

## POLICY RECOMMENDATIONS FOR INCREASING COMPETITIVENESS OF TOURISM DESTINATIONS THROUGH SUSTAINABILITY CERTIFICATION

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### Introduction

The delicate natural and cultural balance and the richness of the Mediterranean region require responsible and sustainable management of tourism development, especially in the most vulnerable areas. In this context, sustainable tourism certification can be a useful tool to support and lead development grounded on principles of economic, environmental, and social equilibrium.

Sustainable tourism certification provides the answers tourism providers need to minimize negative environmental and social impacts of their activity and to promote business competitiveness in context of sustainable development. It provides standards and criteria necessary to guarantee that environmental, social and economic practices regarding the sustainability of both the tourism destination and the industry are adopted.

The variety of situations addressed by the LABELSCAPE project allowed the identification of key issues all along the certification process and pointed out some policy alternatives, but it also highlighted common challenges and critical factors that can be applied to the MED area and beyond. These common issues consist of the reasons to adopt sustainable tourism certification and its impact on territorial development, the challenges faced in the process, the need for a consistent governance system, and the support tools necessary at destination level.

In general, Project Partners agree that certification is a powerful tool to achieve tourism sustainability and increase the competitiveness of businesses and territories, and that tourism development policies in the MED area should acknowledge the relevance of sustainability certification of tourism destinations and create the tools and mechanisms necessary to make it successful.

Building on the findings of the LABELSCAPE analysis, 12 general policy recommendations are outlined. Policy recommendations are directed to the public authorities that are responsible for creating the efficient tourism support systems at any territorial level (European, national, regional, and local) depending on the scope for action of each entity.

### Examination of the findings

The variety of situations addressed by the LABELSCAPE project allowed the identification of key issues all along the certification process and pointed out some policy alternatives, but it

also highlighted common challenges and critical factors that can be generalised to the MED area.

### Why is sustainable tourism certification a useful tool for tourism development?

The primary beneficiaries of sustainability certification are the tourism providers in the region, as they improve management, adopt cost effective practices, become more environmentally friendly and more responsible employers. This way they become **better positioned to respond to the trends in tourism demand** that enhance sustainability, authenticity, rediscovery of the local dimension and of the communities.

Certification is a means of **improving the quality of tourism service**, not only as tourism providers benefit from special training and capacity building actions, but also as they see their efforts rewarded when they achieve specific certification levels.

Being certified or operating in a certified destination allows the participation in **collective marketing** initiatives and brings **international visibility**.

In addition, certification is an opportunity to implement **new measures and practices** in the region, such as strategic planning, institutional co-operation, exchange of experiences and participatory approaches to territorial development. These practices can be found in every region that is in the process of certification and contribute also to structure the region's tourism offer, strengthen the relationship of tourism with the other economic activities, and enhance the integration of local communities in the economy.

The process of sustainable tourism certification also converges to the implementation of the United Nations Sustainable Development Goals (SDGs) in the region. It addresses some key issues such as the rationale use of resources, proximity-based tourism activity that preserves the territorial uniqueness, and community-based development.

The benefits of sustainable tourism certification are not just for tourism providers but also for the national tourism at macro scale. The example of Slovenia shows how the National Tourism Organisation (NTO) benefitted from the creation of the national system of sustainable tourism certification in 2015. The system works as a tool to encourage sustainable tourism development through official national tourism policy and measurements. Through the system, the NTO gets a better overview of the existing tourism offer and the sustainable practices on lower administrative levels (municipalities). It allows for recording and monitoring the sustainable practices. Sustainability certification can also be used in different procurements, as advantage criteria in calls and tenders for tourism destinations and tourism businesses. Finally, it gave international visibility to Slovenia, which was recognised as a good practice; the Slovenian "green scheme" is considered an "exportable" model.

### Where do the main challenges for sustainability certification reside?

The first issue that territories and their stakeholders face regarding sustainable tourism certification is the selection of the certification scheme. This is aggravated by the multiplicity of existing labels and the complexity of the criteria. So many options!



**Technical support** is, thus, a very important issue. Tourism companies and other territorial stakeholders need advice to select the most suitable certification for their case. They also need assistance to follow demanding procedures, to meet the required criteria, to know how to do it. They lack the skills and, particularly the small firms, lack human resources.

