EUROPEAN PARLIAMENT

DIRECTORATE-GENERAL FOR RESEARCH

WORKING PAPER

EUROPEAN UNION ACTION IN THE TOURISM SECTOR

IMPROVING SUPPORT MEASURES FOR SUSTAINABLE TOURISM

Scientific and Technological Options Assessment Series

STOA 103 EN

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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 11th September, 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.

The Need for a Sustainable Tourism Sector

Extreme events such as those of 11th 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 bought 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.

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 6th 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***[1]. 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-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

[1] This was one of the recommendations of working group D in the Tourism and Employment process.

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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INTRODUCTION

About this study

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 objectives of the study are to provide:

- a consideration of best practices with regard to public policy in the promotion of sustainable tourism,
- a review past and current actions supported by the EU in this field and
- an assessment of the feasibility of further action at the EU level.

The study was conducted between mid December 2001 and mid February 2002, in preparation for a parliamentary debate on the issue of sustainable tourism. It entailed:

- 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.

A brief review of sustainable tourism in four Member States (Germany, Italy, Portugal and the United Kingdom) which involved discussions with relevant public authorities and other organisations in those countries.

- Discussions with DG Enterprise, DG Environment and DG Research to gain a European level perspective

This main part of the report is in two sections:

- **Part A** – An identification of current issues in sustainable tourism and recommendations for policy improvements.
- **Part B** - Arguments and evidence leading to these recommendations. This section overviews sustainable development issues affecting tourism, considers existing European policy documents in this field, and summarises the results of the research in the four selected Member States.

A series of Annexes (Part C) accompany the report. These include the full reports on the four Member States and provide more detailed information on the European Union funding programmes.

At the outset, this introduction provides an overview of European tourism, to help to identify those issues requiring the attention of policy makers.

The importance of tourism in Europe

Tourism is one of the leading growth industries in Europe and the world. It has been a driving force in the emergence of the service economy, which, in the European Union, currently accounts for double the contribution to employment and GDP of the agriculture and manufacturing industries combined[2].

[2] *The Economic Impact of Tourism* - High Level Group on Tourism and Employment 1998.

TABLE 1 The economic contribution of Travel & Tourism

WORLD	**Estimates for Year 2001**	**% of Total**	**Forecast for Year 2011**	**% of Total**
Travel & Tourism Industry				
Gross Domestic Product	US$ 1.381.5 billion	4.2%	US$ 2.654.4 billion	4.2%
Employment	78.183.400 million	3.1%	99.321.700 million	3.4%
Travel & Tourism Economy				
Gross Domestic Product	US$ 3.497.1 billion	10.7%	US$ 6.958.3 billion	11.0%
Employment	207.062 million	8.2%	260.417 million	9.0%

European Union	**Estimates for Year 2001**	**% of Total**	**Forecast for Year 2011**	**% of Total**
Travel & Tourism Industry				
Gross Domestic Product	US$ 397.3 billion	4.8%	US$ 784.7 billion	4.9%
Employment	7.7 million	4.9%	8.8 million	5.3%
Travel & Tourism Economy				
Gross Domestic Product	US$ 1,017.2 billion	12.2%	US$ 2,063.2 billion	12.9%
Employment	19.3 million	12.3%	22.9 million	13.9%

Source: WTTC Research

In Europe tourism directly contributes to almost 5% of GDP and total employment and to more than 30% of external trade in services in the Union. International tourist flows are growing faster than domestic tourism and international arrivals increased from 335 million to 527 million between 1995 and 2010. The introduction of the EURO and the process of enlargement of the Union to candidate countries in Central and Eastern Europe and to Cyprus, will create further opportunities for expanding the tourism market in Europe. Forecasts from the European Union, the World Tourism Organisation and UNEP all show significant annual growth rates in tourism in the EU over the next ten years, above the average for the economy as a whole.

Effects of September 11th on European tourism

The Commission report of 17 October 2001 provided the Gent Summit with an *Overview of EU action in response to the events of 11 September and assessment of their likely economic impact*[3]. The report explained what the EU had done in this respect, up to that date, and listed the implications for priorities both in terms of action and of resources at EU level. It also examined the impact of the events of 11 September on the EU economy and on four specific sectors, one of them being tourism.

Despite initial pessimistic predictions, the European Commission largely agrees with the analysis and conclusions issued by the World Tourism Organisation, that, from an economic viewpoint, the impact on tourism in Europe can be expected to be rather limited in scope and time, provided that no new dramatic events take place. The short-term impact is significant in particular for certain forms of tourism, destination types and specific sectors. It is, however, conceivable that there will be no measurable impact on EU tourism in the medium to long term. In addition, the effect on overall EU economic growth and employment could also be

[3] Brussels, 17.10.2001 COM(2001) 611 final Overview of EU action in response to the events of the 11 September and assessment of their likely economic impact.

mitigated to some extent by the fact that short-term cuts in consumers' tourism expenditure could lead to reallocation to other goods and services.

The volume of incoming tourism to Europe from countries such as America and Japan has dropped by up to an estimated 30%. Ireland and the UK have registered even higher losses. These effects have been quite serious, particularly for those destinations hosting incentive groups, international conferences and exhibitions.
However, contrary to EU inbound tourism, which accounts for no more than 13% of nights spent but is more lucrative, the internal European markets have been less affected.

There is already a serious fall-off in European travel to destinations outside Europe, which has contributed to the economic instability of European airlines, who were already experiencing competitive difficulties. Travel agents and tour operators specialising in destinations that show a particularly strong decline in tourism activity are experiencing extremely high losses. Small and medium-sized companies lack financial reserves to bridge the immediate negative effect on business. A number of companies have announced staff reductions or are said to be close to bankruptcy. Some will go bankrupt, as in the case of the national carrier Swissair, and the trend towards concentration of carriers that already existed before the events is likely to increase.

To some extent the loss of overall revenue will be compensated by increased visits within the EU. This report demonstrates that individual Member States have been affected differently, with more serious effects in the UK, whilst countries such as Portugal have not seen major reductions in visitor flows. But overall, the tourism industry is seen as being on course to be back to normal growth predictions by the end of 2002/3.

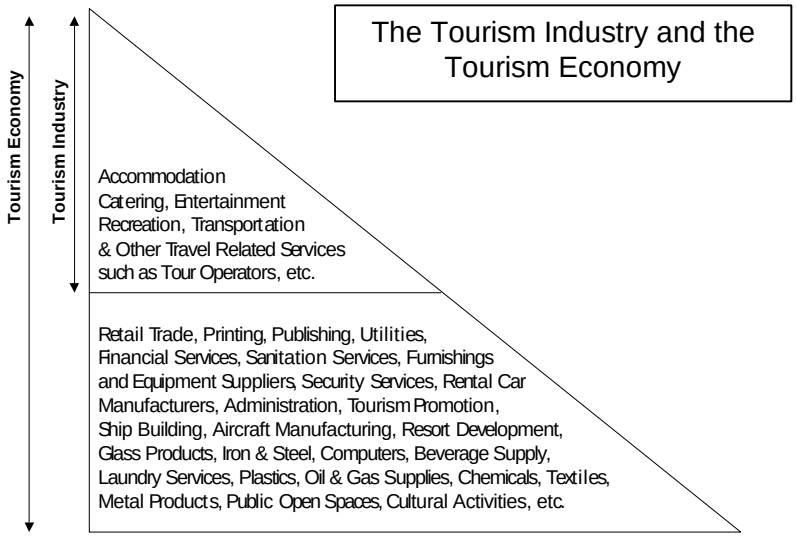
The need for a sustainable tourism sector

Extreme events such as those of 11th 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 serious environmental and cultural damage in certain destinations, where the industry's infrastructural requirements have sometimes 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 bought much prosperity to previously impoverished areas, and is an ideal vehicle for the exchange of cultural experience. 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. To answer such a question it is necessary to fully integrate the key dimensional concepts of sustainability, i.e. the harmonisaiton of economic, social and environmental processes. Therefore it is necessary to place the development of sustainable tourism in the context of the ongoing development of the sector as a whole.

Structural profile of the tourism sector

Given this enormous volume and diversity of economic activity, it is useful to take a structured look at the nature of an industry that conducts its business on such a vast scale. The tourism sector is well-known for the multiplicity of its component parts. The diagram below[4] divides the sector into the tourism *industry* and the tourism *economy*, revealing the extent to which the industry is seamlessly integrated into other economic sectoral activities such as transport, industry and energy.



Moreover, the sector operates from a local to global spatial base, leaving a large foot print on a territorial level, both in terms of breath of impact (travel and communications networks and links) and depth of impact (destination development). This spatial complexity has ramifications for policy-making, particularly in the case of the EU's integration and enlargement processes.

In order to develop a sense of order within the complexity of the sector, we can see how the industry can be characterised by:

- Its ***stakeholders*** – businesses, government agents, civil society, holiday clients, and
- Its ***geographical location*** – the holiday destinations/regions and their transport links

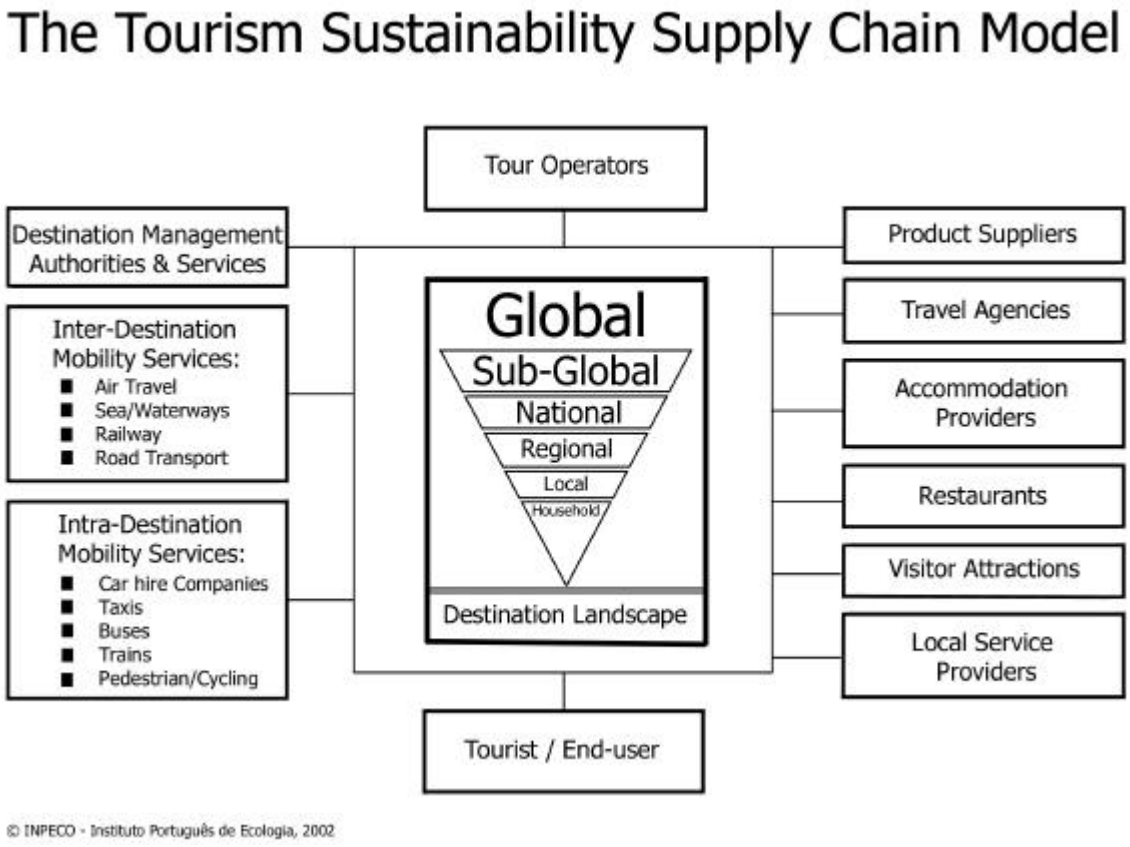
If the sector is to be moved towards sustainability, it will be necessary to ensure that:
- each of the stakeholders is encouraged to act sustainably, and
- destinations and links to destinations are managed sustainably.

This provides a useful division between the ***stakeholder activities*** of the industry and the ***landscape*** that these activities affect, from which it becomes easier to develop EU policies that foster sustainable tourism. For the purposes of this report, it is therefore useful to refine the above model and introduce the concept of ***a sustainability supply chain for the tourism sector***, which further clarifies and substantiates the subject matter requiring policy improvements.

4 *The tourism economy and industry towards a sustainable Nordic tourism*, Proposal for a Common Nordic Sustainable Tourism Stragegy, 2001, Nordic Council of Ministers.

The diagram below maps an outline of the different stakeholders of the tourism industry who are part of the supply chain that offers end-users their holiday products and services.

The tourism supply chain model displays the potential interaction of stakeholders in the provision of the tourism product (the visitor experience). It also shows on which geographical scale they operate.



In a *sustainability* supply chain, each of these links is made to relate to others in a sustainable manner. Policy makers and planners, as well as managers of each link, need to ensure that the individual elements of the chain move towards sustainable performance, both internally and externally. ***In this respect, policy and planning for the Tourism industry needs to address the sustainability of each segment, in order to move the whole sector onto a sustainable footing.***

The sheer size and volume of the current tourism sector is enough to warrant careful attention to the social and environmental impact of such economic activity, but when the growth of the industry is also forecasted on such a scale, then policy-makers and planners need be even more aware of the need and the mechanisms to move this sector towards sustainability. By providing a clear image of the business of tourism and its actors, the tourism supply chain model offers a means of more accurately targetting policies and programmes at stakeholders, whilst also enabling the monitoring of the effects of such interventions.

