. Under the second system, grades are given for performance. The best-known example of this is the five-star system for rating hotel quality. It is often considered that a “graded” certification scheme is better than a “pass/fail system because it acknowledges a range of differences within an acceptable sustainability framework, and it strongly motivates companies to work to improve their ratings in subsequent audits. A number of sustainable tourism certification programs have two to five levels of classification over and above the minimum requirements for certification. Many of the graded certification systems in sustainable tourism have characteristics of both certification (baseline compliance) and eco-labels (rewards for higher level of compliance).

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### 2.4 PRIORITY ACTIONS IN DESIGNING TOURISM CERTIFICATION PROGRAMS

The biggest challenge that certification programs face in tourism is to ensure that developments in the sector meet the sustainability requirements while keeping pace with growth. Over the years, tourism certification programs have grown from adopting the approach taken by the environmental management systems (ISO 14001) to combining emerging techniques such as social auditing processes, ethical accounting systems, and benchmarking and lifecycle assessments. Some of the key issues to be taken into account while designing certification programs are increasing participation and integration; awarding achievement; promoting sustainable achievement; actively working with stakeholders; and improving transparency.

#### 2.4.1 Increasing participation

While tourism certification programs have enormous potential for promoting sustainability in the tourism industry, the key challenge is how to enroll a larger section of the industry in the certification programs. The current scenario is not very encouraging. Although in some regions the participation has been significant (the United States, Australia, Canada), globally it has been very poor. Four of the best-known programs—Green Globe 21, the Nature and Ecotourism Accreditation Program (Australia), Certification for Sustainable Tourism (Costa Rica), and ECOTEL (HVS International)—together have less than one thousand members (CESD, 2004). It is therefore important to focus on increasing participation in tourism programs from the very beginning. Effective and transparent branding that builds consumer confidence will be vital to ensuring the future credibility of tourism certification programs. While there could be many ways of doing so, it is preferable if it is handled by a centralized umbrella organization (along the lines of Forestry Stewardship Council) that both accredits the certifying organizations and promotes the brand to consumers. Such an organization could be promoted under a public–private partnership mode.

Effective communication with the industry will be a must. Many tourism businesses either have no idea about certification or may have misconceptions about them, considering them costly. Effective branding and communication of brand among the key players in business is essential. Most of the problems arise because sustainable tourism and environmental concerns are not integrated with tourism promotion and destination development. It is therefore essential to integrate certification programs with overall tourism promotion policies, a task that governments are best suited for.

While considering integration, particular attention has to be given to small, medium-sized, and community-based enterprises (SMCEs) in the tourism sector, as in most cases these constitute a large majority of enterprises in the industry. However, SMCEs are often excluded from certification because the primary focus is on large companies and for cost considerations. Many of the ecotourism certification programs currently in vogue have elements that
could work well within a small business context. One way to seek maximum enrollment is by involving local tourism associations. The best way to promote certification among the SMCEs is by developing guidelines to help local or sub-national authorities to develop credible programs certified by the central body.

2.4.2 Awarding achievement rather than commitment
As discussed above, the basic distinction between awarding achievement and awarding commitment is in the approach followed: management-based versus process-based. Evidence from consumer studies indicates (CESD, 2004) that management-based systems rewarding achievement are more popular because of the perceptible change in the environmental quality that they are able to bring about. A combination of a management system with an objective set of indicators, such as water consumption per guest per night or electricity consumed per room per night, helps businesses to establish management systems geared to achieve the indicator values and also raises consumer confidence on the program, which can be seen in the outcome of the certification procedures and the resultant impact on the local environment.

2.4.3 Promoting improvements in sustainability
As discussed above, sustainable development or sustainable tourism includes economic, social, and environmental considerations. In environmental management-based systems, the greatest emphasis is placed on environmental considerations, with little or no attention paid to economic and social concerns. Sustainable tourism programs, however, have to be developed in a way that combines economic and social concerns with environmental protection. The criteria that are developed for these programs not only should be exhaustive to the extent of covering the “triple bottom line” of tourism (environment, economy, and society), but also should keep local conditions particularly in focus. For example, for tourism units operating in sensitive ecological zones or culturally sensitive areas, the criteria should include protection of environment and local culture as a compulsory condition.

2.4.4 Recognizing and working with stakeholders
Stakeholder consultation is an important step in certification program development. Often different programs include consultation at different stages. The ideal way, however, is to involve the stakeholders beginning with the conception stage and continuing during all the different stages of development of a program. Continuing consultation ensures incorporation of stakeholders’ concerns at all stages through adoption of a certification program. However, it needs to be kept in mind that clearly defined processes of consultation make the process most effective and useful.

2.4.5 Improving transparency
Transparency in certification programs is a key to their success. Over the last decades, tourism certification programs have made significant strides in improving the transparency of their procedures. With few exceptions, the conditions that businesses displaying certification logos have met are easily accessible. Introduction of third-party verification systems has improved the level of confidence in many ways. However, transparency at the company level in terms of environmental, ethical, and social reporting is still an area in which more needs to be done. Certification procedures can include a requirement of environmental reporting through websites, reports, and brochures. Such a requirement increases awareness of the benefits of certification and improves the knowledge level of stakeholders. Sector-wise reporting will help to prove the effectiveness of such programs and provides an overview of the industry’s vision of sustainable tourism.

2.4.6 The process
The certification process involves multiple agencies as well as the industry. Figure 2-1 presents the process in detail.
The process begins with a funding body (consisting of several stakeholders including the government) which proposes to influence the environmental performance of some sector of the tourism industry and, with this intention, sets up a certification-awarding body. This awarding body usually has expertise in project management, criteria formulation, and marketing. Applicants for certification submit their applications along with a fee. This application is then recommended to the verifying body, which conducts third-party on-site verification based on criteria and indicators. After verification a report is sent to the awarding body, which awards certification to those meeting the requirements. This certification is then projected to the market by the industry and the awarding body.

