



# EUROPEAN PARLIAMENT

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**STOA** - Scientific and Technological Options Assessment

**Options Brief and Executive Summary**

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## **European Union Action in the Tourism Sector - improving support measures for sustainable tourism**

### **OPTIONS BRIEF**

This part of the report presents a series of recommendations for action by the European Union to support the creation of a more sustainable tourism sector in Europe. It is based on the concepts and processes associated with sustainable tourism which have been outlined in the introduction. It is also backed up by evidence and argument presented in Part B, based on an analysis of existing European policies towards sustainable development, environmental action and tourism, and by reports on the condition of sustainable tourism in four member states, summarised in Part B and provided in full in an Annex.

The central issue that needs to be addressed is:  
***How can the growth of the industry, and the high expectation of its capacity to create European jobs, be achieved without further environmental and social costs (or, moreover, contribute positively towards social and environmental improvements)?***

The overall conclusion is there is a need for a more coherent overall policy framework for tourism in Europe. The cross-cutting nature of tourism issues means that several Directorates and programmes support tourism development in one form or another. To ensure that the sector moves in a sustainable direction, this policy framework should be developed in line with the European Union's commitment to an overall sustainable development strategy.

In terms of implementation of policy, the analysis presented in Part B suggests that there are three main areas where EU support is currently having its main affect and where improvements are needed in the future. These are:

**The application of structural funds** to the development of tourism destinations and inter-destination infrastructure. In some areas they have been used to accommodate the growth of mass tourism in the past, and now need to be applied to ensure this growth can be sustained economically, environmentally and socially.

**The greening of the tourism supply chain**, making sure that companies who offer products and services are acting sustainably.

**The creation of improved information flows**, to ensure all stakeholders have the knowledge and means to act sustainably.

With these priorities in mind, it is possible to identify options for improved policy making in two broad areas. The first of these areas relates to thematic issues, the second related to underlying mechanism and processes. These are follows:

#### **A) Priority issues for sustainable tourism in Europe**

1. Measures to encourage good environmental practice in tourism destinations.
2. Promotion of tourism in natural and cultural heritage sites/areas.
3. Making tourism enterprises more sustainable.
4. Raising public awareness.

#### **B) Underlying mechanisms for managing priority issues**

1. Development of an overall sustainable tourism strategy for the EU for the guidance and integration of EC programmes.
2. Strengthening decision support systems.

3. Strengthening the development and exchange of knowledge through networks.

In the remainder of this chapter, we look at each of these priorities for action in turn.

### **A) Priority Issues for Sustainable Tourism in Europe**

#### **1 Measures to encourage good environmental practice in tourism destinations**

The management of tourism in order to minimise adverse impacts on the environment and local communities and to secure benefits to them from tourism is best undertaken at a destination level. Improved destination management processes are vital for sustainable tourism.

It is at the destination level that tensions emerge between human activities and the natural limits of the landscape. In many parts of Europe, and especially the Mediterranean coast, rapid development has occurred in the past as a result of market forces and a lack of planning for sustainability. In some areas, the result has damaged eco-systems, uprooted traditional cultures and imposed monotone and uniform urbanized landscapes that reflect the industry's short term expansion and little more. In some cases, the application of EU support, such as Structural Funds, has fuelled this process.

This growth has been defined principally at the regional level, with national and European funds being distributed by regional state entities. Regional and local development plans are formulated by these entities, but in many instances there is a lack of both vertical and horizontal co-ordination of development activity, with the consequence that environmental, social and economic considerations are not managed with sufficient awareness of their interactions. The drive towards economic growth calculated through the application of structural funds has not been sufficiently accompanied by protective environmental and socio-cultural measures, to the overall and long term detriment of the destination.

The task for policy makers now is to ensure that destinations are sustainably managed through the same funds that accelerated their growth.

At the same time there are many examples across Europe where income from tourism has provided the lifeblood required for the

maintenance of the cultural and natural heritage and to enable local communities to stay in the area, often the supported by financial support from EU funds and programmes.

In order to achieve the right balance, a number of destination management processes can be applied or strengthened. These include:

- a) Integrated Quality Management (IQM)
- b) Local Agenda 21
- c) Land use planning and development control
- d) Application of strategic environmental assessments and environmental impact assessments
- e) Integrated Coastal Zone Management (ICZM)

#### **a) Integrated Quality Management (IQM)**

The visitor experience is the central component of the tourism industry. Integrated Quality Management stresses the need for strategic and integrated planning of tourist destinations, utilizing a client-centred, stakeholder-based approach to sustainable development. Studies of IQM were carried out in 1999 for DG Enterprise, based on good practice case studies of destinations across Europe.

The IQM process is primarily about seeking to improve the quality and performance of destinations through the development and promotion of projects that will improve an area's appeal and local distinctiveness, and strengthen communication techniques such as marketing and information services.

The success of IQM in Wales, UK represents a best practice example to develop through a NUTS III to IV European best practice network. See UK country profile.

#### **Recommendation A.1.a**

IQM techniques should be promoted to destination management authorities at NUTS III and IV levels in order to improve the quality and competitiveness of their offer.

#### **b) Local Agenda 21**

Agenda 21 is the United Nations Action plan for sustainable development in the 21<sup>st</sup> Century approved by 173 governments at the 1992 UN Environment and Development conference in Rio de Janeiro. *Local Agenda 21* refers to chapter 28 of the overall Agenda 21 document, calling on local communities to draw up a sustainable

development plan for their town/city/area. This is a vital component link in the sustainability chain, as local, participatory action is the foundation of sustainable development processes. In 1994 80 European local authorities signed up to the *Charter of European Cities and towns towards Sustainability (the Aalborg Charter)*, which has now become the sustainable cities and towns campaign. These local Agenda 21 plans were originally intended to be drawn up by 1996. Implementation has been slow, with different EC countries varying in their uptake of the process. However, the recent ICLEI report to the UNs prepcom 2 for the Johannesburg World Summit provides a comprehensive analysis of this process as shows that there are presently more than 1,300 European municipalities committed to sustainable development by signing the Aalborg charter and joining the Sustainable Cities and Towns Campaign. It is currently the largest regional campaign for local sustainable development and Local Agenda 21. The main impediments to the process were generally stated to be a lack of national strategies and insufficient funds to implement the process. However the results are extremely encouraging

#### **Recommendation A.1.b**

In support of the ICLEI recommendations to the World Summit to:

- a) Design national and international investment and development assistance programs to address the different realities of individual local authorities and
- b) Support the development of locally relevant mechanisms to monitor and evaluate progress.