Sustainable growth in the tourism sector

The WTTC itself states:

"The Travel & Tourism industry will continue to grow throughout the coming decades, with international tourist arrivals forecast to triple by the year 2020. In the last ten years the Travel & Tourism industry has realised the importance of environmentally and socially sustainable development. With the continuing growth of the industry it will soon become essential for all stakeholders to be involved in the sustainable development process."[5]

In bringing economic benefits and infra-structural development to the most attractive places in the world, tourism continues to impact on the environment and on culture on a local to global scale. Mass tourism has had its critics precisely because of its uncontrolled and negative effect on the natural and cultural landscape of many destinations. Many Mediterranean destinations have become clichés of this rapid urbanisation process, in which the homogeneous process of globalisation diminishes regional diversity.

In this process, the essential quality of the tourism product, i.e *the visitor experience*, is diluted, with negative consequences for the long term stability of the industry. Therefore, the necessity of making the tourism sector more sustainable through ensuring the quality of the visitor experience is underlined by the WTTC's further elaboration of the industry's potential positive and negative impacts:

"Tourism products and services that demonstrate 'greater sensitivity to the environment, traditional culture and local people at the destinations[6]*' can create such an experience, whereas tourism in a context of uncontrolled growth which puts increasing pressure on the natural, cultural and socio-economic environment, risks diminishing the visitor's experience. In short, increased market demand for experiences can contribute to social, economic and environmental sustainability* ***only if the resulting pressures from growth are properly planned and managed (emphasis added)"***[7]**.**

The sustainable tourism process

The task of properly planning and managing the sector therefore becomes economically, socially and environmentally essential. So, what defines a viable, or ***sustainable*** tourism sector? Part B of this report examines the theory and arguments behind sustainable tourism, but it is useful to include a brief description of sustainable tourism at this point. Very often sustainable tourism is confused with nature-based tourism, or eco-tourism, and contrasted to mass tourism. This report presents the thesis that all tourism should strive to be sustainable irrespective of market niche or volume of movement. This is in line with EU policy on sustainable development, which is discussed in Part B.

The World Tourism Organisation (WTO) definition of sustainable tourism states:
'Sustainable Tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.'[8]

[5] The Tourism industry; a report for the World Summit on sustainable development, World Travel & Tourism Council 2001.
[6] ECOSOC, March 2001.
[7] see #4.
[8] Agenda 21 for the Travel and Tourism Industry, World Tourism Organisation, 1995.

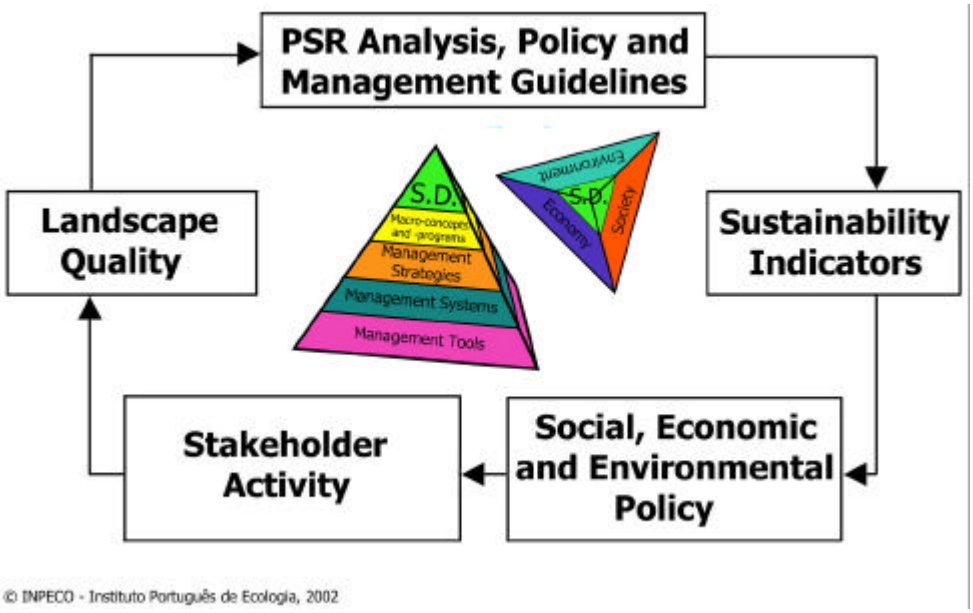
Sustainable tourism is a process. The process involves balancing natural eco-system requirements with socio-economic development. Principally this requires:

- the ***preservation of the natural and cultural landscape*** of the tourist destination and region, whilst
- simultaneously ensuring the ***greening of the products and services*** that deliver the visitor experience.
- The whole process is implemented by ***a partnership of government, private and civil stakeholders***,and
- is guided by a ***sustainability monitoring and indicator system*** that provides transparent information on social, environmental and economic interaction for improved policy-making and decision-taking by all stakeholders.
- The process is initiated at the destination level by ***a benchmarking exercise*** that catalogues the socio-economic and environmental resources of the area in question, and measures the implementation of ***institutional processes*** that foster the sustainable development of that area.
- These processes and their effect on the destination landscape are then measured by ***performance indicators***, which provide feedback for further policy intervention.

In terms of initiating the process of sustainable tourism with regard to the sustainability supply chain, the greening of the products and services is the principal objective. This is achieved through the use of quality certification at each point of the product. Stakeholders are encouraged to develop and utilise environmental friendly solutions, and these solutions are given a verifiable market identity through the use of eco-labels and certification schemes.

The processes outlined above characterise the means by which sustainable development can be implemented in the tourism sector. Once solutions have been found, then the transfer of best practice and the exchange of information are essential steps to be taken in order to meet the temporal deadlines set by the growth of the industry. For this reason the establishment of information networks throughout the sector are vital.

Having briefly outlined the nature of the tourism sector and a model of the sustainable tourism process, the policies that can positively influence the sector are now detailed in next section.


PSR Analysis, Policy and Management Guidelines
Landscape Quality
Sustainability Indicators
Stakeholder Activity
Social, Economic and Environmental Policy
S.D.
Macro-concepts and -programs
Management Strategies
Management Systems
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Economy
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PART A - OPTIONS FOR ACTIONS BY THE EUROPEAN UNION

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 21st 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 Aalburg Charter*)[9], 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

[9] European Local Agenda 21, Planning Guide ICLEI 1995.

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[10], 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[11] 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)[10] 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[12].

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

[10] Council Conclusions on the Communication from the Commission "Europe's Environment: What directions for the future?", Council of the European Union Brussels, 28 April 2000, 8072/00

[11] Environment 2010 - Our future Our choice - the 6th Environment Action Programme 2001–2010, COM (2001) 31 Final 2001/0029 (COD)

[12] Council Directive 97/11/EC of 3 March 1997 amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment, OJ L 073 , 14/03/1997 p. 0005 - 0015.

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[13] 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.

[13] Brussels, 27.09.2000 COM (2000) 547, Final Communication from the Commission to the Council and the European Parliament on integrated coastal zone management: a strategy for Europe.

The report from the High Level Group on Tourism and Employment[14] 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.[15]As such it represent 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 vary 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. Mechanism are required for protected area managers to work with local stakeholders, including tourism enterprises, in developing creative sustainable tourism strategies for their areas.

[14] European Tourism – New Partnerships for Jobs High Level Group on Tourism and Employment, 1998.

[15] The Habitats and Species Directives are the Community's main contribution to the conservation of biodiversity as defined by the Rio Convention (1992) or, earlier, by the Berne Convention on European Wildlife and Natural Habitats (1979). They are also in line with the general principles of more specific Conventions such as the Ramsar Convention on the conservation of wetlands (1971) the Bonn Convention on migratory species (1979) and conventions on specific regions: the Helsinki Convention on the Baltic Sea (1974), the Barcelona Convention on the Mediterranean (1976) and the Convention on the protection of the Alps (1991). Natura 2000 – Managing our Heritage DG Environment CR 99-96-875.

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*[16]. 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[17] 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"[18].

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.

[16] The Charter for Sustainable Tourism in Protected Areas has been developed by the Europark Initiative, offering both a framework for managing tourism and a network for exchanging best practice.
[17] The European Spatial Development Perspective**,** The European Consultative Forum on Environment and Sustainable Development Secretariat EC DG XI 1999.
[18] Ibid ESPD section 3.2.3.

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%[19].

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

[19] 1st Conference on Cultural Tourism Economy and values in the XXI century, Fira de Barcelona, March 2001, Public Policies and Cultural Tourism - EU activities, European Commission Dr Reinhard Klein.

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 though 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[20]. The following information shows the importance of this area to sustainable tourism:

[20] WTO Voluntary Initiatives in Sustainable Tourism (to be published in 2002).

- *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 note 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 12th Principle of sustainable development[21] as the need for increased environmental and social awareness as the guarantee of the overall regulation system of sustainable development.

[21] *The Law of Sustainable development*, M. Decleris report for the European Commision, DG11, 2000.

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 though improvements in Member State educational progammes 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 marker 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 6th 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 5th Action framework and Agenda 2000. Now the implementation of the 6th Action Framework requires application to the tourism sector. The EU Agenda 21 for Tourism can be used 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[22], 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.

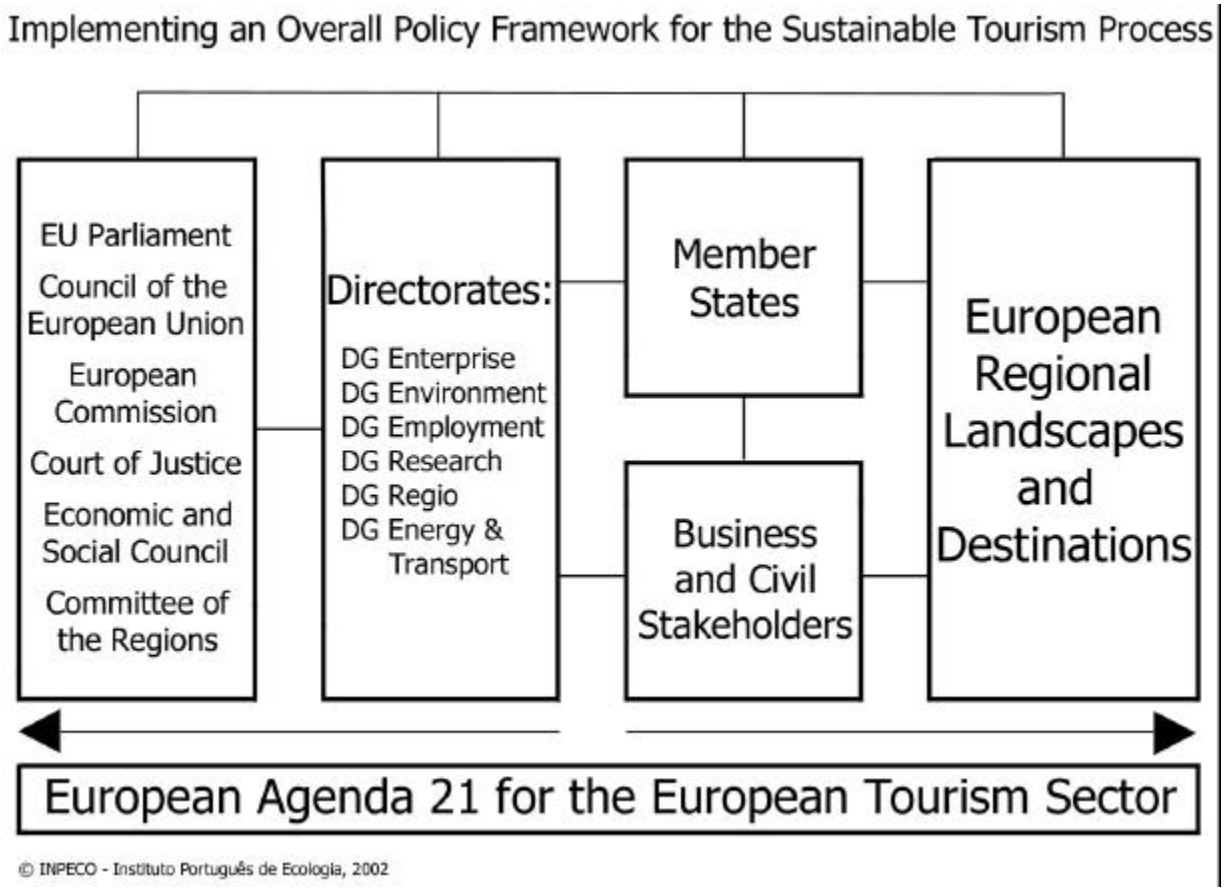
Agenda 21, Subsidiarity and European Enlargement

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

[22] See M. Decleris, op.cit.

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***[23]. 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

[23] This was one of the recommendations of working group D in the Tourism and Employment process.

- 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[24] 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.

[24] DARE initiative DG research, 1998.

Their application to the process of Structural Fund expenditure has been referred to both in Agenda 2000 and the 6th Environmental Action Framework[25]. 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 5th 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.

[25] See Part C of this report and Annex 3 on Agenda 2000.

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.

PART B - SUSTAINABLE TOURISM IN EUROPE - ARGUMENTS AND EVIDENCE

In terms of EC policy regarding tourism, Part A of this report contains many recommendations that have the potential to improve the impact of progamme funds on the destination landscape, and to improve the sustainable performance of industry stakeholders. ***The overriding emphasis should be on the fact that policy making for the tourism sector requires synchronization with the new orientation of sustainable development now firmly undertaken by the European Union.*** This part of the report serves to provide that orientation, with regard to the proposals and recommendations that have been elaborated in Part A..

This part of the report contains:
A) A closer look at some sustainable tourism issues in Europe that should be addressed in policies.
B) An overview of current European policy and action relating to sustainable tourism.
C) An analysis of five key strategic documents for determining sustainable tourism policy.
D) A listing of the main EU programme funds that support the tourism sector is given, referring on to a fuller description in an Annex.
E) Some key points from the research among four Member States (Germany, the U.K., Italy and Portugal) is presented, with the full reports from each country, including good practice examples, being provided in an Annex.