In developing countries it needs to be appreciated that the long-term success of certification programs will depend upon a number of internal and external factors. The tourism industry in many developing countries is characterized by relatively weak regulatory frameworks, due to the absence of appropriate environmental and social impact assessment regulations, and by poor compliance due to weak enforcement mechanisms. Levels of environmental awareness among consumers are very low, creating impediments to the marketing of certification programs. This low consumer awareness results in the inability of consumers to put pressure on the industry to improve its environmental standards. In addition, there are serious issues in terms of non-availability of technical options (due to lack of demand from the industry), lack of funding agencies, and inavailability of baseline data on environmental, economic, and social parameters.

The process of establishing a certifying agency in a country can be initiated by the industry associations, by NGOs, or by the government. A WTO study (WTO, 2002) shows that most voluntary initiatives for sustainable tourism receive important contributions from the government. Of the 59 certification schemes studied by the WTO, direct government support was available to 20 in the form of direct leadership provided by the government agency. In another 18 cases, government involvement came through direct financial support, marketing support, expert knowhow in criteria setting, verification procedures, or exercising surveillance of the certifying bodies.

Box 3-1 Advantages of government support

- Voluntary initiatives provide an effective alternative to the direct regulations which often prove more difficult, time-consuming, and expensive to implement. As most national governments pursue policies of sustainable development and sustainable tourism, setting up a national certification system becomes a tool in implementing such policies.
- Governments can adopt a flexible approach to monitoring the tourism industry by permitting organizations to proceed according to their own time frame and evolve innovative approaches to environmental and sociocultural improvements by exploiting opportunities specific to their individual circumstances.

(Continue to next page)
The government agencies involved in promotion of certifying bodies generally included environmental ministries in the national governments or tourism authorities/boards. However, the extent of government involvement in setting up such certifying bodies is an important issue. International experience in this regard shows that certifying agencies totally owned by governments suffer from the problems of bureaucratic delays, inefficiency, insufficient budgets, and low usage due to industry skepticism. The example of Costa Rican Certification of Sustainable Tourism Program run by the government is a case of this kind (CESD, 2004). An alternate strategy often followed by certification programs is associating with government and/or multinational organizations for financial support and credibility. Enjoying significant support from the government and a large marketing budget, the Energy Star program of the United States of America is an example of this kind. It has enabled Energy Star to penetrate the marketplace, with recognition by 50% of Americans after twelve years of existence.

The ideal proposition would be a public–private partnership model. The certifying agency in this case is owned and managed by multiple stakeholders such as different government authorities (tourism, environment, transportation, finance, education); tourism trade associations and other private groups; academic, educational, and research institutions; NGOs; and consumer associations. Development and operation of successful certification in many cases lies in the multiple stakeholders represented on the team that awards certificates and supports the programs.

In the proposed certifying agency, governments could help in the following ways:

- Governments can provide financing and/or seek partners for co-financing to cover the administrative, technical, and marketing costs of the certifying agency. At the initial stages of establishment of the new agency, financial support for technical consulting and in-depth research on the conditions and feasibility of a certification system would be very desirable. Such a feasibility study would need to focus on existing legal and voluntary instruments affecting the tourism sector such as laws, regulations, taxes, subsidies, local certification systems, and codes of conduct and environment awards. In the context of developing countries, it is possible that many of these instruments are operating contrary to the certification systems. The government would then be required to make changes in such laws, taxes, and subsidies so as to bring them into conformity with the needs of the certification system.

In terms of technical support, governments would need to fund and extend technical knowhow in developing certification criteria. The development of certification criteria (discussed in detail below in 3.3) would entail extensive review of the criteria taking into account both different certification systems worldwide and local conditions.

- Developing an efficient operational mechanism—one that includes application, verification, awarding, and inspection procedures—would involve substantial costs, which at the initial stages would not be recovered fully from the market. Likewise, the marketing cost of the certification system and logo would also be required to be funded by the government.

- Governments could develop procedures to ensure transparency throughout all the stages of the development and operation of the certification systems, which is critical in ensuring outreach of the certification programs.

As the industry and trade associations have a stake in the certification system, financial support can be sought from them; perhaps it will be most useful in supplying practical insight into the functioning and the availability of technical knowhow in the market. NGO contributions will further strengthen advocacy and outreach among consumers and the society at large.

CONDUCTING FEASIBILITY STUDIES AND DEVELOPING BUSINESS PLANS

One of the important tasks for the new agency is undertaking a feasibility study to assess market needs and readiness. Such a study would also identify funding sources and models of program structure. The feasibility study will need to focus on several things:

- Assessing the current level of industry awareness of environmental, social, and economic concerns;

- Estimating the level of environmental and socioeconomic impact of the industry—a task that becomes complicated in the case of developing countries owing to the lack of baseline data;

- Identifying small and marginal enterprises and fragile and sensitive areas, from both the environmental and the cultural points of view, in order to develop additional criteria.
At the initial stages, the industry may be indifferent to the certification programs and their benefits, or may look to them only as a tool to increase its price margins, profitability, and long-term survival prospects. Due to lack of awareness and information, few travelers take into consideration this kind of sustainability information while making their travel decisions. Consequently, participation in sustainable tourism certification program will seldom meet the primary business objective of directly increasing sales and pricing power.