The second most critical issue is **financial support**. Certification requires adjusting infrastructure and procedures to meet the sustainability criteria. There are also costs with capacity building, dissemination of good practices, marketing, as well as cost paid to the certification body (annual membership fees, re-audits, etc.).

From a territorial perspective, **governance** holds another challenge. Certification of sustainable tourism destination is a collective process that requires a driving structure, not only to conduct the process, but also to mobilise stakeholders. Should it be a bottom-up or a top-down approach? Most regions are faced with a long chain of decision makers, and it is hard to identify the adequate authority regarding certification.

An additional challenge is found in post-certification, concerning the **monitoring process**. Certification of a tourism business or destination cannot be a one-time situation. It should be maintained year after year to consolidate the sustainability of the territory and promote it over time, thus raising territorial competitiveness.

Monitoring is also a means to combat **green washing**, a malpractice that can jeopardize the efforts of most territorial stakeholders.

### What should be the role of public tourism authorities?

Public tourism authorities are usually seen as DMO, holding a crucial role in the certification process. As mentioned, the certification of tourism destination requires an organisation to act as a driving force, leading the process, mobilising local stakeholders, coordinating initiatives, and providing the necessary assistance. The assignment of this central role to a public tourism authority was consensual among the target territories.

Important aspects of this role include **strategy design** and planning the implementation, namely executing a pre-check of existing labels and understand which labels suit the long-term goals of the destination.

**Communication** with other destinations for exchange of experiences and promoting communication among territorial stakeholders is also a very relevant duty. **Participatory processes** could be coordinated by the public authority, promoting dialogue, and making sure that all stakeholders are included.

Public authorities are also responsible for creating the **territorial infrastructure** and the right **conditions** for a successful certification process, namely access to funding, education, and technical assistance.

Also in post-certification, conducting continuous evaluations and **monitoring** of the territorial situation should be the responsibility of the public tourism authority.



## What kind of policy tools are necessary to encourage sustainability certification?

To promote sustainable tourism certification, tourism policies must create support systems and tools, some addressed to the private tourism providers others to the public tourism authority and local authorities. The following tools were mentioned as relevant in all territories.

### Technical support and capacity building actions addressed to tourism providers:

- ✓ Advice for identification of the most appropriate sustainability certification.
- ✓ Guidance for sustainability certification step by step.
- ✓ Supporting services for sustainability certification.
- ✓ Training sessions for sustainability certification.
- ✓ Dissemination of information on best practices for sustainable tourism.

**Technical support addressed to DMOs:** Implementation of monitoring systems to follow up the evolution of tourism sustainability at destination level – reliable evidence of economic, environmental, and social impacts of tourism, to support decision making at the destination-level and to foster sustainable tourism.

### Financial tools:

- ✓ Public financial support for implementation of sustainability certification processes.
- ✓ Public financial support for installation of infrastructure or equipment (e.g. solar panels) to improve the sustainability of tourism operations.
- ✓ Additional benefits for tourism operators having a sustainability certification when applying for public funding for investments to improve their activities (e.g. higher financing rates).
- ✓ Additional rating of tourism operators having a sustainability certification in public procurement processes (e.g., inclusion of evaluation criteria referring to sustainability certification).
- ✓ Tax exemptions or tax reductions for tourism operators having a sustainability certification.

### Marketing tools:

- ✓ Sustainability certification as a marketing tool embodied in the promotion of the tourism destination.
- ✓ Joint official marketing actions for tourism providers having a sustainability certification.
- ✓ Benefits (e.g., price reductions) for tourism providers having a sustainability certification, when participating in marketing actions, such as tourism and travel fairs.
- ✓ Increasing visibility on webpages through a filter or highlighting green businesses.

### Legal tools:

- ✓ Sustainability certification compulsory for tourism providers installed or operating in national and regional Protected Areas.
- ✓ Endorsement by public authorities (e.g., national or regional Tourism Boards) of sustainability systems/labels (endorsement to be based on the standards of the GSTC – Global Sustainable Tourism Council).



## What are the positive impacts of sustainable tourism certification?

Sustainable tourism is associated to an environmentally friendly behaviour, both of tourism providers and tourists. It guaranties the preservation of natural and cultural heritage and a sustainable use of natural resources. Local production is enhanced raising entrepreneurship and job opportunities in other economic sectors.