A) Sustainable Tourism – Some challenges for Europe

Why do we need tourism to be sustainable? As was stated earlier in the report, the phenomenal growth of European Tourism has brought both economic prosperity and social modernization to many regions of Europe. The environmental cost of this growth was previously deemed acceptable by those controlling the process. However, the continued exponential growth of the industry threatens the biological and cultural resource base upon which the industry survives. Now the question of scale arises, and the industry policy makers and planners need to address this question at a practical level.

The loss of regional cultural and natural patrimony in the face of a uniform and global product has become all too evident throughout Europe. This process of global homogenisation is seen as detrimental to the long-term competitiveness of the sector, as well as having a negative impact on local environments. Future tourism development foresees the preservation of the regional identity of destinations, as well as conserving the destinations' environmental attributes, thereby maintaining product differentiation for the visitor experience and ensuring a viable market place for the industry to utilize in the long term.

Very often sustainable tourism is confused with nature-based tourism, or eco-tourism, and contrasted to mass tourism. The World Tourism Organisation (WTO) definition of sustainable tourism states:

'Sustainable Tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while 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.'[26]

Effectively, this definition is aimed at ameliorating the problems that mass tourism has engendered at the destination level. The loss of regional cultural and natural patrimony in the face of a uniform and global product has become all too evident throughout Europe. This process of global homogenisation is seen as detrimental to the long term competitiveness of the sector, as well as having a negative impact on local environments. Future tourism development foresees the preservation of the regional identity of destinations, as well as conserving the destinations' environmental attributes, thereby maintaining product differentiation for the visitor experience and ensuring a viable market place for the industry to utilize in the long term.

Tourism Growth in the EU – the Case of the Mediterranean Basin

Over the last decade tourist activity has gone up by an average of 14% of total nights spent. The increase is much more than average in the southern part of the EC. In the Alpine regions tourism has risen sharply to about 50 million people every year. As income levels, and leisure time increase of the next decade, substantial growth is anticipated. This will have its effect over the whole of Europe with an emphasis on coastal and mountain zones, with the Mediterranean region taking a large share. "[27]

The EC has a variety of tourist market segments, ranging from the above-mentioned Alpine tourism to a massive historical and cultural tourist industry based on our older cities and monuments. This report sated earlier that the major revenue from tourism is generated in the Northern European countries and is primarily based on urban cultural tourism[28]. However it is the Mediterranean that particularly merits attention in terms of industry pressure and the need for appropriate responses.

The Mediterranean is the leading tourist destination in the world, attracting 30% - 35% of world tourism. There are 135 million people living around the Basin, yet 160 - 183 million tourists arrive annually, bringing US$ 116,000 million dollars in revenue. Most of these people and their activity are based on the Northern and eastern edge of the basin, in which the EC countries dominate the market over their poorer, war-disabled African counterparts. It takes 100 years for the waters of the Mediterranean to regenerate themselves, and the coastal boarders are predominantly fragile landscapes with near-desert like eco-systems. The region is one the 35 global biodiversity hotspots listed by Conservation International. Pressure on them is already intense, but the future does not envisage any respite for this already over-polluted, over-exploited and poorly managed natural resource.

"According to the UNEP Blue Plan, the number of tourist in the Mediterranean region could grow to as many as 380- 760 million per year in 2025, depending on economic growth rates. This development would be in addition to the predicted demographic changes in the area. 160 million of these tourists in the year 2000 and 260 million in the year 2025 would visit Mediterranean coastal areas, as compared to 55 million in 1984 and 100 million in 1990. Estimates of the WTTO confirm the projections of the Blue Plan. Both indicate that up to 90% of increase could accrue to Community Member States in that region. Such increases would require double the occupation of space by the year 2000 alone, the solid waste and water generated could more than triple by the year 2025."

[26] Agenda 21 for the Travel and Tourism Industry, World Tourism Organisation 1995.
[27] Towards sustainability - OJ 138, 1993, p. 38.
[28] Discussion on cultural tourism in Part A, p. 16.

(ibid p. 39)

Many of these projections have already been met or exceeded, yet the EU has been unable to formulate a clear policy or programmes to direct the industry towards a more environmentally responsible position in this area. The *Fifth Environmental Action Programme* set out general environmental objects for tourism, and a Green Paper on Tourism was produced in 1996, with the intention of launching the Policy Programme entitled 'Philoxenia' from DG 23 (Now DG Enterprise). However, there is still no EU defined policy, because the *Philoxenia* programme budget for DG XXIII was not approved owing to German and British opposition. Instead, DG XXIII concentrated resources on establishing *EcoNett* with the help of the WTTC, and then initiated the tourism the tourism and employment process.

Sustaining Tourism

The sectoral importance of tourism is well recognised, and it is seen a major component of future EU growth. In particular, it is considered a central component of rural regeneration and the structural adjustment of the less developed, more remote areas of Europe. As such, its overlap with transport, agriculture and energy issues means it is difficult to isolate tourism from policies that effect these other sectors, and is implicit in many spatial development strategies, particularly those involved with rural regeneration and nature conservation.

The introduction to this report outlined the *process* of sustainable tourism – this section discusses the programmes and policies that are part of the environmental and socio-economic control systems of sustainable tourism. Built largely within the advances made in policy formulation in the post-Rio Climate, many of these programmes are already addressing sustainability issues, and the EU policies are becoming visible at Member State and regional level. For example, the Fifth Action Framework and Agenda 2000 have provided guidance of the application of the structural funds, which within their component parts form the bulk of support funding for the tourism sector. The question is whether this process is matching the pace of growth and resource use required by the industry itself, and how the pressures generated are *immediately* managed at the destination or business level, such is the need for swift action when talking about the resolving the problems of infrastructure expansion and biodiversity loss.

The review of the fifth action framework and the implementation of the sixth action framework address this issue, and the results underline the importance of prioritising the natural resource base *in every instance* at this point in time. This is to avert once and for all the continued potential for crisis caused by decline in landscape resources, especially biodiversity resources. The vision of an enlarged and integrated union has to be backed up by the implementation of programmes such as the 6th Action Framework. It provides the basis for whatever sector of the European economy to be sustainable. In this respect alone it should become the guide for sustainable tourism policy making. Moreover, it provides a 10 year time span to make Europe economically, environmentally and socially sustainable.

Tourism, as seen in this report has a major role to play in that process, not least of all in job creation and European integration, but also in cultural and environmental preservation. Tourism policy making requires at the minimum an overall framework to measure its effects on the process. Without this systemic component running in parallel to Agenda 2000, the 6th Action Framework and the implementation of the Charter for Sustainable Development, an opportunity to develop a major cross-cutting policy tool will be lost. This missing part of the overall regulatory system would be negatively reflected in continued landscape degradation, loss of employment potential, and the continued erosion of regional identities. On the other hand, with such an overall vision of the sustainable path of the tourism sector in operation, the

programmes and policies effected by the EU will have heightened potential to effect their intended outcomes at project level.

B) European policy and action relating to sustainable tourism

One of the main concerns of the work undertaken towards this report has been to identify the current policy position of the EU towards sustainable tourism. The situation is quite complex. As the project brief stated, the Treaties give no particular guidance for a community tourism policy, and there is no specific legal basis for a joint policy in regard to tourism, only indirect support in various articles and treaties for different sectors. European policy and action relating to sustainable tourism can be historically linked to:

- The Treaty on European Union, signed by all Member states in 1992, which introduced as a principle objective the promotion of sustainable growth respecting the environment.
- Article 3v of the Treaty of Amsterdam, which includes tourism measures in the list of Community activities foreseen in support of the Community's overall objectives.

In their moves to develop a sustainable tourism policy the Nordic council of ministers set up an ad hoc group on sustainable tourism[29]that provided the following report on EU policy:

The Council of the European Union

Three recommendations addressed to the governments of Member States have been adopted by the Committee of Ministers of the Council of the European Union:

- R (94) 7 of 5 September 1994 on a general policy for sustainable and environment-friendly tourism;
- R (95) 10 of 11 September 1995 on a sustainable tourism development policy in protected areas; and
- R (97) 9 of 2 June 1997 on a policy for the development of sustainable environment-friendly tourism in coastal areas[30].

Recommendation (94) 7 calls on Member States to base their tourism development policy on the principles of sustainable tourism. This means prioritising the principles of prevention and precaution, and that environmental considerations should underlie any tourism development policy. Every planned tourism activity should be subject to an environmental impact assessment. Tourism should primarily benefit the local community and population; it should encourage the employment of the local workforce and promote the use of local materials, and local and/or existing infrastructures.

Implementation of these general principles is the responsibility of central government and of the local and regional authorities in accordance with their respective powers. Lastly, national authorities are called upon to act through international organisations to ensure that a global approach is applied to tourism development, that due regard is given to the natural, social and cultural environment, and to promote international awards for sustainable and environment-friendly tourism.

Recommendation (95) 10 concerns protected areas, of which there are many in mountain regions. Member States should therefore maintain strictly protected areas where, if appropriate, any human presence is exclusively limited to the needs of scientific research. In

[29] *Towards a sustainable Nordic tourism*, Proposal for a Common Nordic Sustainable Tourism Strategy 2001, Nordic Council of Ministers.
[30] ibid.

other protected areas, Member States should encourage sustainable tourism, prohibiting or limiting public access and certain activities. It is essential that the number of visitors be controlled and that an effort be made to educate the public and raise their awareness. It is also important to implement a mechanism to monitor implementation of these principles.

Recommendation (97) 9 relates to coastal areas. It recommends that governments base their tourism development policy on a series of general principles. The majority of these may also be implemented elsewhere, for instance in mountain regions. It is worth noting three of them, which state that tourism development must (i) respect each area's specific features, (ii) comply with quality requirements; and (iii) be limited to a level compatible with the ecological and social carrying capacity of the site.

Furthermore, the Committee on the Environment, Regional Planning and Local Authorities of the Parliamentary Assembly of The Council of Europe, proposed that a feasibility study be conducted into the development of a system of quality labels for tourism in mountainous resorts (Council of Europe, Doc. 8556, 1999). The aim being to control the risks to the natural and man-made environments imposed by the tourism industry.

More recent important processes concerning the sustainable development of tourism involve a series of key policy documents that are analysed in the next section.

The European Commission

The responsibility for the portfolio on sustainable tourism is held by Directorate General for Enterprise Policy, Distributive Trades, Tourism and Co-operatives (DG Enterprise). DG Enterprise pursues its activities in close co-operation with other services of the Commission (Inter-Services Group on Tourism), with Member States (Advisory Committee), as well as with the European institutions – the European Parliament, the Council of Ministers, the Economic and Social Committee and the Committee of the Regions. DG Enterprise has also developed a working relationship with representative tourism organisations, especially when dealing with specific issues.

Directorate General for Environment, Nuclear Safety and Civil Protection (DG Environment) is also involved with sustainable tourism. DG Environment plays a main role by ensuring that the principles of sustainability are fully taken into account in the preparation of legislation and in the operation of programmes and policies, which are not themselves conceived in terms of environmental protection objectives. In practice most of tourism projects and programmes either include an environmental dimension or have a significant impact on the environment. Furthermore, programmes that fund tourism projects can be found under almost all of the Directorates. A total of 53 programmes were identified in the course of this report that are relevant to the tourism process[31].

C) EU policy documents relating sustainable development to the tourism sector

This section of the report places the development of the tourism sector in the context of sustainable development in general. The European Union's approach is characterised in the *European Union Sustainable Development Strategy*, and detailed in the *Sixth Environmental Action Programme*. What is clear from these documents is that sustainable tourism cannot be

[31] Enterprise DG, Directorate D, Unit D.3 Tourism EU Schemes in Support of Tourism 2000

a mere component of the tourism sector as a whole. Rather, the whole sector needs to be made sustainable.

In line with Community strategies to make all sectors of the European economy sustainable[32]*, moves need to be made towards developing a coherent sustainable tourism policy orientation. In this strategy, rather than determining specific programs for sustainable tourism alongside or within a range of support measures for the tourism industry, it is necessary to ensure that all policies, support measures and expenditures reflect considerations of sustainability.* Therefore this report considers it initially useful to orient the EC policy on tourism towards the Community's overall sustainable development objectives. To this end the key programs and policies that provide this orientation are examined in order to provide the direction for a sustainable tourism policy. In this respect, four key policy and program areas of the Community offer this guidance, alongside a report produced for the European Commission (DG Environment) that offers guidance on understanding the process of sustainable development:

1. **The Law of Sustainable Development,** Michael Decleris Report to DG Environment (2000)

2. **A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development** (Commission's proposal to the Gothenburg European Council) Brussels, 15.5.2001 COM (2001)264 final

3. **Environment 2010 - Our future Our choice -** the 6th Environment Action Programe 2001–2010 - COM (2001) 31 Final 2001/0029 (COD)

4. **The European Spatial Development Perspective** The European Consultative Forum on Environment and Sustainable Development Secretariat EC DG XI 1999

5. **Working together for the future of European tourism** Commission Communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions, Brussels, 13.11.2001 COM (2001) 665 final.

Of these five documents, the *Law of Sustainable Development* provides a clear and concise update of how far the concept of sustainable development has been clarified since the Earth Summit in Rio de Janeiro in 1992. The *EC Sustainable Development Strategy* provides the historical and global context for adopting a sustainable development strategy for Europe, and thereby provides the framework and direction for developing the tourism sector sustainably. The *Sixth Environmental Action Program* is the key reference point for sustainable tourism policymaking in terms of protecting the environment. The *European Spatial Development Perspective* addresses the territorial issues facing the tourism industry within existing and potential member states. Finally, the recent 'Tourism and Employment' process documented in the *future of European Tourism* focuses on how the Union can develop a high-quality, competitive and growing tourism industry whilst meeting environmental and socio-economic sustainability criteria.