Regardless of the organization structure, the certifying agencies have to view their services as a business. Development of a business plan and budget is essential at the outset. The marketing strategy developed under the business plan will thus need to focus on encouraging firms to become certified in order to gain other, less direct potential benefits. The most commonly cited potential benefit is the prospect of reducing operative costs through green certification. Accommodation providers typically get information on a wide range of investment and management options for dealing with energy, water use, and solid waste disposal. These indirect benefits often become primary reasons for businesses to participate in green certification schemes and primary selling points for persuading tourism providers to become certified. The budget should identify both the costs of all the activities, including staff and administration, and the potential revenue streams from fees and grants.

Box 3-2  Elements of a realistic business plan

- At least a five-year financial projection;
- Determination of the activities conducted and products expected— for example, training, production of technical material, and audits of businesses;
- Identification of potential partners and activities that might be jointly implemented;
- An outline of a marketing strategy directed towards businesses and consumers; and
- Identification of training needs including curriculum development, material production, trainer fees, and technical resources.

For development of criteria, extensive consultation with a wide variety of stakeholders will be necessary. When government, trade associations, suppliers, consumer and advocacy groups, and community representatives are provided with the opportunity to participate in the process of program design, they feel more allegiance and are more likely to continue to be involved at the operational stage. Developing certification criteria is a critical part of the certification system development process. The following aspects will need to be considered:

- It is important to base criteria on existing legal standards and instruments and set them above the legal standards. Compliance with legal requirements is often the prime condition for certification.
- Most certification programs define core criteria and supplementary criteria specifically for different tourism products and service groups: hotels and other accommodations; transportation services; restaurants, tour operators and travel agents; and attractions. In this way, the interests of the destination as a whole are kept in view rather than those of the product or service groups.
- For each criterion, indicators should be defined that are measurable and understandable by the wide galaxy of stakeholders (discussed in detail below in 3.9). Indicators are essential tools for measuring the environmental, social, and economic impacts of tourism operations. The indicators to measure the success of certification system could address the number of applications and certified companies; the percentage of certified companies in different tourism products and service groups; improvement of environmental and social performance by certified companies; and a comparison of performance between certified and non-certified companies.
- To ensure that the certification system sets up a framework for continuous improvement, enabling applicants to achieve higher performance levels step by step, the criteria should be set in terms of different levels, from easier to more demanding.
- Taking into account the product’s entire lifecycle while setting product environmental criteria and periodic revision and updation of environmental criteria is very important in the program’s development.

WTO (2002) presents a suggested list of criteria divided into three pillars of sustainability (Annex 1). A study by Font and Bendell (2002) shows that there are several key categories of criteria covered by tourism certification programs; however, the majority of programs are more detailed on environmental and management requirements than on social and economic criteria. Currently, the five most common criteria present in voluntary initiatives relate to water, energy, waste, purchasing, and information.
3.3.1 Water–Energy–Waste
Water, energy, and waste are factors that are always present in programs that certify sustainable or ecotourism accommodations and consider either overall consumption and/or management methods to reduce consumption. Only one certification program, the Nordic Swan (Scandinavia), requires quantified limits of consumption or waste production. Lifecycle considerations rank high in at least 50% of standards, especially those with government support. Water–energy–waste interaction is also a key criterion in certification of destinations.

3.3.2 Purchasing
Purchasing criteria take different forms, but with some common themes: purchasing of locally produced goods, and purchasing of sustainably produced goods. Environmental and social criteria appear in almost every current standard, along with considerations of environmental education about local flora and fauna.

3.3.3 Information and education
Information and awareness-raising to influence sustainable uses and purchasing takes two forms: customer education and staff training. The need to provide information to customers on environmental and social issues appears in almost every standard, although in different forms and with different expectations. Environmental education about local flora and fauna is most common.

The majority of standards are more detailed on environmental than on social requirements. Environmental criteria are also more likely to be quantified and with solid data for benchmarking, whereas social and economic criteria are not. Most programs in Europe consider environmental concerns exclusively or principally. Standards of sustainable tourism in developed countries tend to have a balance among environmental, social, and economic standards. Certification programs in developing countries range widely in their performance criteria. Industry- and government-funded or -initiated certification programs are more likely to be focused on environmental issues. Programs funded or initiated by NGOs are more likely to include social and local economic sustainability criteria.

3.4 Working with Consumers
Decisions about whether to patronize certain hospitality providers are made both by travelers and by the intermediaries who help them. As a result both travelers and industry intermediaries should be considered when designing programs to increase the demand for certified green travel. Studies reveal (Font, 2002) that tourists are primarily interested in a reliably safe and enjoyable vacation. Travel companies are interested in increasing their business and profits. Hence, the strategies for approaching the two have to be different.

However, certification programs’ efforts to market directly to the consumer often fail at the initial stages of a program’s existence, as there are not enough certified products, the cost of direct consumer marketing is extremely high, and most certification programs have minimal budgets in order to keep the cost of certification low and accessible. Besides, unlike retailers, who market to consumers on a daily basis and for whom adding certification into their promotional packages therefore represents little additional cost, certification programs have to pay the entire cost of a promotional campaign, and most certification programs are generally unskilled in primary consumer marketing.

The true demand for standards is usually initiated by large purchasers, such as wholesalers, governments, or other intermediaries in the commercialization chain. Marketing of certified products to consumers is usually most successful when done by the final intermediary, who retails products directly to the consumers—for instance, travel agencies and tour operators in the case of tourism. Many tour operators in Europe, as well as a few in North America, are implementing "sustainability policies." While their choice of products to include in their catalogues depends on their own direct inspection of properties to ensure quality and sustainability, an increasing number of tour operators see certification as a way of pre-selecting the businesses that they will review for inclusion in their catalogues. These wholesalers could exert an influence on certifying tourist destinations.
For businesses, certification improves performance and can save money. It is now clear that, unless a program is long-established and has excellent brand recognition, simply adding a certification logo to a business’s advertising is not going to increase occupancy. Certification often requires substantial restructuring of poorly run businesses, and it is likely to improve the quality of service of a business which otherwise would be unable to meet the certification criteria. Reports from certified businesses also indicate dramatically improved staff morale and commitment, especially when the staff are involved in implementing a sustainability policy. This has direct repercussions in improved service and attention to clients. Improved quality in all aspects—environmental, sociocultural, and economic—greatly increases a business’s reputation and hence, over time, its occupancy.