Member States should ensure the full implementation of Local Agenda 21 Sustainable Development Plans by local authorities at NUTS IV level, through the development of a national action plan, and through providing additional resources and expertise where necessary through regional application of Structural Fund programmes. Local Agenda 21 best practice networks should be established in order to facilitate knowledge transfer across Member States.

An important example of this is provided by Germany, where over 2000 local agenda 21 networks have been established in the country that does not have a national plan, but where ICLEI has its European base and main operational influence. See the German country profile.

#### **c) Application of Strategic Environmental Assessments and EIAs**

The European Union Council, in developing the 6th Environmental Action Programme in line with the principles set out in the Treaty for preparing Community policy on the environment, stated that a policy-making process should be emphasized which would include better analysis of environmental issues and of the costs and advantages of measures, and better implementation, monitoring and public awareness and participation, having regard to subsidiarity and shared responsibility bearing in mind the diversity of the regions of the Community.

To this end the 6th Environmental Action Programme explicitly states the need for more use of Strategic Environmental Assessments and Environmental Impact Assessments in the implementation of EU programmes. The Community Directive on Environmental Impact Assessment (EIA)<sup>10</sup> and the proposal on Strategic Environmental Assessment (SEA), aim to ensure that the environmental implications of planned infrastructure projects and planning are properly addressed, to ensure that environmental considerations are better integrated into planning decisions.

#### **Recommendation A.1.c**

It is recommended that each region (NUTS II) draws up a list of tourism destinations and implements a Strategic Environmental Assessment that covers the impact of infrastructure development at NUTS III to V levels. These assessments should be made public for use by all stakeholders.

The integrity of both SEAs and EIAs should be maintained by the use of impartial and informed entities, with research institutes and universities being seen as a key resource in this respect.

This is particularly important for Objective 1 regions, where the experience of Portugal shows the need for improved assessment procedures for Structural fund application. See Portugal country profile.

#### **d) Land use planning and development control**

Sustainable development requires the immediate protection of the remaining natural eco-systems and their concomitant biodiversity. Loss of biodiversity occurs principally at the local level (Nuts IV and V), in as much as it is the accumulation of several small scale projects over

time that erodes the natural and cultural landscape characteristics. It should be recognised that tourism development is one of the major pressures on the state of European eco-systems, and that specific land use and planning controls are developed and implemented by local and regional authorities to limit continual infrastructural expansion at the expense of natural eco-systems.

#### **Recommendation A.1.d**

The precautionary principle of sustainable development is invoked at the local and regional level, and *carrying capacity studies* be conducted in all tourist destinations (NUTS III to V) prior to further expansion of the artificial environment.

#### **e) ICZM Strategies (Integrated Coastal Zone Management)**

The EU report on Integrated Coastal Zone Management points out that: "Our coastal zones are of strategic importance to all Europeans. They are home to a large percentage of our citizens, a major source of food and raw materials, a vital link for transport and trade, the location of some of our most valuable habitats, and the favoured destination for our leisure time. Yet our coastal zones are facing serious problems of habitat destruction, water contamination, coastal erosion and resource depletion. This depletion of the limited resources of the coastal zone (including the limited physical space) is leading to increasingly frequent conflict between uses, such as between aquaculture and tourism."

For the above reasons, and also to meet internationally agreed commitments such as the EU's obligations under Chapter 17 of Agenda 21, the document announced a European Strategy for ICZM. The Strategy aims to promote a collaborative approach to planning and management of the coastal zone, within a philosophy of governance by partnership with civil society. The Strategy defines the EU's role as one of providing leadership and guidance to support the implementation of ICZM by the Member States, at local, regional and national levels. The Strategy also underlines the need for continued collaboration between the services of the Commission.

#### **Recommendation A.1.e**

Further resources are allocated to programmes such as LIFE and INTERREG for the purposes of fostering ICZM projects. The release of structural funds to Member States for use in coastal areas

is made dependant upon the elaboration of an integrated territorial plan, developed according to the principles of the EUs ICZM strategy.

#### **2 Promotion of tourism in natural and cultural heritage sites**

The interaction between nature, culture and tourism is a constant theme, providing both the setting and components of the visitor experience. Cultural heritage expresses characteristics of the regional identity, its history, traditions and civilization. Natural heritage expresses its landscape scenery and its biodiversity - its variable habitats and plethora of fauna and flora. Sustainable tourism is envisaged as a means to make the most of Europe's diverse nature and heritage. It could become an even stronger economic and social force with the potential for simultaneously developing both European-wide job creation *and* conservation programmes that preserve regional identities. As such, natural and cultural tourism market segments are strategically important factors in the sustainable development and inter-cultural dialogue of the European Union.

The report from the High Level Group on Tourism and Employment stated the three levels of influence of the natural and cultural environment on employment:

1. Safeguarding existing jobs through quality assurance for an ecologically intact environment at holiday locations;
2. creating new jobs through investment in ecological modernization and quality programmes, mainly at holiday resorts;
3. developing the basis for revitalizing or launching new professions in complementary services, including traditional crafts.

This sector is seen as a growth area in the tourism sector, augmenting the sun and beach-style holiday package, and playing to the strength of the European Union's history and variety. However, as growing market segments, their potential needs to be carefully managed to ensure that the product that is central to the offer is not destroyed in the process. This is particularly true of site-specific natural and cultural tourism attractions, where promotional success sometimes undermines the quality of the site in question.