We now look at each of these documents in turn.

[32] Brussels, 15.5.2001, COM (2001)264 final, A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development.

The Law of Sustainable Development

One of the problems that has impeded the formation and implementation of sustainable development policy has been the difficulty of elaborating exactly what is sustainable development in precise scientific, technical and juridical terminology. The Law of Sustainable development provides the first clear legal and scientific explanation of the sustainable development process and thereby can illuminate the act of policy making.
In the Law of Sustainable development, a systemic analysis of global change is presented, and the process of Agenda 21 is clearly defined as the blueprint for sustainable change, as was intended at the Rio Conference. Ten years later, this process has resulted in the formulation of twelve key principles of sustainable development:

12 Principles of Sustainable Development

- Thus, the first principle of public environmental order establishes the obligatory nature of this control system aimed at the evident general good not only of the present generation but those to come: sustainable development must not be abandoned to market forces but must be a responsibility of the state.
- The second principle of sustainability requires all public policies to be harmonised and prohibits any further reduction or degradation of natural, cultural and social capital, because even what has been left after ruthless development may well not be enough for survival.
- The third principle demands respect of the carrying capacity both of man-made systems and of ecosystems, to prevent the construction of still-born, hypertrophic man-made systems which drag ecosystems down towards their destruction.
- The fourth principle demands correction of that error where this is still possible, i.e. the restoration of disturbed ecosystems so that the reduction of natural capital will be averted.
- The fifth principle enjoins the protection of biodiversity in order to preserve the stability (equilibrium) of ecosystems.
- The sixth principle, that of common natural heritage, strives to secure for the sake of all the vital nucleus of natural capital, i.e. untamed nature where it exists and the ultimate reserve of life.
- The seventh principle demands restrained development in fragile ecosystems.
- The eight principle, that of spatial planning, calls for the overall planning of balance between man-made systems and ecosystems, so as to control and maintain their stability and to improve the quality of the former.
- The ninth principle, that of cultural heritage, is interested in the stable continuation of man-made systems and the qualitative (spiritual) character of development.
- The tenth principle, that of sustainable urban environment, strives to reverse the advancing decay of modern cities, and to restore quality of life therein.
- The eleventh principle, that of the aesthetic value of nature, also serves qualitative development and the satisfaction of man's aesthetic needs, and
- The twelfth (and last) principle establishes a sound system of values and environmental awareness in people, as the real guarantee of the entire control system.

'The system formed by these general principles is complete because it covers all the fundamental problems of relations between man-made systems and ecosystems. On the basis of those principles other, more specific ones can be drawn up where necessary for the solution of specific problems. By respecting these principles, people are free in future to impart quality to their development, on the one hand by controlling its natural cost and on the other hand by the equal satisfaction of material and intangible values". M. Decleris, the Law of Sustainable Development, p. 19.

When making policy for sustainable development, this list of fundamental laws provides clear and unequivocal guidance on the content and intention of new policy for any specific sector or landscape.

A European Union Strategy for Sustainable Development

In the year 2000, the European Council meeting in Lisbon set a new strategic goal for the Union: *"to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion"*[33]. The Stockholm European Council then decided that the EU sustainable development strategy should complete and build on this political commitment by including an environmental dimension. This recognises that in the long term, economic growth, social cohesion and environmental protection must go hand in hand.

To attain this requires in practice that economic growth supports social progress and respects the environment, that social policy underpins economic performance, and that environmental policy is cost-effective. To separated environmental degradation and scarce resource consumption from economic and social development requires a major reorientation of public and private investment towards new, environmentally-friendly technologies and working procedures. The sustainable development strategy aims to be a catalyst for policy-makers and public opinion in the coming years, and to be a driving force for institutional reform, and changes in corporate and consumer behaviour. To bridge the gap between this vision and practical political action, the Commission has proposed that the strategy should focus on a small number of problems which pose severe or irreversible threats to the future well-being of European society, namely:

Climate Change.
Threats to public health
Poverty and social exclusion
Ageing of the population.
The loss of bio-diversity
Transport congestion and Regional imbalances

A New Approach To Policymaking

'Although the Union has a wide range of policies to address the economic, environmental and social dimensions of sustainability, these have developed without enough co-ordination. Too often, action to achieve objectives in one policy area hinders progress in another, while solutions to problems often lie in the hands of policy makers in other sectors or at other levels of government. This is a major cause of many long-term unsustainable trends. *In addition, the absence of a coherent long-term perspective means that there is too much focus on short-term costs and too little focus on the prospect of longer term "win-win" situations (emphasis added).*'

The Strategy recognises that action must be undertaken at all levels, by everyone: Many of the changes needed to secure sustainable development can only successfully be undertaken at EU level. Clear examples arise in policy areas where the Community has exclusive legal competence, or where integrated European economies mean that uncoordinated action by Member States is likely to be ineffective. In other cases, action by national, regional or local

[33]A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development (Commission's proposal to the Gothenburg European Council) Brussels, 15.5.2001, COM (2001)264 final.

governments will be more appropriate. However, while public authorities have a key role in providing a clear long-term framework, it is ultimately individual citizens and businesses who will deliver the changes in consumption and investment patterns needed to achieve sustainable development. The Commission believes that the EU should start by putting its own house in order, to provide international leadership and as a first step towards achieving global sustainability. As EU production and consumption have impacts beyond European borders, it must also ensured that all policies help prospects for sustainable development at a global level.

To meet these challenges the Commission has proposed an EU strategy in three parts:
1: A set of cross-cutting proposals and recommendations to improve the effectiveness of policy and make sustainable development happen. This means making sure that different policies reinforce one another rather than pulling in opposite directions.
2: A set of headline objectives and specific measures at EU level to tackle the issues which pose the biggest challenges to sustainable development in Europe.
3: Steps to implement the strategy and review its progress.

Improving Policy Coherence

The Strategy states that sustainable development should become the central objective of all sectors and policies. This means that policy makers must identify likely cross overs – good and bad – onto other policy areas and take them into account. Careful assessment of the full effects of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU. This is one of the principle reasons that this report has highlighted the need for an overall policy framework for tourism, preferably developed according to the same sustainability issues driving the EU general sustainability programme.

'Environment 2010: Our future, Our choice' - The Sixth Environment Action Programme of the European Community

The application of the sixth environment action programme to issues involving European tourism sector offers substantial possibilities for developing EC coordinated policy initiatives and support measures, through which environmental improvements can lead to improvement in the socio-economic effects of tourism sector development. This report suggests that the *Sixth Environmental Action Programme* provides the central guidance for improving the tourism sector's impact on the environment. In particular it believes that the detailed implementation of a sustainable tourism process can be developed through the stated policy objectives of the 6th EAP, and related back to how the tourism sector can contribute to meet these objectives.

Background to the 6th EAP

This new Programme establishes environmental objectives for the next 10 years and sets out the actions that need to be taken over the coming 5 to 10 years to achieve these objectives. The Programme focuses on actions and commitments that need to be made at the Community level, and also identifies actions and responsibilities that need to be addressed at the national, regional and local levels and in the different economic sectors. The conclusions of the Global Assessment of the Fifth Action Framework and the reports on the state and trends of the environment provide programme's focus on the following priority issues, grouped under four main headings:

(i) tackling climate change;
(ii) nature and bio-diversity – protecting a unique resource;

(iii) environment and health;
(iv) ensuring the sustainable management of natural resources and wastes.

Furthermore, the 6th Action Programme proposes five priority avenues of strategic action to help meet environmental objectives.

- The first is to improve the implementation of existing legislation.
- The second aims at integrating environmental concerns into the decisions taken under other policies.
- The third focuses on finding new ways of working closer with the market via businesses and consumers.
- The fourth involves empowering people as private citizens and helping them to change behaviour.
- Finally, the fifth aims at encouraging better land-use planning and management decisions.

The four main headings and five priority directions of the new Programme provide a framework in which the tourism sector can be analysed in detail to see which activities can be developed in accordance with the priority directions. Many of the report recommendations can be implemented by an examination of the detailed objectives of this environmental programme and then ensuring that the tourism sector fulfils these objects.

The European Spatial Development Perspective (E.S.D.P.)

The European Spatial Development Perspective (E.S.D.P.)[34] was initially approved in June 1997 by the EU ministers of spatial planning. It has historical importance as the first official and systematic initiative to consider the European territory in its entirety, and to plan its future in a cohesive and collaborative spirit.

The objectives of the E.S.D.P can be briefly summarized as the intention to use a spatial framework for co-ordinating a broad number of policies concerning the continent, all of which have an impact on the condition and use of the European territory. In this sense, the E.S.D.P. breaks new ground, as its approach is trans-sectoral and integrating, but also proactive. This should be contrasted to the traditional physical planning approach - still prevalent in many parts of Europe - which tends to be reactive and regulatory, and looks at the spatial dimension mainly on physical and technical terms. Many of the recommendations in this report uses this territorial approach to planning by specifying action at different geo-resolution levels (the NUTS classification system). The sum of environmental economic and social policies for any given area can then be organised at that specific spatial reference level, which is eminently suitable to managing the complexity of sustainability processes.

The ESPD provides the vision of a polycentric European territory in which regional identities and landscape are maintained but socio-economic imbalances are harmonized through integrated spatial planning and the application of EC funding, primarily the structural funds and instruments such as INTERREG.

European Commission DG XI, The European Spatial Development Perspective (E.S.D.P.), comments and recommendations from the European Consultative Forum on the Environment and Sustainable Development, January 1999.

General Principles On Spatial Development

In its review of the *ESPD the Consultative Forum on Environment and Sustainable Development* considered that the following principles should be the guidelines for all initiatives concerning the spatial development of Europe within the framework of sustainability and with full respect to the precautionary principle:

- Policies and decisions, especially economic ones with implications for spatial development, concerning mainly human settlements, agriculture, transport, energy, tourism, and industry must not have negative impacts on sustainable development and its objectives.
- To achieve this, and before making such decisions with spatial implications, it will be necessary to undertake Strategic Environmental Assessments on long-term ecological effects and to monitor ecological changes with appropriate indicators. The current instrument of Environmental Impact Assessments is in principle insufficient to provide adequate safeguards and in practice often abused.
- Spatial planning should balance public interests between the objectives of social cohesion and sustainability on the one hand and, on the other, the need of competitiveness and market imperatives.
- A paramount objective should be the conservation of the rich diversity of the European territory, which includes geomorphologic, biological, landscape, land-use, cultural and social aspects. Inappropriate efforts at ”harmonisation” and homogenisation should be carefully avoided. Indeed, diversity of landscapes contributes to ecological diversity, especially biological diversity.
- Ecological equilibrium of the landscape implies taking into account the interactions and the balance between complex natural and anthropic systems, avoiding one-sided approaches.
- As land-use may have detrimental effects on the climate spatial planning should be used as an effective tool for combating local and global climate change.

Particular significance is attached to the Structural Funds, the Trans-European Networks and environment policy, since they have the most direct effect upon development activities in the European regions. When considering the integration of Spatial Planning into the tourism sector, there are approximately sixty policy recommendations in the ESPD which can be used to orient sustainable tourism policy.

Territorial Issues Linked to Sustainable Tourism

With an emphasis on spatial planning as crucial to tourism sustainability issues, DG Research suggested that the tourism sector requires a more territorial approach when it comes to research and analysis.

"*The main fields where information and policy decisions are needed are: coastal zone management, Environment Impact Assessment, Eco-labels, identification and protection of sites of Community importance (together with Nature 2000 Network) and quality of bathing water. Needed information would require providing regular exchange of information on the impact on the environment of tourism practises on a specific territorial basis*". (DARE, 1998, p. 33.)

In this territorial approach to understanding the sector, the main issues on which information is needed include:

- waste,
- water and energy management,

- management of natural resources,
- active involvement of the population in planning of tourism projects,
- visitor and traffic management,
- conservation of fragile eco-systems,
- preservation of the visual landscape.

Growing Importance of EU Policies with Spatial Impact

Successive Treaties (Single European Act, Maastricht and Amsterdam Treaties)[35] have led to the territorially significant sectoral policies of the EU having a stronger influence on the elaboration and implementation of national and regional spatial development policies and thus on spatial development in the EU. ”Spatial impact” or ”regionally significant” means in this context that Community measures modify the spatial structure and potentials in the economy and society thereby altering land use patterns and landscapes in Members States at regional level. In addition, these measures may influence the competitive position or spatial significance of a city or region within the European economic system and settlement pattern. The following are the most important treaty headings providing the European Commission with the basis for action with implications for spatial development in the EU:

- Community Competition Policy;
- Trans-European Networks (TEN);
- Structural Funds;
- Common Agricultural Policy (CAP);
- Environment Policy;
- Research, Technology and Development (RTD);
- Loan Activities of the European Investment Bank.

The Tourism and Employment Process

In the last three years the Tourism Unit of the European Commission developed the "Tourism and Employment Process". This started in Luxembourg in November 1997 with the *European Conference on Tourism and Employment* and the Council of Ministers of Tourism and culminated in the establishment of five working groups addressing the themes of[36]:

- facilitating the exchange and dissemination of information, notably through new technologies;
- improving training in order to upgrade skills in the tourism industry;
- improving the quality of tourist products;
- promoting environmental protection and sustainable development in tourism.
- managing the impact and use of ICT (Information & Communication Technologies) based services in the tourism sector.

They agreed on a number of common messages, in particular:
- the fundamental role of information, knowledge and its dissemination,
- the need for competent human resources motivated by medium and long-term prospects,
- the integration of environmental policy and the promotion of sustainable tourism,

[35] ESPD, p. 27-30.

[36] Working together for the future of European tourism, Commission Communication to the Council, the European Parliament, the Economic and Social Committee and The Committee of the Regions, Brussels, 13.11.2001, COM (2001) 665 final.