Tangible incentives help build industry buy-in to certification. An analysis of existing certification programs reveals that there are a growing number of concrete incentives—many offered by government agencies, parks boards, and the media—that are helping to increase business interest in becoming certified. Some examples include tax write-offs in Barbados, preferential access to protected areas in Australia, and preferential placement in guidebooks for beaches in Europe.

Box 3-3 Strategies for consumers

- Health, safety, and quality standards need to be incorporated into “green” certification programs.
- Much market research has shown that tourists seek to ensure the safety of their vacation (from war, disease, crime, and natural disasters), in a destination that offers the attractions that they are interested in, at a price that is in accordance with the quality of service.
- Environmental and social responsibility is important to consumers after safety, quality, and price have been taken care of. Therefore, after the safety and quality concerns are addressed, marketing programs should emphasize the environmental and social contributions made by the certification. For this purpose, the criteria laid down for addressing these concerns could be publicized along with what has been achieved.

Box 3-4 Strategies for marketing certification programs

- Involving the stakeholders in program development is an effective tool to ensure adoption. The success of FSC serves as a prime example. At the outset it convened a meeting of groups of interested individuals, including forestry professionals, environment and human rights activists, indigenous peoples, community forestry group representatives, and forest product certification professionals. A similar approach was followed by the PAN parks program of sustainable tourism and the European chapter for sustainable tourism in protected areas run by the EUROPARC federation.
- Involvement of the national and regional tourism ministries will be equally important in tourism certification programs.
- Incorporating marketing in the design of programs and arranging financing for marketing is necessary.
- Standards and criteria should facilitate marketing. For consumers these should satisfy concerns regarding quality, safety, security and sustainability; for businesses they should save costs, promote sustainability, and increase business. For this, start-up activities like market research will be very helpful.

3.5 FINANCING CERTIFICATION

From the financial point of view, the concerns of the certifiers and those of the tourism businesses seeking certification are different. Tourism businesses aspiring to be certified have also to incur substantial costs, both direct and indirect. Direct costs are directly related to the certification process and are short-term, one-time costs. Examples include application fees, the cost of obtaining technical documents, and inspection fees. Businesses need to budget these costs, taking quotes from the certifiers. The indirect costs are long-term fixed and variable costs. These include the costs of implementing best management practices, including the required training, technical assistance, and investment in infrastructure. An example would be the cost of moving from free disposal of sewage to a system of treating sewage, and of moving from a diesel-operated alternate power system to a solar system.

Businesses are often supported by certifiers, governments, industry associations, utility suppliers, and bankers. Certifiers mostly support small businesses by providing free or concessional services. Governments provide help in the form of soft loans and/or tax concessions. Industrial associations also provide loans or technical help. In some cases even the utilities (for example, electricity and water companies) have also supported businesses by offering services at concessional rates to certified businesses.
From the certifier's point of view, the core and non-core costs of certification should be covered.

Table 3-1 Core program costs and funding sources (CESD, 2004)

<table>
<thead>
<tr>
<th>STARTUP: INITIAL STANDARDS DEVELOPMENT and OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants, workshops, field testing Publications:</td>
</tr>
<tr>
<td>- Standards and implementation manuals</td>
</tr>
<tr>
<td>- Basic marketing materials</td>
</tr>
<tr>
<td>Consultants, workshops, field testing Publications:</td>
</tr>
<tr>
<td>- Standards and implementation manuals</td>
</tr>
<tr>
<td>- Basic marketing materials</td>
</tr>
<tr>
<td>Includes all administrative overhead and operating costs for first 1–5 years when there is little fee income</td>
</tr>
<tr>
<td>Fee income, grants, loans, and in-kind support from governments, foundations, NGOs, multilateral agencies, or industry groups</td>
</tr>
<tr>
<td>Business in-kind support for program development</td>
</tr>
<tr>
<td>Includes all administrative overhead and operating costs for first 1–5 years when there is little fee income</td>
</tr>
<tr>
<td>Fee income, grants, loans, and in-kind support from governments, foundations, NGOs, multilateral agencies, or industry groups</td>
</tr>
<tr>
<td>Business in-kind support for program development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADMINISTRATIVE OVERHEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office expenses</td>
</tr>
<tr>
<td>- Rental, maintenance, utilities</td>
</tr>
<tr>
<td>- Office supplies</td>
</tr>
<tr>
<td>- Furnishings and equipment</td>
</tr>
<tr>
<td>- Communications and other</td>
</tr>
<tr>
<td>Fixed cost which can be reduced by:</td>
</tr>
<tr>
<td>- Cost sharing</td>
</tr>
<tr>
<td>- Housing program under a large organization</td>
</tr>
<tr>
<td>Administrative</td>
</tr>
<tr>
<td>- Overhead is generally paid out of certification fees</td>
</tr>
<tr>
<td>Salaries, full-time and part time</td>
</tr>
<tr>
<td>Fixed costs</td>
</tr>
<tr>
<td>Cost sharing</td>
</tr>
<tr>
<td>Fee income</td>
</tr>
<tr>
<td>Management, technical, marketing, administration</td>
</tr>
<tr>
<td>Staff auditors</td>
</tr>
<tr>
<td>Volunteers and use of part-time staff and consultants can reduce overhead</td>
</tr>
<tr>
<td>Grants</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>POTENTIAL FUNDING SOURCES</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CERTIFICATION OPERATING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach workshops, technical support</td>
</tr>
<tr>
<td>Staff or consultant time</td>
</tr>
<tr>
<td>Fee income</td>
</tr>
<tr>
<td>Benchmarking, referee checks/desk audits</td>
</tr>
<tr>
<td>Variable costs of auditor fees travel and per diems range from $600 for small businesses to over $5000 for large businesses</td>
</tr>
<tr>
<td>Fee income; multilaterals, government agencies, NGOs and foundations may subsidize audit fees for small businesses</td>
</tr>
<tr>
<td>Certification committee meetings</td>
</tr>
<tr>
<td>In-house staff or auditors</td>
</tr>
<tr>
<td>In-kind support; grants for travel costs</td>
</tr>
</tbody>
</table>