Successful policy making in this respect can be divided into the following distinct but overlapping themes:

- a) Tourism in protected areas - Natura 2000
- b) Rural tourism
- c) Eco-tourism
- d) Tourism in cultural heritage sites

#### a) **Natura 2000**

The Natura 2000 Network enshrines EU legislation on the Habitats and Species Directives via the implementation of a network of designated protected areas throughout the European Territory. As such it represents the cornerstone of the EU's biodiversity protection strategy. At the same time, Member states are being encouraged to develop these sites for the purposes of tourism. These dual interests need exceedingly careful management, given the power of the tourism industry and the fragility of the eco-systems in the Natura 2000 sites.

However, this is not just about control. It is also about harnessing the very considerable benefits that tourism income can bring to protected areas, especially through the engagement of local communities and associated tourism enterprises in developing tourism packages and programmes relating to the appreciation and interpretation of nature. Mechanisms are required for protected area managers to work with local stakeholders, including tourism enterprises, in developing creative sustainable tourism strategies for their areas.

#### **Recommendation A.2.a**

It is recommended that the management plans for each specific area are given full attention by member states, and that adequate resources and expertise are made available to develop competent plans. Each management area should adopt a plan for incorporating tourism, such as is required by *the European Charter for Sustainable Tourism in Protected Areas*. NUTS III to IV administrated levels should be actively involved in the development and implementation of these plans. Furthermore, these management plans should be independently monitored through a European-compatible system of sustainability indicators.

In Italy, the application of the Charter for Sustainable Tourism in Protected Areas demonstrated its potential in the sharing of European management plan best practice throughout the Natura 2000 network.

#### b) **Rural Tourism**

The European Spatial Development Perspective offers the first comprehensive analysis of the European Union from a territorial perspective. It promotes the idea that the old rural-urban divide is conceptually outdated, and an integrated regional spatial framework for planning is now necessary, since there is so much interdependence between rural and urban areas. In doing so the concept of a polycentric European spatial plan emerges, with greater uniformity between northern and southern European regions, in order to redress the current imbalance of a heavily industrialized and urbanized northern-central Europe with economically weakened and marginalized peripheral zones. In this vision of Europe over 80% of the Union is classified as rural, with each region enjoying its unique natural and cultural inheritance:

"In the past, rural regions were regarded by policy makers as homogenous areas with the same obstacles and opportunities for development. This way of looking at things no longer fits the reality of the EU. Now the common characteristics of rural areas are a low population density and a high proportion of agricultural land use".

For the last 40 years, a mono-sectoral approach via the Common Agricultural Policy has shaped these areas. Nowadays, rural tourism is seen as one of the major means of developing and diversifying the regional rural economies in the face of declining traditional land use. In order to ensure the sustainability of this process, the character of the rural landscape requires preservation, and as such traditional agricultural and cultural practices need to be reaffirmed in this process.

#### **Recommendation A.2.b**

Measures should be taken to support the development of rural tourism as a key component of the sustainable development of rural areas, including the reform of the CAP allowing the diversion of more funding to such activities.

Rural destinations should be encouraged to adopt the principles of Integrated Quality Management, involving local communities in creative measures to manage and develop rural products in line with market needs, while maximizing the proportion of income retained in the community.

The biodiversity and cultural heritage loss caused by the implementation of Trans-European Network for Transport should be offset by increased resources at the regional level (NUTS

II) to mitigate the effects of habitat fragmentation and ensure the maintenance and restoration of the regional landscape for sustainable use by the tourism sector.

It is important to coordinate the actions of local authorities and projects arising from the implementation of programmes such as LEADER plus, INTERREG and LIFE, in order to avoid duplication of effort.

Recent experiences in the UK are particularly important in demonstrating the important relationship between sustainable tourism and the rural economy. See the UK country profile.

### c) *Eco-tourism*

The WTO and UNEP declared 2002 as the *International Year of Eco-tourism*. Eco-tourism can be roughly defined as small-scale, sustainable, nature-based tourism, and opposed to nature tourism, which may or may not be either small-scale or sustainable. As this market segment of the tourist industry directly links tourism to nature, it is of particular concern to both protecting biodiversity and to utilising biodiversity as a resource to generate employment. European eco-tourism is currently underdeveloped, and has to compete at an international level with far more exotic destinations. However, many coastal and mountain areas are extremely attractive and sufficiently unique as to warrant an increasing clientele. Eco-tourism necessarily crosses over into the issue of tourism in protected areas, but it can be developed sustainably through policies that affect tourism companies who offer this type of holiday product.

#### **Recommendation A.2.c**

Ecotourism should be encouraged as appropriate in certain natural areas. Where this happens, offers should be regulated by the use of eco-labels and certification schemes that guarantee better environmental performance and progress towards more sustainable development, or other more specific quality marks. If the activity is conducted in a designated protected area, then an Environmental Impact Assessment of the activity should be considered by the responsible management agency.

### d) *Tourism in Cultural Heritage Sites*

Although the current image of European tourism may invoke the sun-shine beach scenes of the Mediterranean coast, the main volume of business is conducted in the northern countries, who have a highly developed cultural tourism

offer. Approximately 30% of European tourist destinations are chosen by virtue of the presence of heritage sites. If the wider cultural sector, such as festivals and cultural events are included, then this number increases up to 45 to 50%.

Between 2000 to 2006 Tourism and Culture has been regarded as having particular potential for competitive enterprises and employment creation, qualifying for possible support through the Structural Funds in which interventions in favour of cultural heritage and tourism have been considerably reinforced, and projects with cultural and touristic characteristics are to be integrated into regional or local development strategies. Funding can come from Community initiative programmes such as LEADER and INTERREG alongside funding for innovative pilot projects under the ERDF and the ESF administered directly by the European Commission. The primary emphasis of the one such action is to conserve and utilize historical and architectural heritage and European historic city centres. The idea is to make historical heritage a key element for the sustainable development of a city. **Culture 2000** is the first framework programme (2000-2004) intended to provide a homogeneous context for a coherent cultural policy. Given the influence of the cultural heritage sector within the tourism industry as a whole, it is expected that the Culture 2000 Programme will have a tangible impact on tourism.