- recognition of the need for European harmonisation of the concept of quality of tourism services and infrastructures, and its assessment and monitoring,
- the need to speed up the integration of information society tools and services in all tourism activities and businesses, in particular SMEs,
- the need for a network of the stakeholders involved and a generalised partnership, particularly between those in the field to ensure implementation of all the recommendations.

DG Enterprise is following up this process with the production of another four reports that will be ready in September this year[37]:

- Structure, performance and competitiveness of European tourism and its enterprises.
- Using natural and cultural heritage for the development of sustainable tourism in non-traditional tourist destinations.
- Early warning system for identifying declining tourist destinations, and preventive best practices.
- Making the most of the Structural Funds for enterprise in commerce and tourism.

The conclusions of the High Level Group (HLG) on tourism and employment highlight the importance of encouraging sustainable development of tourism. In particular, the HLG recommends the European Community and to the Member States to utilise available Community funds to ensure the full integration of sustainable development principles into tourism development plans and strategies, and to ensure that an environment impact assessment is made in the case of projects supported by public funds provided by them in Europe and abroad.

Working Group Conclusions

The preliminary suggestions from the working groups related to sustainable tourism are:

a) Co-operation between the various socio-economic actors in the creation of networks

- The promotion of sustainable tourism would benefit from the creation of networks of all the actors in order to develop exchanges of systems, methods and know-how;
- It would also benefit from the adoption of codes of good practice by operators with the aim of reducing both natural resource consumption and the pollution caused by tourist activity; and
- The different aspects of the balanced development of tourism should be systematically linked at the level of all of the actors.

b) Awareness of the problems

- Development of demand toward tourism that takes better account of the environment and sustainable development could be encouraged and enhanced by increased awareness on the part of operators, local people and tourists; and
- Working Group D proposed the drawing-up of a European Agenda 21 for European tourism, and the implementation of local Agenda 21s in recognition of tourism's role as a factor of social, cultural and economic development;

c) Information

- Development of a European web portal proposed.

d) Monitoring and overview

[37] 1st Conference on Cultural Tourism Economy and values in the XXI century, Fira de Barcelona, March 2001, Public Policies and Cultural Tourism - EU activities, European Commission, Dr Reinhard Klein.

- Need for regular assessment of the situation and the impact of the measures taken by the Community and by businesses with the support of the Structural Funds; and
- Working Group D recommended the creation of information instruments for each country.

e) Instruments of analysis and evaluation

- Research into benchmarking and evaluation systems is a priority; and
- This should lead to the design of adequate quality indicators and performance indicators.

f) Support for businesses, particularly SMEs

- Working Group D advocated giving SMEs a greater role in the decision making process and the setting-up of marketing networks; and
- It also recommended studying how tourism could contribute to the protection of tourism sites.

The recommendations in this current report are based on the understanding that the specific recommendations from the working groups are implemented at the appropriate juncture of policy intervention. In particular, the recommendation from Working group D regarding Agenda 21 provides the framework from which to organize the implementation of other recommendations. However, the essential factor is that the sustainability policy directives are translated into sustainable projects through the EUs funding programmes. Some of these are now overviewed to show their current relationship to the tourism sector, with the understanding that the recommended policy developments suggested in this report are applied to these programmes via the responsible Directorates.

D) Support Measures for Sustainable Tourism

This section[38] lists a selection of European Union funding programmes that are highly relevant to the tourism sector, either via direct support to tourism projects or through infra-structural improvements. These are the funding programmes that will deliver sustainable development to the European economy in practical terms, if they are shaped to follow the policy directives of the above-mentioned sustainability guidelines. The recommendations in this report need to be applied to the various programmes through the appropriate Directorates, both at conception level and implementation level. The wide variety of funding mechanisms is another one of the reasons that support the need for an overall tourism policy framework.

The individual programmes and their application for tourism are described in Annex 2. Annex 3 provides a more complete list of funds that support tourism, under the Directorate responsible for the programme.

The key programmes include:

- The Structural Funds
  - European Regional Development Fund (ERDF)
  - European Agricultural Guidance and Guarantee Fund (EAGGF)
  - European Social Fund (ESF)
- The Cohesion Fund
- European Framework Programme in support of Culture (Culture 2000)
- LIFE

[38] This information in this section is taken from DG Enterprise's Internet Map of the Tourism Sector 2000.

- Community Initiative Concerning Economic and Social Regeneration in Urban Areas (URBAN)
- Community Initiative for Links between Actions for the Development of the Rural Economy (LEADER)
- Community Initiative for Trans-European co-operation for Balanced Development (INTERREG)
- Leonardo Da Vinci
- PHARE
- Socrates
- European Development Fund (EDF).

E) National policy and action relating to sustainable tourism

This section of the report provides an overview of the actual situation of sustainable tourism in four Member States: Germany, Italy, Portugal and the U.K.

Separate reports on each country have been prepared. These are presented in Annex 1. These reports contain:

- A brief profile of tourism sector
- The current state of tourism – including effects of Sept 11
- An overview of sustainable tourism policy
- Relevant issues and actions, bringing out examples of good practice
- Implications for EU support and intervention

These profiles provide the substantive basis for many of the recommendations in this report. Here the problems and opportunities of the tourism sector are fully visible, and the reaction of Member States to EU policy is discussed in terms of policy requirements and implementation primarily at NUT I and NUTS II levels.

Each country had a different experience of the events of September 11th but the overall normalisation of the tourism sector is underway in all four countries.

What is clear from a comparative overview of the four countries is that European level policy making has to match a variety of different issues specific to each Member State. Because of these regional variations, the territorial approach to policy making at NUTS II level is a vital area on which to concentrate policy for sustainable tourism.

There is a need to build the capacity of NUTS II level regions in order that they oversee implementation of sustainable tourism processes at NUTS III to V. Links to ICLEIs Agenda 21 implementation processes would facilitate this process and build upon the existing achievement of the Sustainable Towns and Cities campaign, which is a positive common but variable strategic development in all four countries.

Variation occurs between countries that do not have a national strategy to promote Agenda21 and those who do. In both of the above instances, networks between regions based on best practice transfer would facility policy implementation.

Successful programmes in all countries show that Member States are approaching the issues of sustainability and sustainable tourism with some regard, but the culture and primacy of

economic growth in Southern Europe creates different conditions form the more established northern European destinations. In this respect coastal Mediterranean and Mountain eco-systems are most threatened by the tourism process, and these countries have robust sectors that pressure these ecosystems to the detriment of both current and future generations. Landscapes of Northern European economies by contrast have already undergoing substantial habitat fragmentation, and biodiversity losses have peaked in the face of stronger conservation laws and lobbies and greater resources are available for the maintenance of natural and cultural patrimony (although lack of funding is a principle constraint in these countries as well).

The state has started to improve its management of the environment with quality management tools, and the private sector is becoming aware of the use of certification and eco-labelling schemes. In each country a large gap exists between their commitment to the UN Agenda 21 declaration, but progress has been made in innovative and regional interpretations of the path to sustainable tourism.

Overall implications of sustainable tourism experience at country level

EU schemes to support tourism development and associated regeneration projects, including relevant improvements to environmental management and infrastructure, have been supported at a local level through a range of EU funds. These have included:

Structural Funds
INTEREG
Leonardo da Vinci
Socrates
LIFE
LEADER

Support for tourism from the structural funds and other sources is difficult to quantify. However, is felt that the continued application of these funds at a local level remains of critical importance in the implementation of sustainable tourism policies, so long as these programmes are accompanied by stronger guidance and monitoring for regions and local authorities on the best ways of using these funding streams for tourism in Member States.

More environmental management strategies (including the application of SEAs and EIAs), efficient data collection and monitoring systems to support decision-making, would help towards effective policy implementation.

This guidance could be could be coordinated through a network of regional authority NUTS II level best practice, and from national level Member State sustainability plans, and should be directly and immediately applied to developing sustainable tourism strategies in sensitive eco-systems.

Action should also be taken to match this at an EU level. This might involve:

- Stronger links of DGs responsible for funding schemes, DG Enterprise (Tourism Unit), and DG Environment to NUTS II level programme implementation.
- A well-defined strategy for sustainable tourism throughout Europe and the Mediterranean.
- The implementation of sustainable tourism guidance and monitoring systems from the EU to nation states (NUTS I) via a National Strategy for Sustainable Tourism to guide and monitor the implementation of the measures and programmes at more local levels.

- The establishment of a European wide sustainable tourism knowledge base to inform stakeholder decision making and provide access to the global tourism market place.

Portugal has adopted a strong developmental vision for its tourism sector, which is seen as a means to move away from the old pre-European Union agriculturally based economy towards a modern, more urban society. Coastal tourism, Cultural heritage tourism in Lisbon and Porto has been augmented by the sun and sea Mediterranean-style of Algarve tourism. The country is now making moves to add up to 13% of its territory to the Natura 2000 network, and develop sustainable tourism in these areas. The definition of 7 NUTS II regions to cover 30 NUTS III counties has enabled the state mechanism to manage the vibrant, recently privatising economy. Population migration adds to the picture, where the newly European urban dwelling workforce is accessing better education, more (but still difficult) job opportunities and aggressively marketed global culture. Finally, the rich and biodiverse natural eco-systems of the country are having to cope with impact of this development. Species and Habitat decline are in evidence everywhere, and the country has signed up to the UN Convention on Biodiversity as a statement of commitment to protect this inheritance.

It is clear that the government has adopted an pro-active institutionalised territorial approach, spatially dividing the country into thematic zones (Protected areas, industrial zones, urban areas, coastal zones and rural areas) with overlaying managerial zones (with NUTS II coordination of NUTS III to V policies and resources). This has been carried out within existing ministerial structures, and the changes have been characterised by hierarchical resistance and not enough training and investment in human resources or information systems. However, all in all these changes lay the foundations for a more effective state bureaucracy. In particular the strengthening of NUTS II organisational level is help the planning process to be more effective, and the Regional co-ordination committees are assimilating and executing the new European directives with improved efficiency. GIS capability at NUTS II is being implemented, and the possibility exists of implementing quality planning processes using Strategic Environmental Assessments and more informed environmental impact assessments.

The Natura 2000 process has developed the most comprehensive approach to sustainable tourism within the country, belying a conceptual dilemma that the country is experiencing with the general association of sustainable tourism with nature-based tourism. Approximately 13% of Portugal's territory has been designated as protected area, alongside existing networks of sites of ecological importance (*Rede Ecologica National*) and agricultural zones (*Reserva Agricola National*). Together these areas constitute a substantial amount of Portugal's natural heritage, and conservation laws based upon the Habitat and Species directives and the UN Biodiversity Convention have been enacted in a series of recent directives. An accord between the tourism and environment ministries has evolved the *Programma National de Turismo da Natureza*, which provides support for tourism projects in protected areas. Outside of the protected areas, the sustainable tourism sub programme of SIVITUR the *Programma de Turismo Sustantavel*, becomes operational. Although these programs are too recent to assess their impact, elements of the private sector regard the incentives as too low to have any major impact, and are calling for more support.

Germany has no national strategy for sustainable tourism. Tourism policy and promotion rest generally with the Länder Ministries for Economics, and, at the local level, with the municipal tourist boards. The relevant Ministries for Environment are responsible for ecological aspects of tourism development. One of the national instruments employed by the Federal Republic of Germany to protect natural resources and ecosystems is that of landscape planning. It must be performed at all levels of government administration: the Länder level (landscape

programme), the regional level (framework landscape plan), and the local authority level (landscape plan / green spaces development plan).

There is special interest is given to the area of rural tourism. A National Working Group "Development of rural areas/sustainable tourism" tries to give some orientation for a common strategy including a more effective use of structural and other funds from both European, national and regional level. To achieve this national funds like "Gemeinschaftsaufgabe Küstenschutz" (GAK; costal protection) or "Gemeinschaftsaufgabe Verbesserung der regionalen Wirtschaftsstruktur" (GRW; improvement of regional economic structures) should better be combined with e.g. EAGFL funds, especially in Eastern German regions. Tourism in the countryside shall play a key role for more economic diversity and strength, especially with the promotion of low-energy leisure activities and the consumption of regional and organic farm products. The example of the Rhön biosphere reserve with its successful combination of quality products, regional uniqueness and nature protection is only one amongst many others. The success of such initiatives is based on a high level of participation of local stakeholders and citizens. LA 21 processes are very common in both rural and city areas in Germany. The development of joint capacity building and promotion networks is seen as essential for achieving not only more quality but also more quantity. The "Interessengemeinschaft autofreie Kur- und Fremdenverkehrsorte" in Bavaria aiming for car free spa and holiday resorts shall encourage also other groups of common interest to collaborate and thus better reach their markets. The European Union should give special attention to the support of such initiatives on national and international level e.g. with its INTERREG program.

High priority for all types of tourism is given to the implementation of voluntary instruments for more sustainable tourism. The national competition "Environmentally friendly tourism resorts in Germany", "TopTeam NaTour" for youth travel operators, the initiative "Ecocamping" for the promotion of EMAS for camping sites, and "Viabono" as umbrella brand for environmentally friendly products along the whole tourism supply chain stimulate many activities at the tourism businesses' and destinations' level. A key obstacle for the switch from a "niche" market to the "mainstream" tourism market is seen in the considerable lack of information about and the weak image of environmentally friendly products amongst consumers. The European Union therefore should support awareness raising and image campaigns: sustainable tourism – if certified with an Ecolabels - is a guarantee for "Quality plus" for both local population and visitors.

The UK has well established policies for sustainable tourism, reflected in national tourism strategies in the constituent countries and dedicated action plans. These policies have helped regional agencies (NUTS 1 and 2) in the preparation of programmes for the use of structural funds. However, it has not always been easy to encourage these agencies to take a fully positive position with regards to tourism. More guidance at a European level, giving tourism a higher profile, might be helpful.