These costs are identified in the business plan; alternate financing models are examined and the most suitable one is selected. Certification of a business costs a lot of money and time but does not promise business access, which increases the risks of the certifiers and raises a strong need for finding financers.
### Table 3-2 Non-core program costs and funding sources (CESD, 2004)

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>COSTS</th>
<th>POTENTIAL FUNDING SOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLICATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry and general public</td>
<td>Design and printing costs</td>
<td>Fee income</td>
</tr>
<tr>
<td>materials</td>
<td>Staff or consultant time to create materials; printing costs can be reduced by providing electronic versions online</td>
<td>Cost sharing</td>
</tr>
<tr>
<td>Technical materials for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>assessors/auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>Direct advertising is prohibitive</td>
<td>Cost sharing; in-kind support; fee income</td>
</tr>
<tr>
<td>Flyers, posters, brochures,</td>
<td>Cooperative advertising with certified businesses is cost-effective</td>
<td></td>
</tr>
<tr>
<td>and other promotional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**TRAINING SEMINARS &amp;</td>
<td>Variable costs</td>
<td>Fee income</td>
</tr>
<tr>
<td>WORKSHOPS**</td>
<td>Technical specialists</td>
<td>Grants/in-kind support from NGOs, multilaterals and foundations; in-kind training programs</td>
</tr>
<tr>
<td>Client training</td>
<td>Training venue costs</td>
<td></td>
</tr>
<tr>
<td>Staff training</td>
<td>Material costs</td>
<td></td>
</tr>
<tr>
<td><strong>STANDARDS REVISION</strong></td>
<td>Standards revision every 2–5 years</td>
<td>Long-term financial partners, such as governments.</td>
</tr>
<tr>
<td>Consultants Workshops</td>
<td>Auditors fees</td>
<td>in-kind support from certified businesses.</td>
</tr>
<tr>
<td>Publications Field testing</td>
<td>Per diem and travel</td>
<td>Grants from NGOs or foundations.</td>
</tr>
<tr>
<td>Staff time for revisions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continue to next page)

### (... Continued)

#### OUTERACH and ACCREDITATION

<table>
<thead>
<tr>
<th>Activity</th>
<th>Costs</th>
<th>Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>International and local outreach to policy-makers, businesses, and funders</td>
<td>Staff time, travel, and per diem</td>
<td>Scholarships from event organizer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grants governments, foundations or NGOs</td>
</tr>
<tr>
<td>Attending international events</td>
<td>Staff time</td>
<td>Foundation, multilateral support</td>
</tr>
<tr>
<td></td>
<td>Systems development</td>
<td>Fee income</td>
</tr>
<tr>
<td>Accreditation fees</td>
<td>Not yet applicable</td>
<td>Fee income</td>
</tr>
</tbody>
</table>

The main sources of funding available to the certifying bodies are fees; products and services; and startup grants.

#### 3.5.1 Fees

User fees for certification are an accepted source of revenue. However, these alone are not able to cover the startup costs of the certification agencies. Few existing certification programs generate more than 50% of their revenues from fees (Green Globe and Viabono in Germany). Among the fees commonly charged are registration fees, use of criteria, pre-assessment diagnostics charges, on-site third-party audit fees, license fees for use of logos, annual membership fees, and re-certification fees.

#### 3.5.2 Products and services

Programs need to create additional sources of funding to meet their recurring costs. Some programs have developed innovative ways to generate resources. For example, the German certification program, Viabono, has created an "Eco Shop" that sells environment-friendly cleaning products and also receives commissions from travel agency bookings. CESD (2004) lists some of the areas which can be tapped by the certifying agencies:

- Rendering technical assistance to the businesses;
- Providing consultancy services to other certifying agencies, NGOs, and the governments;
- Paid advertisements on websites.
3.5.3 Startup grants

The promoters need to explore possibilities of getting startup grants from multilateral agencies, NGOs, and governments. Inter American Development Bank funding tourism certification programs in Brazil, Ecuador, Guatemala, and Belize, as well as USAID assistance to tourism certification programs in Jamaica, offer some practical examples in this regard. Similarly, governments
have supported programs in Costa Rica, Mexico, Sweden, and Australia. NGOs have also helped creating programs like FTTSA in South Africa (IUCN), Smart Voyager in Ecuador (Rainforest Alliance), and PANPARK in Europe (WWF).