In the specific case of the Mediterranean, the area is considered as a whole, and the MEDA programme is the main financial instrument of the EU for the implementation of regional co-operation projects, aiming at increasing the capacity of Mediterranean countries to manage and develop their cultural heritage.

The danger here is that the exploitation of cultural heritage for economic gain will distort the visitor experience and replace authentic appreciation of history with an *ersatz* and Disneyfied commercial experience. This will neither serve the short-term interests of the tourist, nor the longer term cultural interests of residents living in such places. Similarly the over-commercialization of successful historical sites detracts from the quality of the visitor experience. Such sites require attention to mobility issues concerning site use.

**Recommendation A.2.d**

Projects which combine the preservation and promotion of cultural heritage sites and experiences should be supported, provided proposals are of a high quality and are based on a sound visitor management plan.

Programmes such as INTERREG and Culture 2000 should support the establishment of *cultural heritage networks* at a local, regional, national and European level to promote and harmonize the distribution of visitors who are interested in this type of offer, and also to ensure that best practice is transferred between Member States.

**3 Making tourism enterprises more sustainable**

The discussion of the size and diversity of the tourism sector and the introduction of the tourism supply chain model earlier in this report demonstrate the complexity of influencing industry stakeholders through EU policy-making. However, the behaviour of industry stakeholders is a key component of the overall move towards sustainability. From worldwide tour operators to local travel agents, international product suppliers to local service providers, global hotel chains to family guest rooms, international restaurant chains to street corner sandwich sellers, the range of tourism enterprise is vast. It therefore becomes essential to target these groups with specific information and programmes. In particular, four areas of support can be distinguished:

- a) Information and Advice
- b) Training
- c) Quality marks and labelling
- d) Financial incentives

**a) Information and Advice**

Information is a fundamental pre-requisite of sustainable development. It is the essential factor in developing the underlying value system of sustainable action. Among the tourism industry on-the-ground players, there is a clear lack of understanding about what development options are sustainable. This is not least of all because a fast-moving, short-term profit-oriented business is unlikely to have had the opportunity to absorb the last decade of debate on sustainable development. On the other hand, over-arching bodies such as the WTO and the WTTC have been leading advocates of sustainable development, and are actively involved in providing expert advice and guidance on the subject.

It is this gap in the private sector that policy makers need to address. Given the aforementioned diversity of the sector, advice must be tailored to each specific audience. Information networks are often the best means of addressing such a situation. The networks will be successful if the users recognize the value of the information available through this approach. Furthermore, technological developments are in fact driving such networks, with the Internet being a cost effective way of reach the widespread audience requiring specialist information.

Information and advice may best be delivered at a local level, with participation strengthen through the involvement of local tourism associations and other networks. However, such delivery requires advisors and trainers well versed in the sustainability issues associated with tourism.

**Recommendation A.3.a**

In line with the EU's stated intention to move towards making Europe the world's most competitive knowledge-based economy, the European Union should stimulate and support the development of specialist information networks for sustainable tourism and provide the technological capacity to manage such networks efficiently.

**b) Training**

The essential need for information for sustainability thinking can be more profoundly rooted in training packages and programmes. Just as local councils benefit from the appointment of an Agenda 21 officer or team, then private businesses require a similar set up to help them move towards sustainability. Traditionally, training has been carried out on courses, workshops and conferences that have a specific tie and location. Modern communications enables some of this to be moved to the internet, where accessibility can be increased and costs lowered, thereby reaching the difficult entrepreneurial target audience.

**Recommendation A.3.b**

Sustainable tourism Internet training modules should be developed for specific industry players, and promoted through the use of EU programmes such as INTERREG, Leonardo da Vinci and Socrates.

### c) Quality marks and labelling

The existence of a variety of different eco-labelling and certification schemes is a response to consumer demand and market regulation. ISO 9000, ISO14001, the European Flower, EMAS, ... and many private and public international, national and regional eco-labels operate to inform clients and consumers of the quality of the product or service in question.

The WTO recently commissioned a study on voluntary initiatives for sustainable tourism that examined over one hundred worldwide examples of best practice. The following information shows the importance of this area to sustainable tourism:

- *About 60 Ecolabelling schemes for tourism operate world wide, more than 40 in Europe. Most schemes focus on accommodation as product group, public and private schemes are established in Austria, the Nordic Countries, UK, Germany, Denmark, Netherlands, France, Italy, Cataluna/Spain.*
- *In total in 2001 about 7,000 tourism products have been certified worldwide, most of them in Europe (about 6,000). including the 2700 beaches and marinas awarded with the Blue Flag.*
- *In the last five years the eco-labels for accommodation in Europe together with their 1,000-3,000 certified enterprises saved probably as much energy, water and waste as 2.000 hotels or camping sites consume and produce in one year.*
- *The environmental performance per certified accommodation enterprise can be estimated as about 10-30 % better than the average performance of enterprises in Europe, e.g. 10-30 % less consumption of energy or water per overnight.*
- *The existing Ecolabels with their underlying products are not yet well known by the consumers. Good products do not yet find special attention in the international European market.*

Thus the take up of eco-labels and certification schemes still remains a drop in the ocean compared to the volume of business conducted in this sector.

As a result of the new regulation for the European Ecolabel, it is possible for the first time to award the EU Eco-label to services. This will open up a new and major area of opportunity in the wider context of sustainable consumption. The area of tourism, even if highly complex, is of

particular interest for many stakeholders and criteria are currently being developed for [tourist accommodation](#).

Many tourism enterprises and few local communities implemented an environmental management system, according to ISO 14001 or EMAS. The new EMAS II regulation shall encourage especially the majority of SMEs in the tourism sector to apply for these official European certificates.