One area where there is a call within the UK for a specific reform and expansion of funding relating to sustainable tourism is in the area of rural economic development. The UK is taking a lead in calling for a reform of the CAP, enabling more resources to be put into sustainable rural development and environmental management, rather than agricultural production. Tourism can play a key role in this. Resulting improvements to landscapes and biodiversity, together with support for cultural initiatives and appropriate tourism enterprises, could be very beneficial to sustainable tourism. In the short term, this could be assisted through allowing a greater level of modulation of Pillar 1 payments under the CAP.

Many initiatives have been undertaken in the UK to strengthen knowledge about sustainability at a local level and encourage good practice. The English Tourism Council has established its own sustainable tourism website, including information about indicators,

contacts and practical initiatives. A green audit kit has been prepared for enterprises, linked to a dedicated training programme. In Scotland, a green accreditation scheme has been successfully linked to quality grading processes.

The emphasis in the UK has been on voluntary initiative at a local level. For example, a number of small scale schemes have been pursuing the concept of visitor payback - raising money from visitors voluntarily to support conservation.

The UK recognises the importance and value of sharing knowledge about sustainable tourism across Europe. Guidelines on good practice emanating from Europe have been helpful, and this process could be strengthened. The application in Wales of the EU study of Integrated Quality Management of Tourist Destinations is a good example of this.

The current weakness of the market response to sustainable tourism is a common concern. It is being studied in the UK. Thought should be given to ways of strengthening the communication of the issues and opportunities to the public at a European level as well as within Member States. Engagement of tourism business in sustainability issues could also be strengthened by giving a higher profile to environmental labelling schemes.

Italy has a different situation, from region to region, and in some cases even within the same region. First of all it is important to distinguish between regions in Objective 1 and 2 and those where tourism is more mature and mass tourism has made its way. In the first case there is a lack of operational instruments and experiences and the interventions linked to the structural funds could be a great opportunity if the coordination and monitoring among the different institutional levels (EU, regions and destinations) were supported and assured. In the second case, together with an apparent consciousness about sustainability, there is also a lack of tools and operational experiences which, when developed, have shown success (for example in Spain).

Due to this situation, Italy has worked specifically in the area on new investment planning methods in infrastructures and structures of public interest: feasibility studies (SDF) and Territorial Integrated Projects (objective 1 regions). The analysis of investment policies concerning 1994-1999 Structural Funds stressed that the lack of technical, economical and administrative planning caused delays, sometimes very serious ones, in the procedural, financial and actuation process of the regional programmes of QCS Italy objective 1 1994-1999. For this reason one of the priorities of 2000-2006 Structural Funds planning was to provide local governments with new planning tools. Amongst these the most relevant for tourism development are feasibility studies (SDF) and Integrated Territorial Projects. SDF's task are to verify the economic, institutional and territorial-environmental feasibility of projects involving public investments. The final aim is, on one side, to harmonise the infrastructural interventions co-financed by the European Union in some particularly environmentally sensitive or culturally relevant territorial situations, and on the other side, the urban and territorial planning tools in force at local level. Besides, the studies required for SDF encompass Environmental Impact Assessments. These studies have enhanced the availability for many areas located in the south, of project-ideas and economic resources supporting and helping local tourism development.

PART C - ANNEXES

Annex 1	Country Profiles
Annex 2	EU funding programmes and relationship to tourism
Annex 3	List of Directorates and Programmes affecting tourism
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Annex 1 Country Profiles

PORTUGAL

Sustainable Tourism in Portugal

This profile concentrates on mainland Portugal, which has Porto, Lisbon and the Algarve as its main centres of tourist activity. The Azores and Madeira are not included in this analysis.

Tourism Profile and Performance

The effects of September 11th have had a limited impact on Portuguese tourism. With little dependence on long haul incoming visitors, there has been no appreciable decline in tourism overall. In fact, the wait and see policy adopted initially is complemented with the view that an increase in short haul intra-European travel may in fact benefit the Portuguese tourism sector.

A summary of data relating to tourism performance is provided below:

Basic data Portugal

	1990	**1995**	**1998**	**1999**
Territory (10^3 km^2)	91,1			
Resident population (10^3)	9.886,3	9.920,8	9.979,5	9.997,6
Employed population (10^3)	4.495,9	4.415,9	4.738,8	4.825,2
of which employed in tourism (10^3)	169,2	188,9	245,0	248,9
of which employed in tourism (%)	3,8	4,3	5,2	5,2
Balance of Payments in Portugal - credits				
of which tourism (Mio Euro)	934,7	1.781,6	2.443,9	2.425,9
of which tourism (%)	53,8	40,8	39,1	39,8
Balance of Payments in Portugal - debits				
of which tourism (Mio Euro)	776,5	1.615,7	2.368,7	2.375,4
of which tourism (%)	15,8	19,9	17,6	17,9

http://www.dre-algarve.min-economia.pt/estudos/
http://www.dre-algarve.min-economia.pt/turismo/tur_alg.html

Hotel and similar establishments in Portugal

	1991	**1997**	**1998**
Number of establishments	1.785	1.768	1.754
Number of bed-places	188.501	211.315	215.572
Share of EU total (%)		2,4	2,4
Average net rate of utilisation (%)		39,5	42,5

Nights spent in collective tourist accommodation in Portugal (000s)

	1996	**1997**	**1998** (*)
Total nights spent	36.236	37.308	40.599
Nights spent by residents	14.528	14.707	15.326
Nights spent by non-residents	21.708	22.601	25.273
Of which EU share (%)		2,4	2,4

Balance of Payments in Portugal – Travel (Mio ECU)

	1996	**1997**	**1998** (*)
Credits	3.775	4.049	4.490
Debits	1.798	1.909	2.173
Balance	1.977	2.140	2.317

Year 2001 (AHETA)
Occupation rate / room 66% (down 3,4%)
Occupation rate / bed 52,7% (down 5,9%)

Share of Gross Domestic Product: 8%
Residential overnight stays 6.300.400 (+2,4% compared to 2000)
Foreign overnight stays 15.685.500 (+0,1% compared to 2000)
(Data from January until August 2001)

Tourism Receipts 1.042.900.000 (+7,3% compared to 2000) Escudos
Tourism Spending 402.400.000.000 (- 1,7% compared to 2000) Escudos
Foreign Visitors 22.029.600 (+1,5% compared to 2000)
Foreign Tourists 9.869.000 (+1,3% compared to 2000)
(Data from January until September 2001)

Receipts 1.220.000.000 (+6,2% compared to 2000) Escudos
Average annual increase 10,6% from 1997 to 2001
Average Tourist spending / dia –5,4% compared to 2000
Entries to Portugal 28.100.000 (+0,3% compared to 2000)
Tourists who stay overnight 12.200.000 (+0,7% compared to 2000)
(Data from January until October 2001)

Data for 2001 (estimate)

Average occupation rate per room 62,2% (-1,8% compared to 2000/ 1999: 60,8%, 1998: 59,6%)
Average occupation rate per bed 51,9% (-1,5% compared to 2000/ 1999: 49,2%, 1998: 48,5%)

Foreign Tourists 12.181.500 (+0,7% compared to 2000)
2000 Total overnight stays 33.800.000
Residential overnight stays 9.800.000 (+1,4% compared to 2000)
Foreign overnight stays 24.000.000 (2000: 24.100.000/ 1999: 23.300.000/ 1998: 23.200.000/ 1997: 20.900.000)

Accommodation capacity
1770 establishments with 227.573 beds (+4.615 compared to 2000) in 98.564 rooms (+855 compared to 2000)

Leisure spending & time
71% (5.400.000) of Portuguese over 15 years of age enjoyed holidays of which 51% (3.900.000) left their homes (1996: 25% (lowest in Europe), 1998: 42%, 1999: 49%, 2000: 53%) of which 28% stayed in hotels (1996: 18%, 2000: 27%)
Around one third of Portuguese over 15 years of age leave their homes over weekends.

12,182,000 tourists visited Portugal in the year 2001, which is 2,000,000 more than the entire resident population of the country. Both foreign arrivals and domestic tourism have seen significant growth over the last four decades, and the whole economy has been influenced by this phenomenon. The tourism sector contributes to between 8% and 10% of GDP, and the tourism balance of payments for Portugal shows a healthy overall surplus with tourism credits at 5.7 million Euros compared to debits of 2.4 million Euros.

Regional profile: Algarve / Portugal

	1991	**1997**	**1998**	**1999**	**2000**	**2001**
Arrivals & Departures at Faro airport (10^6)	3,212	3,649	3,908	4,390	4,564	
Total overnight stays (10^6)				19,000	18,900	
Average length of stay (d)		8,4	8,4	8,6	7,9	
Number of beds (N°)	76.007				90.036	
Average occupation rate per room (%)		61,9	64,1	69,4	68,5	69,9
Average occupation rate per bed (%)		51,4	53,3	57,1	55,9	57,1

Source: INE, DECP/SEP

Sustainable Tourism in Context

Post revolution tourism picked up in the mid seventies, when Portugal was starting to seen again as a 'safe' destination for both short package holidays and then later on, as security improved, second home purchasing. The full entry of Portugal into the European Union in 1996 provided the socio-cultural back drop in which the vision of a new, more European Portugal emerged as an alternative to identification with the previous poverty and repression of the pre-1974 dictatorial state process. The cultural and material expansion that tourism has bought has been fully embraced as part of the liberty of democracy. The recent adoption of the Euro this year was readily accepted as a means to smooth the operation of the tourism supply chain and add stability to working in a country with such a pluralistic diversity of nationalities, and the consequent financial exchange transactions occurring in their interaction.

In the ten years up to the year 2000, both incoming 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.

And where have all those extra 8 million people gone? … In the light of the overall resident population, it has required a massive growth in urban infrastructure to spatially manage these figures. Fishing villages turned into cosmopolitan whitewashed conurbations of 50,000 people, complete with dual carriageway entrances and motorway links to the airports. Management of water supplies to the conurbations, electricity and sewage disposal have been the big issues on the economic Agenda. The infrastructure has enabled global chains to enter the market with upgraded petrol stations, Hyper-markets and, more recently, the European motorway-exit 7 cinema super malls. Agriculture is in decline, unable to compete with the economic and social potential tourism offers local families and businesses.

In this respect the country will rely heavily on the tourism sector to finance the social and environmental restructuring of the country as a whole during this same period. Portugal has therefore adopted a strong developmental vision for its tourism sector, which is seen as a means to move away from the old pre-European Union agriculturally based economy towards a modern, more urban society. Coastal tourism, Cultural heritage tourism in Lisbon and Porto has been augmented by the sun and sea Mediterranean-style of Algarve tourism. The country is now making moves to add up to 13% of its territory to the Natura 2000 network, and develop sustainable tourism in these areas. Tourism satellite accounting in the country would reveal tourism as the motor of the overall economic machinery impacting on this SW European landscape. The definition of 7 NUTS II regions to cover 30 NUTS III counties has enabled the state mechanism to manage the vibrant, recently privatising economy. Population migration adds to the picture, where the newly European urban dwelling workforce is accessing better education, more (but still difficult) job opportunities and aggressively marketed global culture. Finally, the rich and biodiverse natural eco-systems of the country are having to cope with impact of this development. Species and Habitat decline are in evidence everywhere, and the country has signed up to the UN Convention on Biodiversity as a statement of commitment to protect this inheritance. The tension between conservation of the remaining cultural and natural inheritance and the continued urbanisation of key landscapes is of direct concern to policy makers, and is the point at which stakeholders should be implementing a sustainable tourism process to resolve the tension in favour of conserving biodiversity, preserving regional culture and planning for long term economic prosperity. However, civil society organisations and the state are in disagreement about several socio-economic and environmental issues, and there is a low and erratic level of informed debate about sustainability at most levels of state, private sector and civil organisation. The development debate recently effected the political balance at NUTS III level, and now the whole country will participate in general elections in March 2002.

Policy towards Sustainable Tourism

In Portugal, the *Secretaria de Estado do Turismo* is responsible for the overall direction of the tourism sector, with several state entities being delegated the executive responsibility for its implementation. Principally the *Direccao Geral de Turismo* organises the overall implementation of tourism policy through regional bodies. They are supported by ICEP (tourism promotion abroad), sections of the *Ministerio de Economia* (funding mechanisms). IFAT *Instituto Financeiro de Apoio de Turismo* (Financial Support) and the 7 NUTS II regional authorities.

No national sustainable tourism strategy exists. However, there is a *Plano National de Desenvolvimento Economico e SociaL* and a *Plano National de Politica do Ambiente*, which

together lay the foundations for sustainable development policymaking in Portugal. These national plans provide the basis of single programming document QCA III (the third Community Support Program), which is related to the fifth action framework and Agenda 2000, and running from 2001 - 2006. Eight thematic national operational programmes exist, each with its own operational plan, among which the tourism sector is guided by the *Ministerio de Economia's* overall national economic plan (*Plano Operational do Economia*). At NUTS I level tourism is also affected under the *Plano National do Ambiente*, and the link between the two is often made at regional level in one of the seven NUTS II regional coordinating committees, who manage the regional development plans with their own operational programs. In turn local municipal development plans are drawn up at NUTS IV level. This has laid the foundation for processing European funding through a modern European state organisation at NUTS I to V levels. This has been happening in a climate where government funding processes are often linked to long-standing and on-going stakeholder tensions and dogged with long time delays, discussions of corruption, and lengthily media debates.

There is a further list of government legislative directives that target specific areas. These are the special territorial plans - *Planos de ordenamento de Orla Costeira* (Coastal Plan), in which there is associated legislation governing the refurbishing of bars and restaurants to European standards (Pro Rest); *Plano de Ordenamento das Areas Protegidas* (Protected areas management); and *Plano de Ordenamento* das Albufeiras de agua publicas (public water supply management).
These guidelines support funding mechanisms for infrastucture projects, and have been both sectorally and territorially defined in order to structure EU and State expenditures.