3.6 INCLUDING SMCES IN CERTIFICATION DESIGNS

Small, medium-sized, and community-based enterprises form a large part of the tourism industry, especially in the developing countries. The real challenge lies in handling this sector since the cost of servicing these clients is high (because of their location in far-flung areas) and their ability to pay is much lower. However, these constitute the critical mass of the industry. It is therefore necessary to design the certification model in a way that takes into account the concerns of this sector. Several practical steps can help SMCEs:

- One of the important ways is to design the fee structure in a differential rate model that levies fees on audit and other services on a progressive scale based upon the level of profits or investment by the businesses. Such a model allows for charging big businesses at rates higher than the cost of providing service while charging SMCEs at rates lower than cost.

- The certifying bodies should also lobby with the governments to subsidize costs for SMCEs and arrange concessional lending through banks for meeting their direct and indirect costs.

- Technical materials should be developed that are easily understandable by the SMCEs. It may be appropriate to design special programs for them using a simpler process with minimal criteria that ensures quality, health, and safety standards;

- Intermediaries like travel agents and tour operators can be required to pay a small license fee for the use of a logo, to compensate for the loss of revenue from SMCEs.

- Financial support can be sought from foundations, donors, and governments for funding SMCEs.

- The assessment and auditing process can be streamlined for SMCEs, and batch audits can be conducted to lower costs.

### Table 3-3 Funding mechanisms for SMCEs

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Types of funding offered</th>
<th>Pros</th>
<th>Cons</th>
<th>Best access for small business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism certification programs</td>
<td>Grants, in-kind support, sliding fees</td>
<td>High interest to include small business in portfolio</td>
<td>Have their own financial struggles</td>
<td>Direct contact</td>
</tr>
<tr>
<td>NGOs</td>
<td>Grants, loans, in-kind support, conservation finance</td>
<td>Soft money; interest in supporting small businesses</td>
<td>Project-oriented and short-term</td>
<td>Direct contact, Internet research</td>
</tr>
<tr>
<td>Government and aid agencies</td>
<td>Grants, loans, ecosystem, loan guarantees</td>
<td>Large amounts, multi-year, board development goals</td>
<td>Bureaucratic and costly administration requirements; Difficult to access</td>
<td>Through local government programs, NGOs, and technical assistance providers</td>
</tr>
<tr>
<td>Private Foundations</td>
<td>Grants, loans, loan guarantees</td>
<td>Soft money; often no repayment; relatively easy administrative requirements</td>
<td>Project or short-term orientation; one-time</td>
<td></td>
</tr>
<tr>
<td>Tourism industry</td>
<td>In-kind support technical assistance, loans</td>
<td>Business-oriented, understand issues and problems</td>
<td>Bottom-line or short-term orientation; repayment requirements</td>
<td>Directly or through NGOs and certification programs</td>
</tr>
</tbody>
</table>
A costly but critical component of any credible sustainable tourism certification program is on-site auditing. Experience shows (Font, 2002) that certification programs have tried to develop shortcuts to the audit procedures by introducing desk checks, self-assessment, spot checks, or customer feedback. However, these have proved to be insufficient before an independent third-party audit. Sometimes the frequency of audits is reduced from one year to three years to save on costs.

Certification programs must also prepare a number of technical and training documents, publicity materials, instructions, certification program brochures, standards and criteria information, guides to the certification process, application forms, and guidelines for use of the certification label or logo. These may be produced internally or by outside contractors. Costs vary depending on quality and quantity and the form (digital, printed, or other medium) in which they are produced. However, costs can be reduced by producing documents on a CD or making them available over the Internet.

Some certification programs, like CST and Eco Certification, make their standards and criteria public, posting them on their websites, while others, such as FTSSA, consider the criteria proprietary and only give them to paying customers. Similarly, Nature’s Best in Sweden publishes the broad criteria on its website, but the specific criteria are not publicly available.

While selling the criteria can be a revenue stream, doing so limits access to the program both for the public and for companies considering whether to seek certification. While transparency can compromise a program’s credibility, the advantages of making standards and criteria public include new companies buy-in, educational value to intermediaries and other certification programs, and awareness-raising to the public and the media. These advantages seem to outweigh the financial reasons for selling access to a program’s criteria.

Programs also need to offer training workshops for businesses, auditors, marketing partners, and other potential supporters. These workshops can generate revenue and publicity. They may be conducted by program staff, with the assistance of academic or training institutions, government agencies, NGOs, or private consultants. International organizations such as USAID and IDB, as well as government marketing agencies and tourism boards, are often willing to cover or subsidize the costs for small businesses (and sometimes even for larger ones) because a credible and well-used certification raises industry standards. Careful planning, including clearly outlining the roles and responsibilities of stakeholders, ensuring transparency, and avoiding conflicts of interest, are critical.

While monitoring is the ongoing measurement of a set of indicators that are tracked over time, evaluation is the regular assessment of progress against a set of reference values done on definite intervals. Adaptive management is used to regularly monitor and evaluate in order to adjust or modify actions so that long-term goals can be achieved. It is a systematic process for continually improving and learning from the outcomes of actions and interventions. The critical role of monitoring systems is therefore to provide reliable information about what works and what doesn’t, and apply this learning to improve performance. Without monitoring and evaluation (M&E) it will be difficult to know whether practices are going in the right direction, whether progress and success can be claimed, and how future interventions can be improved. It is essential to begin with the planning process and to define the goals and objectives before defining what is used to measure progress towards them.

### Box 3-5 Essential points for designing audit programs

- There are alternate models for auditors such as auditors being staff members of the certifying agency. However, this imposes the high fixed cost of salaries. This problem can be overcome by having free and independent auditors who are paid when hired for a work.
- When external auditors are used, certification programs need to ensure that their fees are fixed beforehand and adequately funded in case of SMCEs.
- Verification should normally be done through a combination of different activities like review of application documents, self-assessment, and onsite visits.