#### Recommendation A.3.c

The EU should research the best possible manner of evolving product and service certification, with a close examination of which sectors to target, and the options of mandatory as opposed to voluntary certification. Priority attention should be given to the application of the **European Ecolabel** ("European Flower") for use throughout the tourism supply chain, first for accommodation as the most relevant product group with approximately 1 million enterprises. To use existing know how and experiences and to achieve best recognition and acceptance by the sector and the consumers, **co-operation with existing eco-labels** and certification schemes should be seen as one of the best current dissemination options and should therefore receive priority attention in the further development of the EU flower. In parallel with this, co-operation, promotion and continuous qualification of existing Ecolabels should be given a high priority by funding programmes such as LIFE. A first step has been taken by the VISIT project (LIFE Environment). Co-operation between the EU flower ("green" performance) and the **EMAS certification** ("green" management) seems to be highly promising and should be encouraged. High priority should be given to promoting the **image** of ecolabelled products/services, equating "environmentally friendly" with quality.

### d) Financial Incentives

Financial incentives can come in the form of tax imposition - Tax breaks, loans, subsidies and grants. The EU currently employs all of these mechanisms to direct the European economy. However, the tourism industry's response to these incentives is not altogether favourable. The move towards sustainable tourism requires a complete re-orientation of these policies, which will have far reaching effects. For example, the harmonization of tax policy across Europe based on the polluter pays principle means a cost



increase for transport in countries which still continue to rely on low diesel prices, with consequent effects in the national economy. However, the imposition of green taxes is a reality that consumers, industry and government must accept, and will be one of the major components of the move towards sustainable development.

On the other hand, EU subsidies, grants and loans made available through Member States often have complicated admissibility rules, and are time consuming processes with uncertain outcomes. Many SMEs are in the first place unaware of the range of financial help to which they may apply, or are unable to find enough time to enter the application process. Those that do find themselves in very competitive situations that have minimal rewards. However, the uptake of the programmes demonstrates that the demand for such financial incentives is high, and can effectively move the market in a desirable direction if the incentive has clear objectives and its implementation is closely monitored. This final point is important as it touches upon a fundamental difficulty currently experienced in the application of the structural funds at a regional level.

#### **Recommendation A.3.d**

The EU should set up a comprehensive enquiry into the issue of green taxes for the tourism industry, taking into account both the opportunity for punitive taxes via the polluter pays principle and tax breaks for certified good practice.

It is further recommended that greater stakeholder consultation is conducted to discover how the industry can better access more suitable funding schemes.

Also, the monitoring of projects that receive EU funds should focus on the sustainability criteria built into the project, and ensure compliance of commitment to sustainability.

## **4 Raising Public Awareness**

Raising awareness is the last of the priority issues elaborated in this report. Its importance was touched upon in the sections on advice and training. Awareness raising, information and advice about sustainable development matters helps develop *sustainability thinking*, which is in itself a paradigmatic shift away from the traditional consumer and business consciousness:- The former seeks to balance the social and environmental interests of the whole with personal economic gain/development, whilst

the latter prioritizes personal economic gain/development over social and environmental concerns. Sustainable action presupposes sustainability thinking, which includes the value system of sustainable development. This new value system has been demonstrated to be the foundation of a sustainable society, and articulated as the 12<sup>th</sup> Principle of sustainable development as the need for increased environmental and social awareness as the guarantee of the overall regulation system of sustainable development.

### **a) Stakeholder Participation**

In the particular case of raising public awareness, the focus should be on *stakeholder* awareness of the issues in sustainable tourism. Stakeholders exist at all territorial levels of the industry's activity – local, regional, national, sub-global and global. Their participation in the process of sustainable tourism requires a much higher level of awareness than is currently displayed at whatever level of analysis. And all stakeholders have an important role in delivering sustainability. Information provision, training and advice, best practice examples, practical application of sustainability thinking all lead to an increased consciousness among stakeholders of the necessary steps towards a sustainable tourism process.

#### **Recommendation A.4.a**

Programmes aimed at developing the concept of European Citizenship should contain a strong element of promoting the acquisition of the value system of sustainable development.

There is also a need to reinforce the current increase in environmental awareness with greater stakeholder access to information, which can be achieved through improvements in Member State educational programmes and the refinement of the availability and content of Internet based information services.

## **B) Underlying Mechanisms For Managing Priority Issues**

### **1 Development of an overall sustainable tourism strategy for the EU for guidance and integration of EC programmes.**

In respect to sustainable tourism, it is clear from both the results of this investigation into Member state interpretation of European Policy and the clarification of the European Commission's own fulfilment of the UN's Agenda 21 declaration at Rio de Janeiro and its approach to the World

Summit, that the lack of an overall tourism policy framework has limited the development of sustainable tourism within Europe.

That regional entities are by and large ultimately left the responsibility for managing tourism development programmes involving implementation of EU funding measures has meant that the overall European picture is a patchwork of parallel but under-related development processes, some even contrary to each other, e.g. in the case of tourism and biodiversity and the application of Structural funds.

The lack of vertical cohesion between regions, national governments and the DGs limits the potential synergy of current tourism market opportunities, for example, the cross-over between new technology and employment. If the full potential of the industry to create sustainable jobs is to be realised, then such an overall policy must be developed in the near future. Otherwise, the European Union is left with no overall answer to the question: 'How can we create jobs in the tourism sector without further damaging the environmental and social fabric of the Union?'

Instead, a weak and piecemeal approach to policy making will be continued, within the full glare of the World Summit on Sustainable Development later this year. The European Council's *European Strategy for Sustainable Development* itself lacks a direct reference to tourism, but states that EU's own house should be put in order first. However, the preparations for Johannesburg have suffered from lack of focus, late timing and a lack of stakeholder involvement in the build up to the process, at a time when rhetoric is explicitly singled out by the 6<sup>th</sup> EAP as being an unacceptable alternative to pragmatic action.

However, the Sustainable Development Strategy does state that improved policy making requires a set of **cross-cutting proposals and recommendations** to improve the effectiveness of policy and make sustainable development happen.