Existing sources of Funds for Tourism:

The *Programma Operational de Economia* distributes most of the funds for tourism through the following instruments:

- SIVETUR
- SIPIE
- SIME
- Regional budgets (such as the PROAL)

These are funded by the Structural funds. Furthermore, from the structural funds INTERREG and LEADER provide additional sources of funding. Outside of the structural funds LIFE is an important programme for sustainable tourism projects.

a) In SIVITUR there are two programmes that support sustainable tourism
Programma National de Turismo de Natureza (for projects inside protected areas)
Programma de Turismo Sustantavel (for projects outside protected areas)
b) SIPIE – support for small-scale projects
c) SIME - support for larger projects
d) The regional funds support infrastructure projects principally executed through Local authorities.

Most of the funds are new, and it is difficult to gauge their full impact. However, recently released data on the SIVITUR fund (5th Feb 2002) reveals that in the first year of the fund's operation, 132 applications were made, requesting a total of 316million Euros. 60% of this was for recuperation of classified buildings, 23 projects requested funding for nature tourism and 8 projects requested funding to support sustainable tourism initiatives.

New Approaches to Planning in Portugal

The above scenario demonstrates that the Portuguese state has been undergoing considerable re-organisational processes, many of which have been stimulated by Agenda 2000 and the Fifth Action Framework. It is clear that the government has adopted an institutionalised territorial approach, spatially dividing the country into thematic zones (Protected areas, industrial zones, urban areas, coastal zones and rural areas) with overlaying managerial zones (NUTS II). This has been carried out within existing ministerial structures and the changes have been characterised by hierarchical resistance and not enough training and investment in human resources or information systems. However, all in all these changes lay the foundations for a more effective state bureaucracy. In particular the strengthening of NUTS II organisational level is help the planning process to be more effective, and the Regional co-ordination committees are assimilating and executing the new European directives with improved efficiency. GIS capability at NUTS II is being implemented, and the possibility exists of implementing quality planning processes using Strategic Environmental Assessments and more informed environmental impact assessments.

Support for the Rural Economy and Environment

The Natura 2000 process has developed the most comprehensive approach to sustainable tourism. Approximately 13% of Portugal's territory has been designated as protected area, alongside existing networks of sites of ecological importance (*Rede Ecologica National*) and agricultural zones (*Reserva Agricola National*). Together these areas constitute a substantial amount of Portugal's natural heritage, and conservation laws based upon the Habitat and Species directives and the UN Biodiversity Convention have been enacted in a series of recent directives. An accord between the tourism and environment ministries has evolved the *Programma National de Turismo da Natureza*, which provides support for tourism projects in protected areas. Outside of the protected areas, the sustainable tourism sub programme of SIVITUR the *Programma de Turismo Sustantavel*, becomes operational. Although these programs are too recent to assess their impact, elements of the private sector regard the incentives as too low to have any major impact, and are calling for more support.

Agenda 21 processes

Similarly the implementation of Agenda 21 policies is still in its infancy. The whole process of implementing Agenda 21 since the 1992 Rio conference has been delayed by lack of a flow of information into the country, and lack of resources to distribute relevant information to key stakeholders. The result was that although key urban councils such as *Lisbon* and *Ouerias* signed up to the *Aalburg* charter, the rest of the country was left without knowledge of the process, with ICLEIs local agenda 21 planning guide not being translated until 1997, and then not properly promoted among local authorities. The result has been that there is a glaring lack of Agenda 21 processes throughout the country, with ICLEI reporting the developmentof 27 local plans . Recently the *Regiao de Turismo do Algarve* launched an Agenda 21 strategy, but it lacked real stakeholder participation processes and resources from the outset. However, it is using the INTEREG facility to engage in a network of Agenda 21 destinations who are interested in developing monitoring and indicator systems for tourism destinations, and there have been many signals that this will be co-ordinated with the DR Ambiente's own moves to monitor the Algarve's environment.

Agenda 2000 and the Fifth Action Framework

Again, regional implementation of European policy is significant here in terms of tourism, and the Algarve is a NUTS II destination that has been influenced by the agenda 2000 and the 5 EAPs 'Towards Sustainablity' policies. The *Commissao de Coordenacao do Algarve* has played a significant part in promoting the new sustainability thinking among regional organisations, by virtue of having to respond itself to Agenda 2000 and the Fifth Action Framework. This has demonstrated that NUTS II application of European level policy decisions is greatly enhanced by effective regional co-ordination bodies such as the CCRA. The DR do Ambiente have also demonstrated the capability of restraining unregulated short term development in many sensitive areas where golf course and villa investment with its consequent infrastructure needs is a continual pressure. However, in conservation terms, NGO activity in this same region has shown more concern for applying Agenda 21 and UN biodiversity principles to development with groups such as IN Loco, Almargem and the *Liga da Proteccao da Natureza* having all run successful on the ground tourism and conservation projects and campaigns in this region. However, in the face of intensive mass tourism development the area's cultural and natural heritage is still under severe threat, and NGO efforts may have the more sustainable solutions but they are dwarfed in comparison to mass tourism development lobby.

Integrated Coastal Zone Management Strategy in Ria Formosa

As this report highlighted earlier the Mediterranean as the region having Europe's greatest tourism-environment landscape impact developments, it is worth considering the same southern Portugal region, for the impact of tourism is being felt heavily in coastal areas, and the Algarve coastline is representative of many Mediterranean-wide issues (though it is itself geographically located in the Atlantic). The protected area of the *Ria Formosa* has started to adopt an Integrated Coastal Zone Management Strategy, and it is clear that this is exactly the sort of approach which could apply the new territorial planning processes to deliver a sustainable development path for a pressured coastal area around the urban centre of *Faro,* the region's biggest city. Faro Airport, occupying the same fragile eco-system wetland of the Ria Formaosa Natura 200 zone, has seen a 25% increase in arrivals between 1995 and 2000, with consequent economic boom conditions requiring immigrant labour to keep up with the intense building activity. Between demands from the residents leisure time, tourism destination requirements and private business opportunities The regional co-ordinating CCRA has verbally demonstrated the capability of delivering a multi stakeholder, transversal inter-governance mechanism for this key ICN-managed tourism-biodiversity local hotspot. However, once again it is still too early to judge the success of this first step towards more integrated and participatory approach to policy implementation between these organisations and other tourism stakeholders.

Environmental Law and Sustainable Tourism

There are some serious cases in which the Portuguese state has contravened European Union law, in its efforts to modernise the country's infrastructure. As much of this infrastructure is to support the growth of the tourism industry, these cases become object lessons for the application of the 6th Action Framework and the EU sustainable development strategy. The very real issue of the *Odelouca* dam, in which 34.5 Million Euros are being spent on a dam project in a *Natura 2000* area connected to the coastal tourism belt, highlights the reality of state-private business-environmental triangle. NGO pressure has lead to the project being declared illegal by DG11, as it is questionable whether the extra surface water is really necessary. The project runs against the 6th Environmental Action Framework, and the Habitats and Species directives, and the dam will fatally fragment the habitat of Europe's near extinct, last remaining lynx colonies. However, it is clear that the lynx and its habitat constitute a valuable European biodiversity resource to which future generations should have

access, and which provides a truly authentic regional landscape identity within an overall European tourism and nature management framework. Viable underground water alternatives and sustainable water management strategies to the existing project exist, and application of the precautionary principle of sustainable development via an immediate Strategic Environmental Assessment would be the sustainable thing to do, but the Portuguese state-private sector machinery is still pressing forward with the bulldozing of protected habitat. Similarly the cases of two stretches of motorway that have similarly gone to court make the legislatively excellent commitment of the Portuguese state to real sustainability appear rhetorical.

Progress towards Sustainable Tourism in Portugal

The following comments about the situation in Portugal are based on a reflection of the above programmes and strategies and examples of initiatives and also on discussions with representatives of tourism and environmental interests.

In general, tourism is seen as one of the key economic sectors for modernising the country under Objective 1 conditions. The Structural & Cohesion funds have been used to rapidly expand urban and inter-urban infrastructure. This is having a major impact on the environment in Portugal. Incidence of local damage to habitats and inappropriate development is high, and the cost of European integration to the traditional quality of the natural and cultural landscape has been extremely negative, especially in coastal and hinterland areas.

The concentration of interest is on developing legislation for sustainable economic sectors. Portuguese laws and directives are acquiring a formulation that will encourage sustainable tourism. Therefore there have been recent moves to search for best practice examples in other Member States, which is now opening up the state departments to more integrated, cross-sectoral transversal policy co-ordination.

The private sector has contributed to the sustainable development debate quite positively in selected cases, but overall business interest has only produced a small a number of enterprises who have undertaken sustainable development plans and practices. On the Algarve, it has mainly been the luxury resort developments that have chosen to undertake green certification, which is seen to have the potential to provide a marketing edge as well as secure the destination environment. Hence developers at *Vilamoura* and *Vale do Lobo* have ISO14001 certification for golf developments and are contributing to the re- establishment of wild life reserves in their new urbanizations and, alongside the prestigious Pestana Resort and Hotel chain, are in co-operation with Green Globe. In general however, the private sector is still in debate with the public sector as to how to move forward together.

The tourism and environment ministries and their agencies are both aware of their joint responsibility for sustainable tourism and have fostered positive strategies to encourage action at project level.

These and other problems still face the implementation of a sustainable tourism process in practice:

- Principally the legislation related to sustainable tourism does not have the back up of resources or effective implementation strategies. Resources made available at a national level specifically to implement sustainable tourism policies are limited, and difficult to access.

- There is little understanding between the tourism industry, planners and environmental bodies, and management practice is under-informed, under-resourced and too vertically autocratic and hierarchic. There is a lack of transparent process and little stakeholder involvement.

- The response of tourism businesses to sustainability issues is high at their association level, where the arguments are being used to promote more effective state responses in order to foster further economic exploitation of the country's tourism potential. But it is low at the actual business level, where there is little information, and no significant culture of sustainability. Sustainability is not seen as a high priority for developers, hoteliers, holiday park operators, restaurant owners, etc.

- Voluntary initiatives to influence sustainability are few and far between, and little promotion of certification and quality mark schemes means that take up will remain low.

- The response of the Portuguese consumer to sustainability issues in tourism is related to the traditional pride in rural roots, outdoor living and the growing interest in eco-tourism. The domestic tourism opportunities based in the environmental and cultural heritage that the country has to offer are evident, but that heritage is still in decline, and many modernization programmes do not fully account for aesthetic and cultural heritage demands of the consumer.

- The Natura 2000 sites are becoming new destinations for the tourism sector, in response to the continuing urbanisation and sub-urbanisation of the population, and the trend away form pure beach holidays. However, many management plans for these sites are still not in place or are under review, and it is clear these areas will need well co-ordinated management strategies, further technical training for staff, and more resources for conservation management.

- Implementation of sustainable tourism policies continues to rely very heavily on central legislation, with little action being taken at local level, though regional agencies at NUTS II are the main catalysts for change among the local authorities, but the weakness of administration of many PDMs at NUTS IV leaves the directives rather rhetorical.

- NUTS II level coordination is still vital, and regional authorities need to accelerate their moves toward transversal integration of state support structures in the light of rates of ecosystem loss. These bodies are aware of national strategies towards sustainable tourism and reflect them in the policies. They also have access to a wide range of state and European funding which can be applied to initiatives. The challenge is to make this process easier to understand and more coordinated in execution.

- There is a general need for a major public awareness raising campaign about the practise of sustainable development – how it can be applied at home, at work and in the community. Improved information flows that overcome language barriers are essential for Portugal to absorb the global developments in the field of sustainability thinking.

Implications for the EU

EU schemes to support tourism development and associated regeneration projects, including relevant improvements to environmental management and infrastructure, have been supported at a local level through a range of EU funds. These have included:

- FEDER
- INTEREG
- Leonardo da Vinci
- Socrates
- LIFE
- LEADER
- PIPITAL
- PITER

Support for tourism from these funds is difficult to quantify. However, is felt that the continued application of these funds at a local level remains of critical importance in the implementation of sustainable tourism policies, so long as these programmes are accompanied by stronger guidance and monitoring for regions and local authorities on the best ways of using these funding streams for tourism. The need for more EIAs SEAs, Environmental Management Strategies, efficient data collection and monitoring systems to support decision-making is would help towards effective policy implementation This guidance could be could be coordinated through a network of regional authority NUTS II level best practice, and from national level Member State sustainability plans. This guidance should be directly and immediately applied to developing sustainable tourism strategies in sensitive eco-systems. The function and role of CNADS (National Council for Environment and Sustainable Development) should be considerably strengthened in order to coordinate this guidance, and simultaneously ensure the raising of public awareness throughout all segments of Portuguese society.

Action should also be taken to match this at an EU level. This might involve:

- Stronger links of DGs responsible for funding schemes, DG Enterprise (Tourism Unit), and DG Environment to NUTS II level programme implementation.
- A well-defined strategy for sustainable tourism throughout Europe and the Mediterranean.
- The implementation of sustainable tourism guidance and monitoring systems from the EU to nation states (NUTS I) via a National Strategy for Sustainable Tourism to guide and monitor the implementation of the measures and programmes at NUTS IV and V.
- The establishment of a European wide sustainable tourism knowledge base to inform stakeholder decision making and provide access to the global tourism market place.

U.K.

Sustainable tourism in the United Kingdom

This profile concentrates on Great Britain, where public sector tourism policy and action is largely separated between England, Scotland and Wales, but with some Britain wide functions (such as marketing by the British Tourist Authority). Tourism policy for Northern Ireland, including links with Eire, is not covered here.

Tourism profile and performance

A summary of data relating to tourism performance is provided in Tables 1 and 2.