### Step-by-Step Approach to Developing Certification Programs

1. **DEVELOPING AUDIT AND ASSESSMENT PROTOCOLS**
2. **DEVELOPING TRAINING AND EDUCATION PROGRAMS**
3. **DEVELOPING MONITORING AND EVALUATION PROTOCOLS**
Certification programs have to develop standards, criteria, and indicators to enable the auditors to measure compliance with sustainability standards using indicators. Besides, developing a set of standardized key performance indicators within an M&E system enables certification programs to measure and communicate results and impacts of certification. This data ultimately becomes a tool for marketing certification programs among the potential clients and the stakeholders. Figure 3-2 presents the role of M&E systems in the overall planning and implementation process. The M&E framework is developed in line with a set of objectives to facilitate understanding by the stakeholders. For example, key objectives of a sustainable tourism program include:

- Minimizing environmental damage;
- Minimizing sociocultural harm;
- Maximizing economic benefits to the local community; and
- Effective operation and operations management.

Within these objectives a set of criteria and indicators are developed. For example, the criterion for minimizing environmental damage will be reduction of solid waste, and the indicator will be volume of waste that is sent to landfill. In the case of sociocultural impact, the criterion could be a code of behavior, and the indicator would be percentage of gross income returned to the local community. For maximizing the economic benefits, the criterion will be local employment generated, and the indicator will be percentage of wages paid to the locals. Likewise, for effective quality and operation management the criteria will be customer satisfaction maximized, and the indicator will be the average customer satisfaction rating.

IES (2006) examined the steps involved in developing indicators and suggested the following:

- Developing a potential indicator list;
- Screening the potential set of indicators;
- Defining a core set of key performance indicators (KPI).

As a matter of day-to-day routine in tourism operations, firms use a number of indicators for assessing their costs and benefits: room occupancy rate, length of stay, net revenue, break-even point, and return on investment. In fact, indicators are a critical management tool without which it is difficult to do business. In selecting appropriate indicators for certification, the process starts with an extensive review of the literature and of indicators developed by other programs. After the review a list of potential indicators is developed, and then the indicators are screened to identify the most relevant ones for the program. For the screening process, an indicator litmus test known as “SMART” can be used: “SMART” stands for specific, measurable, achievable, reliable, and time-bound. Then, using the following criteria, the key performance indicators are developed.

- Indicators should measure results achieved rather than merely instituting processes or accomplishing prescribed “how-to” actions.
- Wherever possible preference should be given to quantitative indicators.
- Indicators that facilitate comparison and can be aggregated to yield national and regional indicators should be preferred.

Table 3-4 presents a set of indicators for various objectives.

<table>
<thead>
<tr>
<th>Theme/Objective</th>
<th>Criteria Type Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Minimizing environment harm</td>
<td></td>
</tr>
<tr>
<td>1. Reduction of solid waste</td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td>K1</td>
</tr>
<tr>
<td>A1</td>
<td>S1</td>
</tr>
<tr>
<td>2. Minimization of contamination through waste discharge</td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>K2</td>
</tr>
<tr>
<td>A2</td>
<td>S2</td>
</tr>
<tr>
<td>A2</td>
<td>S3</td>
</tr>
</tbody>
</table>

(Continue to next page)
The indicators framework becomes further improved and more useful once adaptive management allows continuous improvement in response to the feedback received from the stakeholders.

### 3. Energy conservation
- **A3 K3** Total energy consumed per tourist specific-activity (guest-nights, tourists)
- **A3 S4** % of total energy from renewable sources
- **A3 S5** CO2 footprint

### 4. Water conservation
- **A4 K4** Total volume of potable water consumed per tourist-specific activity
- **A4 S6** Sewage is treated effectively

### B: Minimizing sociocultural harm
- **B5 K5** Appropriate code of behavior is integrated into operations

### 5. Codes of behavior

### 6. Contribution to community development
- **B6 K6** Percentage of annual gross income contributed to local community
- **B6 S7** New businesses and/or staff promoted

### 7. Stakeholder consultation
- **B7 K7** Consultation and dialog with community and other stakeholders

### C: Maximize economic benefit to the local community
- **B8 K8** Percentage of local employees on staff
- **B8 S8** Percentage of wage paid to staff from to local community or region

### 8. Local employment

### 9. Local purchasing of services and goods

### D: Effective quality and operational management
- **D10 K10** Company sustainability policy
- **D10 S9** Management systems for key sustainability issues
- **D10 S10** Customer service staff implements sustainable tourism practices

### 10. Integration of sustainability into operations

### 11. Maximize customer satisfaction
- **D11 K11** Average customer satisfaction rating
ANNEX I

WTO SUGGESTED LIST OF CRITERIA

Environmental
- Environmental impact assessment conducted for setting up the operation or construction of establishments;
- Environmental management practices, company policies, and technical measures (e.g. energy, water saving and waste treatment devices, environment-friendly transportation, etc.) in place;
- Land use and property issues in destinations;
- Health and safety; energy (consumption, reduction, efficiency); water (consumption, reduction, quality); solid and liquid waste (reduction, reuse, recycling, treatment, disposal); appropriate building materials; hazardous substances (reduction, handling, use of nature friendly cleaning products); noise (reduction); air quality (quality, improvement); habitat/eco-system/wildlife maintenance and enhancement;
- Environmental information/interpretation/education for customers;
- Transportation services (public transport, environment-friendly alternatives);
- Indicators and standards on the impacts at specific tourist use areas (e.g. beaches) and on the impacts caused by specific tourism activities and facilities (e.g. diving, golf, marinas, etc.);
- Visual impacts of establishments and infrastructure; etc.