### **Agenda 21 for European Tourism**

Such proposals and recommendations can be designed and implemented coherently through the development of an Agenda 21 for European Tourism. Tourism is well-known as a cross-cutting theme within Agenda 2000 sectors. An Agenda 21 for European Tourism would act as an overall guide for implementing the changes

towards a sustainable tourism process. In this respect it would further elaborate the EU Sustainable Development strategy by directly applying its principles to the EU's biggest economic sector, directly addressing policy affecting 2 million enterprises, 8 million jobs and the key terrestrial coastal, mountainous and urban landscapes of the European continent.

Many EU programmes such as the Structural Funds that would require special attention under Agenda 21 have already clarified several sustainability issues through the 5<sup>th</sup> Action framework and Agenda 2000. Now the implementation of the 6<sup>th</sup> Action Framework requires application to the tourism sector. The EU Agenda 21 for Tourism can be used as a means of harmonizing policy on tourism with the *Sixth Environmental Action Program*. If this is used as the key reference point for sustainable tourism policymaking alongside the EU Charter for Sustainable Development, then the EU Agenda 21 for tourism will immediately address key questions of sustainability in a structured, inter-sectoral and proactive manner.

As an a priori systemic blueprint for sustainable change, the Agenda 21 mechanism provides a suitable vehicle through which harmonisation of legislation can be organisationally structured within the current European Union system. An Agenda 21 for European Tourism would facilitate harmonisation of internal policy, the above-mentioned goal of the EU Charter for Sustainable Development. A transversally implemented European Union Agenda 21 for tourism would lead to improved coherence between Council of Ministers, EU Parliament, the European Commission and Committee of the Regions. The common focus would facilitate greater cohesion between the Directorates, in particular, DG environment, DG Energy and Transport, DG Employment, DG research, DG Enterprise and DG Regio. Community level to Member State implementation would be improved, as would the Member State to regional implementation potential. The benchmarking and monitoring of the process in-built into the Agenda 21 approach would provide the sector with an integrated information system for further policy interventions. Finally the full engagement of all stakeholders would become possible, for the systemic quality of the Agenda 21 process provides each of the above mentioned layers of stakeholders with a common and equitable system of values as the sound basis of the tourism business.

## Agenda 21, Subsidiarity and European Enlargement

Within consideration of the issue of subsidiarity and the practicality of regional control of the tourism process, the above discussion demonstrates the obvious need for an overall EU wide approach to making the tourism process sustainable. This would be especially true of facilitating the means to develop practical sustainable regional implementation strategies based on best practice transfer as an alternative to uninformed, poorly planned and unsustainable growth of tourism at the destination level. In this instance, the national, regional and local requirements for formulating Agenda 21 strategies would offer both guidelines and regulations for implementation of policy interventions at these three levels.

Finally, in consideration of the process of European Union enlargement, there will be an immediate and urgent need to regulate the transition of these economies in their early years in the most sustainable manner possible. Many of these countries, by virtue of their previous social, political and economic development, have a vast environmental resource for the tourism industry. A European Agenda 21 for Tourism would be a single instrument with which to address tourism issues faced by new Member States.

### Recommendation B.1

The EU Parliament should initiate legislation that would lead towards greater policy coherence to manage the tourism process more sustainably, in principle through ***the elaboration of an Agenda 21 for the European Tourism Sector***. The need for greater policy co-ordination is prioritised in the *EU Charter for Sustainable Development* and can be applied to the tourism sector through the development of a European Agenda 21 addressing European tourism. Each of the Member State and newly accessional states could be invited to meet their agreements to the EU Charter for Sustainable Development by producing their own national Agenda 21 for tourism strategy. Guidelines and requirements of this strategy would be formulated according to social, economic and environmental sustainability criteria. The EU Agenda 21 would guide the sustainable development of:

- The business stakeholders active in the sector
- The quality of the destinations that host the sector's activities.
- The transport and communications networks that link clients to destinations

- Tourism cross-cutting themes in the field of agro-forestry, industry, energy and transport
- Guidelines for EU measures and programmes that affect the tourism process

Furthermore, the implementation of an Agenda 21 for European tourism would be a vehicle from which to address all policy recommendations suggested in this report.

## 2 Strengthening decision support systems

It was previously stated that the benchmarking and monitoring of the process in-built into the Agenda 21 approach would provide the sector with an integrated information system for further policy interventions. Decision Support Systems for policy making and policy implementation for sustainable development are evidently lacking, and this report has revealed both at Member State level and within the European Commission itself that there is a variance between the data and information available and the data and information required for informed policy making.

Part of this problem stems from the lack of policy relevance in research activities and the different information requirements of sustainability planning.

DG Research currently has no investigation into the information and decision support systems and components that underlie the sustainable tourism process, or sustainable development itself. However, previous research into science and policy making, under the fifth action framework has provided many of the elements for an appropriate the research-policy making relationship by recognising that the management of complex systems requires a systemic approach. Hence the fifth Action framework and Agenda 2000 were the European parallel developments alongside Agenda 21 working towards sustainability.

Eurostat and the EEA have difficulty in generating the raw statistical data of the economic, social and environmental processes involved in European sustainable development. The lack of research data and statistics impedes an informed policy making process, and requires immediate attention if the overall move towards sustainability is to be made reality. Sustainable development requires a control system that monitors the interaction of socio-economic and environmental processes. The current focus on gathering GDP-centric economic data no longer fits the new requirements of sustainability

planning. Decisions taken to effectively manage the tourism sector initially require statistical benchmarks that match the three aspects of sustainable process. These decisions then need to be supported by monitoring and indicator systems that measure the process and performance of any given economic sector or territorial unit. Bench-marking, monitoring systems and indicators map and model the transformation of the European economy towards sustainability, and are therefore indispensable to the policy-making process.

Part of these systems include charters for sustainability, quality marks and certification schemes. For example, green purchasing policies can be informed by eco-labelled products or dealing with certified companies. Similarly, Strategic Environmental Assessments and Environmental Impact Assessments provide essential analysis for decision-making processes.