These values are more and more valued by tourists and communities in general. Hence, sustainable tourism certification has a major impact on **environmental sustainability**.

However, the concept of sustainability includes other dimensions, namely social and economic. Certification of a sustainable tourism destination embraces all three dimensions, aiming a balance that has a broader territorial impact.

**Economic impact** is felt by all business operators as the destination attracts more tourists, eventually reducing seasonality and demanding new higher quality services. Effects spread over the tourism value chain and the demand for integrated tourism products contribute to strengthen the economy of the region.

There are costs associated to the certification process, both for economic operators individually and for the public administration that is responsible for the quality of territorial infrastructure. However, experience shows that economic gains surpass costs, as the whole region becomes more attractive and competitive.

Employment, local entrepreneurship, local community involvement and resident satisfaction are important dimensions of the tourism development process that sustainability certification engenders. These dimensions are related to the **social sustainability** of the destination.

A cultural dimension is also part of the social impact. Inhabitants in a tourism destination that holds a green label feel they are part of the development process, and tend to improve their attitudes and become more collaborative among themselves and with the visitors.

Also, increased institutional co-operation is induced by a better **territorial governance** model that tends to emerge in certified destination, as a result of the implementation process.

In short, the impact of sustainability certification on **territorial development** goes beyond policy intervention, as it works on the various dimensions of sustainable development, enhancing complementarities and synergies that foster growth and innovation.

## Policy Recommendations

Certification is a powerful management tool to achieve tourism sustainability and increase the competitiveness of businesses and territories. Tourism development policies in the MED area should acknowledge the relevance of sustainability certification of tourism destinations and create the tools and mechanisms necessary to make it successful.

Building on the findings of the LABELSCAPE analysis, some general policy recommendations are hereby presented.

## Sustainability certification should be integrated in tourism development strategies at national/regional level

1. National tourism policies should acknowledge and recommend the certification of sustainable tourism destinations as a means to promote the competitiveness of MED tourism.
2. The concrete benefits of sustainable tourism certification, both for individual businesses and for the territories and their communities, should be clearly affirmed and explained in national/regional tourism policies increasing awareness on the benefits of certification and to promote stakeholders' adhesion.
3. Funding and tax reduction mechanisms applicable to certified actors in tourism destinations should be created at national/regional level, supported by appropriate legal frameworks.
4. National/regional strategies for tourism development should support the certification of sustainable tourism destinations, identifying/proposing the most suitable approach and creating the support systems necessary for implementation, evaluation, and monitoring. A DMO should be created in every tourism destination that envisages sustainability certification.

## Public policy support is necessary to guarantee the consistency of the certification process and effective results

5. Regional and local public authorities or DMO should create the mechanisms necessary to guarantee that the development of new tourism products in certified destinations is in line with the sustainability standards adopted and with the sustainable tourism agenda of the destination.
6. A collective brand should be created for each certified sustainable tourism destination, to promote responsible communities and facilitate collective marketing.
7. Public tourism authorities or DMO should be given the appropriate resources to lead the sustainability certification process, and local/municipal authorities should ensure sustainable management of the territory (land use, public infrastructure and services).
8. Successful sustainability certification processes require good local governance. Creating the appropriate governance model in every territory aiming sustainable tourism certification is a responsibility of the public tourism authority, DMO, and local governments.

## Mobilisation and empowerment of tourism providers regarding sustainability is essential for the certification of tourism destinations

9. Public tourism authorities or DMO should encourage sustainability certification of tourism providers through dissemination of information on the certification concrete benefits, and



implementation of demonstration and capacity building actions to mobilise them and improve their qualification for sustainability.

10. Financial support to the certification of private business operators should be arranged, and technical support tools such as technical advice, capacity building and training should be implemented in the territories aiming sustainable tourism certification.

### **Marketing, cooperation, and networking are critical factors for the success of certified tourism destinations**

11. Public tourism authorities or DMO are responsible for developing effective marketing of certified destinations in collaboration with the individual business operators and facilitate collective participation in international tourism markets.
12. Clustering and networking of certified tourism destinations should be endorsed by public authorities as it contributes to strengthen sustainable tourism in the MED area.

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