Social
- Social impact assessment conducted for setting up operations and establishments;
- Staff policies and management (information, education, training, incentives, health, safety, etc.);
- Relationships with local communities (local employees, outreach and education programs);
- Emphasis on, and conservation of, local/regional culture, heritage and authenticity;
- Maintaining aesthetics of physical development/architecture;
- Community feedback systems, satisfaction of local population;
- Contribution to community development purposes (infrastructure improvement; social services, etc.);
- Information provided to guests on sustainability aspects;
- Guest feedback systems in place, customer satisfaction, etc.

Economic
- Creation of local employment (number of employees from local communities and their level of skills);
- Supply chain management through green and sustainable purchasing policies;
- Creation of networks of environmentally friendly businesses within a given destination;
- Responsible marketing;
- Use of locally sourced and produced materials and food, etc.

In addition to the general sustainability criteria, certification criteria for ecotourism should specifically address the elements below:
- Financial and in-kind contributions to conservation of ecotourism sites by companies;
- Level of involvement of local communities and benefits accruing to them;
- Use of specialized guides and other interpretation techniques; information provided to tourists through ecotourism operations;
- Environmental education activities provided for tourists and local populations;
- Locally appropriate scale and design for lodging, infrastructure, and tours;
- Minimal impact on and the appropriate presentation of local and indigenous culture.
ANNEX II

CASE STUDY I: GREEN GLOBE 21

Green Globe is an industry-promoted program operating from Australia even though it has certified properties the world over. It seeks to have global scope and to target mainstream (mass) tourism businesses, which in a way limits the level of detail that can be included within the program. It thus has less stringent requirements as than the Nature and Ecotourism Accreditation Program, which focuses on ecotourism businesses.

Strengths:
- In terms of criteria, Green Globe 21 has a basis in, and considerable similarity with, the ISO 14001 environmental management standard.
- Credibility is sought to be ensured by using third-party auditors to undertake the verification work.
- It endeavors to achieve partnership with regional certification programs to achieve global coverage.

Weaknesses:
- The program currently allows its branding to be used as soon as a company commits to achieving certification and has published an environmental policy statement.
- The standard does not specify a process for stakeholder consultation.
- The program focuses mainly on the big hotel segment at the cost of small, medium-sized, and community enterprises.

CASE STUDY II: GREEN LEAF PROGRAM

Supported by government, utility suppliers, and industry, the Green Leaf Program of Thailand is based on awarding performance grades ranging from 1 to 5 leaves. Aimed at achieving efficiency in hotels, the program endeavors to promote environmental awareness by conducting seminars, publishing manuals, and other creative activities.

Strengths:
- The program is based on the three-stage process of application screening, qualifying, and grading questionnaire; the criteria focus on all sections of the hotel, with particular attention given to water saving, waste management, and recycling.
- Grades of audited hotels are compared with standard hotels derived on the basis of a formula, and the audit is done by third-party auditors.

Weaknesses:
- The program focuses mainly on the big hotel segment at the cost of small, medium-sized, and community enterprises.
- It follows a very complicated procedure of selection of standard hotels for comparing scores, which makes it difficult to understand.
- It places more emphasis on environmental parameters than on economic and community-related issues.

CASE STUDY III: VISIT

VISIT stands for "Voluntary Initiative for Sustainability in Tourism," and it was created within the framework of an EU-funded LIFE project in tourism eco-labelling. The name outlines the concept of the organization: a positive collaboration between distinct initiatives working towards achieving sustainability in tourism. The Association was established in 2004 at REISEPAVILLON, Europe’s leading Green and Ecotourism Fair. This was the culmination of ongoing liaison and cooperation between a dozen leading tourism eco-labels from 2001 onwards. Seven of these labels (based in the Netherlands, Italy, Denmark, Latvia, the United Kingdom, Switzerland, and Luxembourg) founded the organization; together they represent over two thousand participating tourism enterprises. VISIT is the first association of its type anywhere in Europe, and its primary goal is to ensure that eco-labelling in tourism is successful, practical, and responsible.

Strengths:
- In its 21 criteria for certification, it considers product lifecycle issues when setting product-related criteria; requires attainable levels; and gives consideration to relative impacts ("per unit") through measurement, scoring; and availability. The criteria are based on sound scientific, engineering, management, economic, environmental, and social principles.
• The criteria are derived from data that support the claim of sustainable tourism good or best practices (i.e., environmental, economic, and social benefit and/or efficiency). The program takes into account, during the process of establishing the criteria, relevant local, regional and global environmental issues, available technology, and economic and social issues while avoiding compromising service quality.

• The program reviews the criteria and product functional requirements within a predefined period. It requires the declaration and compliance of the product to environmental and other relevant legislation as a pre-condition for the applicant to be awarded and to maintain the label.

• It has selected product criteria, which may relate to impacts on the environment and natural resources or emissions to the environment. Such performance criteria should be expressed in absolute (numbers) or relative (%) figures and measurement units (e.g. kWh, litre, volume, weight per product, room, bed, overnight stay, m²), and the exclusion or use of special materials or substances with proven negative or positive impacts can be recommended.

• Its management criteria complement other environmental management systems and include a commitment, suitably informed staff, training, public information, and monitoring and measuring procedures.

• It is also accountable to its stakeholders in terms of the labels for its development and operation: product categories, product criteria, period of validity of criteria and award, testing and verification methods, certification and award procedures, compliance verification, complaints procedure.

• Its verification methodology guarantees a high level of reliability. This includes on-site verifications at least once every three years or once per certification period, whichever is shorter. Its certification is based upon criteria that apply to the site for a predefined period of not more than three years.

Weaknesses:
• It is very costly.
• It does not prescribe criteria or financial packages for the SMCEs. The fee structure is uniform for all businesses regardless of scale.

REFERENCES

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<th>WEBSITES</th>
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<tbody>
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