Their application to the process of Structural Fund expenditure has been referred to both in Agenda 2000 and the 6<sup>th</sup> Environmental Action Framework. Further monitoring and evaluation needs to be conducted at the point of the system where projects are asked to execute their work in the most sustainable manner. Currently this requirement and its measurement is not well elaborated in the process of Structural Fund distribution. The regional to local interface (NUTS II management of project implementation) lacks essential decision support processes that would inform both policy makers and project executors of the sustainability of their undertaking. This gap means that many European initiatives taken under the 5<sup>th</sup> Action Framework (towards Sustainability) failed to realise sustainable projects in the field.

### Recommendation B.2

Much work is needed on the type of decision support systems the EU develops to inform policy-making and implementation procedures. This report calls for a **decision support system framework for sustainable tourism** to be developed as a specific and practical step towards enhancing policy making by the European Commission, Member States (national and regional authorities), as well as the business community and other civil society stakeholders.

i) That a ten year review of Recommendation No. R (94) 7 Of The Committee Of Ministers To Member States On A General Policy For Sustainable And Environment-Friendly Tourism Development be conducted as part of the

implementation of the Eu's Sustainable Development Charter, and the process is tied to the Further development of the EU Charter at the Seville Council of Ministers Summit.

ii) The current EUROSTAT statistical data needs to be thoroughly revised according to the needs of sustainability planning, i.e. the need to evaluate temporal and spatial interaction between social, environmental and economic processes. That this process is simultaneously fully integrated with the statistical functions of Member States to provide accurate NUTS V to NUTS I data from which to develop accurate European meta-data linked to transparent territorial planning processes shared throughout the EU Directorates.

EU funding programmes, in particular the Structural Funds, require specific project evaluation and monitoring criteria executed at NUTS II level on projects implemented at NUTS III to V, to ensure that successful project applicants implement their project in the most sustainable manner possible. The current EUROSTAT statistical data needs to be thoroughly revised according to the needs of sustainability planning, i.e. the need to evaluate temporal and spatial interaction between social, environmental and economic processes.

iii) EU funding programmes, in particular the Structural Funds, require specific project evaluation and monitoring criteria to ensure that successful project applicants implement their project in the most sustainable manner possible.

iv) The use of charters, quality marks and certification schemes are recognised as vital instruments in ensuring informed stakeholder decision-making, and are given priority support through instruments such as LIFE, LEADER and other programme opportunities.

### 3 Strengthening the development and exchange of knowledge through networks

The overall lack of policy coherence to guide a sustainable tourism process is matched by a similar lack of a knowledge network for sustainable tourism. The tourism and Employment process called for the improvement in the use and capacity of technology to inform the tourism industry how to conduct business more sustainably. Networks, both technical and managerial, are seen as the best way to organise and disseminate the knowledge needed in the tourism community.

Information networks have progresses in terms of content as much as technology. Whereas a data

network provides raw, often statistical information, and an information network provides a multiplicity of library-style catalogued information from one or many of sources, a knowledge network combines data, information and human capacity in a market-place framework. The tourism process is ideally suited to such a system, being both spatially and constitutionally disparate, and already linked by several information networks.

A knowledge network for sustainable tourism would:

- Improve awareness among stakeholders of the values, ideas and opportunities present in the transition to sustainable tourism;
- Facilitate member state execution of EU sustainable development policies through better access to tourism-related information
- Harmonise the systems and processes used to manage destination development at a regional level
- Effectively disseminate best practice to all levels of stakeholders
- Provide a European wide business-to-business and business-to-client market place for sustainable products and services
- Provide decision support information in the form of coherent and congruent monitoring and indicator systems for the entire sustainability supply chain

This approach has particular added value for the process of European enlargement in the same way as an Agenda 21 for European tourism can offer comprehensive guidance to new Member states who wish to re-align their tourism processes with EU policy directives on sustainability.

### **Recommendation B.3**

**A knowledge network for sustainable tourism** should be established at the European level through cooperation of the relevant DGs, in particular, DG Environment, DG Energy and Transport, DG Employment, DG Research, DG Enterprise and DG Regio, and implemented at Member State (NUTS I) and regional level (NUTS II) in conjunction with the appropriate ministries. Global, European, National and Regional stakeholders should be engaged in the process with the intention to formulate a knowledge network partnership within the sector.

## **EXECUTIVE SUMMARY**

In December 2001 ECOTRANS was commissioned by the European Parliament to undertake a short study of sustainable tourism. The study has been requested from the STOA unit by the Committee on Regional Policy, Transport and Tourism.

The report is based on the analysis of a number of documents from the EU and the industry relevant to the nature of the tourism sector, policy-making issues, and the more general area of sustainable development. The introduction to the report outlines the *process* of sustainable tourism. It briefly discusses the effects of the 11<sup>th</sup> Sept, and provides a brief overview of the European tourism industry and its place in the global economy.

The first part of the report presents options on EU policy improvements that would facilitate the move towards this process. A total of 26 recommendations are suggested, alongside a systemic methodology to guide their implementation. The second Part of the report examines the arguments and evidence behind the policy improvement recommendations. It separates current EC funding programmes and EC sustainable development strategies, demonstrating current types of support measures for sustainable tourism. Evidence from four member states (Germany, the UK, Portugal and Italy) is presented in this section to augment the perspective from which to view the policy recommendations of Part A.

A series of Annexes support the document, including the reports from the four countries and information on EU funding programmes.

### **A. The Need for a Sustainable Tourism Sector**

Extreme events such as those of 11<sup>th</sup> September show the short term vulnerability of the tourism sector, but there are also longer term structural issues that require attention. First of all the previous phenomenal growth of the sector has been accompanied by severe environmental and cultural damage. This has occurred specifically at the destination level, where the industry's infrastructural requirements have transformed entire landscapes. Secondly, inter-destination transport has contributed significantly to noise and air pollution, and has also been a major element in habitat fragmentation. Thirdly, the projected growth for the industry will occur in many instances in destinations that are perceived

to be close to or have exceeded their natural carrying capacity limits, with the consequence that short term economic gain will incur long term environmental and social costs.

Destination deterioration, inappropriate mobility solutions, loss of cultural heritage, increasing social inequity and overall product devaluation have characterized the mass tourism industry. However, tourism has also brought much prosperity to previously impoverished areas, and is an ideal vehicle for the exchange of cultural experience, and the European Union plans to develop the sector to achieve objectives such as rural development and Union integration. The question is how to foster continued economic growth that is not at the expense of an already fragile natural and cultural resource base. The report contains the following three overarching recommendations encompassing the recommendations on specific priority issues presented in Part A and listed in composite form in Part C Annex 7. Some specific pointers to improvement are also given at the end of the individual reports on member states.

## B. Priority Overarching Recommendations

*Bearing in mind the council of ministers recommendation in the light of the Rio Conference on Sustainable Development Recommendation No. R (94) 7 Of The Committee Of Ministers To Member States On A General Policy For Sustainable And Environment-Friendly Tourism Of The Ministers' Deputies)*

*Bearing in mind the implementation of the EU Strategy for Sustainable Development, the 6<sup>th</sup> Environmental action framework and other arguments and evidence presented in this report, the following policy development options are presented.*

### a) **Development of an Overall Sustainable Tourism Strategy for the EU For Guidance And Integration Of EU Programmes.**

It is recommended that the EU Parliament initiates legislation that would lead towards greater policy coherence to manage the tourism process more sustainably, in principle through **the elaboration of an Agenda 21 for the European Tourism Sector**. The need for greater policy co-ordination is prioritised in the *EU Charter for Sustainable Development* and can be applied to the tourism sector through the development of a European Agenda 21 addressing European tourism. Each of the Member State and newly accessional states

could be invited to meet their agreements to the EU Charter for Sustainable Development by producing their own national Agenda 21 for tourism strategy. Guidelines and requirements of this strategy would be formulated according to social, economic and environmental sustainability criteria. The EU Agenda 21 would guide the sustainable development of:

- the business stakeholders active in the sector
- the quality of the destinations that host the sector's activities.
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- tourism cross-cutting themes in the field of agro-foestry, industry, energy and transport.
- Guidelines for EU measures and programmes that affect the tourism process

***Furthermore, the implementation of an Agenda 21 for European tourism would be a single vehicle from which to address all policy recommendations suggested in this report.***

### b) **Strengthening Decision Support Systems.**

Much work is needed on the type of decision support systems the EU develops to inform policy-making and implementation procedures. This report calls for **a decision support system framework for sustainable tourism** to be developed as a specific and practical step towards enhancing policy making by the European Commission, Member States (national and regional authorities), as well as the business community and other civil society stakeholders.

i) That a ten year review of Recommendation No. R (94) 7 Of The Committee Of Ministers To Member States On A General Policy For Sustainable And Environment-Friendly Tourism Development be conducted as part of the implementation of the EU's Sustainable Development Charter, and the process is tied to the further development of the EU Charter at the Seville Council of Ministers Summit.

ii) The current EUROSTAT statistical data needs to be thoroughly revised according to the needs of sustainability planning, i.e. the need to evaluate temporal and spatial interaction between social, environmental and economic processes. That this process is simultaneously fully integrated with the statistical functions of Member States to provide accurate NUTS V to NUTS I data from which to develop accurate European meta-data linked to transparent territorial planning processes shared throughout the EU Directorates.

EU funding programmes, in particular the Structural Funds, require specific project

evaluation and monitoring criteria executed at NUTS II level on projects implemented at NUTS III to V, to ensure that successful project applicants implement their project in the most sustainable manner possible. The current EUROSTAT statistical data needs to be thoroughly revised according to the needs of sustainability planning, i.e. the need to evaluate temporal and spatial interaction between social, environmental and economic processes.

iii) EU funding programmes, in particular the Structural Funds, require specific project evaluation and monitoring criteria to ensure that successful project applicants implement their project in the most sustainable manner possible.

iv) The use of charters, quality marks and certification schemes are recognised as vital instruments in ensuring informed stakeholder decision-making, and are given priority support through instruments such as LIFE, LEADER and other programme opportunities.

**c) Strengthening The Development And Exchange Of Knowledge Through Networks.**

It is recommended that **a knowledge network for sustainable tourism** is established at the European level through cooperation of the relevant DG, in particular, DG environment, DG Energy and Transport, DG Employment, DG research, DG Enterprise and DG Regio, and implemented at Member State (NUTS I) and regional level (NUTS II) in conjunction with the appropriate ministries. Global, European, National and Regional stakeholders should be engaged in the process with the intention to formulate a knowledge network partnership within the sector.

These recommendations have to address the central question of how to maintain the sectoral growth and job creation potential without further negative impacts on regional biodiversity, local cultures and aesthetic landscapes. Country profile in this report complete the picture of policy links to sustainable tourism. For example, in Portugal, in the ten years up to the year 2000, both incoming European tourism and domestic tourism has risen annually, with domestic overnight stays rising from 7,103,000 million to 9,693,000 and incoming overnight stays starting at 16,710,000, and reaching 24,102,000 ten years later. Both the statistics and observation of landscape changes suggest that this process has not peaked, but is levelling off for now. The tensions between the transport/ property development lobby and the conservation strategies necessary to meet all needs is under

sharp focus. With this level of visitors requiring destination management infrastructure and services in a country with such a highly productive but unrealised regional potential the economic social and environmental stakes are high. Now, with the European Charter for Sustainable Development and the 6th Environmental Action programme as key ministerial level policy guidance for tourism sector policy makers and planners, greater coherence needs to be built into EU programmes via the responsible directorates to ensure that a sustainable tourism process is developed in Europe.

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Opinions expressed in this STOA Options Brief and Executive Summary do not necessarily represent the official view of the European Parliament.

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