Table 1 Profile of tourism in UK, 2000

Territory (10^3 km^2)	243
Resident population (10^3)	59,756
Employed population (10^3)	27,958
of which employed in tourism (10^3)	1,781
of which employed in tourism (%)	6.5%
Tourism share of GDP	4.7%
Foreign tourist arrivals (10^6)	25.2
Total overnight stays (10^6)	780.2
Domestic overnight stays (10^6)	576.4
Foreign overnight stays (10^6)	203.8
Balance of Payments – Tourism: Credits (Euro^6)	26.39
Balance of Payments – Tourism: Debits (Euro^6)	39.84
Average hotel room occupancy (%)	58%
Average hotel bed occupancy (%)	43%

Table 2 Tourism trends in UK

	1990	**1997**	**1998**	**1999**	**2000**
Foreign tourist arrivals (10^6)	18.01	25.5	25.7	25.4	25.2
Domestic tourist trips within UK (106)	95.5	133.6	122.3	146.1	176
Tourism share of GDP	3.70%	3.80%	3.50%	3.60%	4.70%
Balance of Payments – Tourism: Credits (Euro^6)	15.9	25.08	26.23	25.74	26.39
Balance of Payments – Tourism: Debits (Euro^6)	16.23	27.7	32.46	36.23	39.84
Balance of Payments deficit (Euro6)	0.33	2.62	6.23	10.49	13.44

Both foreign arrivals and domestic tourism have seen significant growth since 1990. However, despite this growth, the tourism balance of payments for the UK has seen a marked decline as a result of a rapid expansion in overseas travel by British people, with a doubling

of visits to continental Europe and a three-fold increase in travel to long haul destinations outside Europe. The UK's market share of world tourism in financial terms dropped from 5.2% to 4.1% in this ten year period.
In the four years up to the year 2000, incoming tourism has been relatively static, while domestic tourism has been fluctuating but saw significant growth in 2000 compared with 1999.

2001 was a turbulent year for UK tourism. Published statistical data is not yet available, but early indications are that foreign arrivals fell by 16% to 21.1m. The main reason for the decline was the impact of Foot and Mouth Disease, which severely damaged the image of Britain as a place to visit, especially in North American markets, and completely disrupted domestic visits to the countryside. The effect was felt across the country, but especially in rural areas, some of which experienced a virtual wipe out of tourism income.

The effects of September 11th added to this depressed picture at a time when the Foot and Mouth crisis was nearing its end. This has had a further serious affect on incoming tourism, which will continue to have a significant impact on receipts in 2002. The main market affected is from North America, which normally accounts for around 20% of foreign tourism to the UK. Domestic tourism, by contrast, may benefit from the crisis and predictions for 2002 are good.

Policy towards sustainable tourism

Response to recent crises

As a result of the crises in 2001, the UK Government provided additional short term financial assistance to the tourism industry, primarily aimed at correcting the image of an inaccessible countryside and general concerns about safety and wellbeing in the UK, through stepped up marketing campaigns at a local, national and international level.

The immediate concern of private sector tourism enterprises appears to be to bring levels of trading back to those achieved in recent years, with emphasis on the short term and on marketing. Longer term issues, such as environmental sustainability, are not high on their current agenda. While the public sector is responding to this short term need, the tourist boards are also keen to ensure that policies towards sustainable tourism, which have been developed over a number of years, are maintained. These policies are outlined below.

The Foot and Mouth Disease crisis, in particular, has raised awareness of the relative importance of tourism, especially to the rural economy. Moreover, it has:

- highlighted the interdependence of tourism and other sectors, notably agriculture;
- emphasised the importance of landscapes and access to the countryside;
- shown the sensitivity of tourism to environmental, health and safety issues.

This strengthens the case for sound long term planning of tourism as a factor in sustainable development.

Established sustainable tourism policies

In England, the Department of Culture, Media and Sport is responsible for tourism. In 1999 the DCMS published its tourism strategy *Tomorrow's Tourism.* Sustainability features very strongly in this strategy. One of three main policy areas is devoted to 'Wise Growth' of

tourism, which links the tourism strategy directly to the Government's sustainable development strategy. Policy under this heading covers:

- Developing dedicated sustainable tourism strategies through the national tourist boards, as well as a regional and local response, including encouraging local authorities to include tourism within Local Agenda 21 strategies.
- Spreading and retaining more economic benefits from tourism within local communities and for conservation, such as through promoting the use of local produce and encouraging voluntary schemes for visitors to support conservation.
- Improving techniques on the management of visitor flows.
- Addressing transport issues associated with tourism.
- Addressing the planning issues associated with tourism
- Building partnerships between the public, private and voluntary sectors, which will seek to generate more awareness and response to sustainability issues from tourism businesses.

A further set of policies under 'Wise Growth' are concerned with social and economic aspects, including making tourism more accessible for everyone and avoiding all discrimination (both in terms of visitors and employment). This includes policies relating to strengthening the relationship between tourism and the cultural and natural heritage.

The English Tourism Council produced *Time for Action,* its strategy for making tourism more sustainable, in 2001. This was prepared under the guidance of a multi-stakeholder task force and has been widely circulated throughout the industry and relevant public sector organisations. This sets out a whole range of practical action to implement the above DCMS policy, relating to the environment, local communities and the local economy. Importantly, action that should be taken by the ETC, by the industry (enterprises) and by local authorities is spelt out under each action area.

In Wales, the Wales Tourist Board strategy *Achieving our Potential*, published in 2000, has as one of its four strategic objectives 'to embrace a sustainable approach to tourism development which benefits society, involves local communities and enhances Wales' unique environmental and cultural assets'. Under this a range of activity is identified relating to environmental improvement, involving local communities, strengthening culture, Welsh language and heritage, and promoting tourism for all.

In Scotland a new tourism strategy is being prepared in 2002. This is also likely to address sustainability issues. Policy and action in Scotland in this field has been spearheaded by a partnership of bodies, The Scottish Tourism and Environment Forum, co-funded by tourism, conservation and development organisations. The Forum set up a network of practical Tourism Management Projects across Scotland, raised industry and media awareness, established the Green Tourism Business Scheme (see below), and has undertaken relevant research projects.

Key initiatives in the UK

We set out below a small selection of initiatives which illustrate good practice in sustainable tourism in the UK. We have tried to confine this to public sector and policy related initiatives which could have a bearing on approaches in this domain across Europe.

Tools to assist the industry in England

The English Tourism Council has backed up its action plan with a number of tools to assist the implementation of sustainable tourism on the ground. These include:

The establishment of 20 national sustainability indicators, based on relatively simple statistical measures which can be checked each year. These have been agreed in partnership with environmental and industry bodies.

- The establishment of a sustainable tourism website, www.wisegrowth.org.uk, which provides information to consumers and businesses and has over 100 case studies.
- The production of a Green Audit Kit as published advice for businesses.
- The promotion through the regional tourist boards of a short training course, Green Advantage, which relates to the kit.

New approaches to planning in England

The strong relationship between effective land use planning policies and the sustainable development of tourism is widely accepted in the UK. In the past, planning decisions about tourism development have been determined on the basis of rather narrow criteria. There is an awareness in England and Wales of the need to consider new directions for land use planning towards more objective driven regional planning, addressing the wider spatial implications of development policy across all sectors, and also taking a more integrated approach to the management of local areas, incorporating principles of 'community planning'. This reflects the approach taken by the European Spatial Development Perspective. In England, studies leading to policy initiatives have been addressing how tourism can best relate to this. For example, issues of visitor management, rather than simply the physical impact of a development, should be taken into account in dertermining the merits of tourism projects.

Green Tourism Business Scheme in Scotland

Scotland has taken a lead in the UK in the application of environmental accreditation to tourism enterprises. Over 300 enterprises across Scotland are now members of The Green Tourism Business Scheme, including visitor attractions and conference centres as well as a wide range of types of accommodation. A particular strength of this scheme is that it has been nationally recognised from the beginning and was set up by the tourist board and environmental bodies working in partnership through the Tourism and Environment Forum. The fact that the scheme is promoted and run in parallel with the tourist board's quality accreditation scheme has been vital for success, stimulating awareness and confidence amongst the industry in Scotland. This has also meant that contradictions between 'quality' and 'environmental' requirements have been avoided. The scheme is participating in the VISIT project which is helping to coordinate and promote different national level schemes across Europe.

Coastal management – Green Sea initiative in Wales

The environmental quality of the coast is one of the primary tourism assets in Wales. The Green Sea Partnership was formed in 1996 between the Wales Tourist Board (WTB), Welsh Water, the Environment Agency, the Countryside Council for Wales and maritime local authorities. There are now 40 partners to the scheme. It has been working to improve the quality of the coastal environment for the benefit of local communities and visitors. A specific element of WTB capital funding for tourism projects has been allocated to this initiative each year. Considerable additional funds have been won, and the initiative is currently preparing a bid for ERDF support under Objective 1. The initiative promotes the European Blue Flag award, and has assisted the growth in Blue Flag awarded beaches from 2 to 25 over the past six years. It also has sought to relate the Blue Flag process more closely to the particular circumstances of the coastal environment in Wales, for example through initiating its own

Green Coast Award for natural rural beaches without the level of infrastructure required under Blue Flag; it hopes this concept might be extended elsewhere in Europe.

Destinations and IQM in Wales

Successful and sustainable tourism depends on having well managed destinations, The concept of Integrated Quality Management of tourism destination is about a process of progressively improving the quality of the visitor experience while securing economic, cultural and environmental benefits for the destination. In 1999 the European Commission published reports on the application of Integrated Quality Management based on case studies from across Europe. This concept has been taken up very actively in Wales. The Wales Tourist Board has ring fenced a large part of its funding to assist destinations implement IQM. Following a competition, 16 areas from across Wales have been selected to take this forward over a 5 year period. Action plans are being developed in these locations, informed by the EU studies which were circulated to each destination. Initiatives include improving marketing, information services, training, and networking between tourism enterprises, as well as improvements to tourism facilities, infrastructure and the environment.

Support for the rural economy and environment

The role of tourism in supporting the rural economy is increasingly recognised in the UK, and was dramatically demonstrated by the Foot and Mouth Disease crisis of 2001. Many government agencies and NGOs in the UK are calling for the reshaping of the European Common Agricultural Policy to support sustainable rural development and environmental protection, rather than simply subsidising agricultural production. In 1999 the UK has already started this process through enacting the right to divert a small proportion of market support payments towards such objectives, through the modulation process. CAP funding (EAGGF) has led to the establishment of the Rural Enterprise Scheme, which is able to assist a range of activities which are beneficial to sustainable rural tourism, including support for tourism facilities and craft activities on an off the farm, conservation of village environments and rural heritage, marketing of quality agricultural products to visitors, and protection of natural habitats.

Supporting natural and cultural heritage through tourism

Tourism income is vital to the preservation of the historic and natural environment in the UK. The National Trust provides a good example of the relationship. It owns and manages around 248,000 hectares of the country's finest landscapes, 1,000 km of coastline and over 200 historic properties. In 2001 the Trust estimated that it lost around £8m Euro in income through the decline in visits owing to the Foot and Mouth Disease crisis. It is now seeking to build this back up. Although its short term concern may be with promotion, it takes a very positive attitude towards sustainability issues in tourism. Policies include:

- Support for public transport initiatives linked to its properties
- Use of local produce in its shops and cafes
- Active engagement in environmental education
- Improving access for people with disabilities
- Developing techniques for managing visitor flows, such as timed tickets
- Promoting regional characteristics in its properties and the destinations around them.

Voluntary initiatives – the Visitor Payback concept

The UK has taken a lead in the concept of Visitor Payback – the process of encouraging tourists to give money voluntarily to conserve the places they visit. The concept was elaborated in a study funded by the European Commission in 1997. A small number of local schemes exist in England. In the Lake District National Park, for example, around 100 enterprises are members of a scheme called Invest in the Lakes. By approaching guests to make donations, or by adding voluntary supplements to bills, or through more direct sponsorship, around 250,000 euro have been raised by the group over four years which has been used to support landscape maintenance, footpath repairs and other conservation causes. Use of voluntary systems rather than tourist taxes is favoured by the UK government and the Visitor Payback concept was referred to in the tourism strategy for England as an approach to pursue.

Observations on progress towards sustainable tourism in the UK

The following observations about the situation in the UK are based on a reflection of the above strategies and examples of initiatives and also on discussions with representatives of tourism and environmental interests.

In general, tourism appears not to be seen as a major threat to the environment in the UK. While there is some concern about its impact on global environmental issues, such as climate change and resource consumption, incidence of local damage to habitats and inappropriate development is quite limited and perhaps less of a problem than in the past. There is now greater understanding between the tourism industry, planners and environmental bodies, and better management practice.

The concentration of interest is therefore more in the field of the positive contribution that tourism can make to the environment, through raising public awareness and providing a source of income for conservation of the natural and historic heritage and supporting local communities. The importance of this positive relationship was highlighted by the crises of last year.

The tourism and environment ministries and their agencies are well aware of this relationship and they have positive strategies to encourage action. There is a general call for a balanced approach, pursuing economic and social as well as environmental sustainability.

However, there are weaknesses.

- Resources made available at a national level specifically to implement sustainable tourism policies, such as the ETC *Time for Action* strategy, have been limited. This has reduced the influence of these policies and the ability to fully engage in long term planning of sustainable tourism.
- The response of tourism businesses to sustainability issues remains modest. Simply, this is not seen as a high priority for hoteliers, holiday park operators etc. The reliance on voluntary initiatives to influence sustainability means that take up will remain slow.
- The response of the British consumer to sustainability issues in tourism is limited and still largely unknown. The English Tourism Council is aware of this and is supporting more research into this issue.

Implementation of sustainable tourism policies continues to rely very heavily on action being taken at a regional and local level, primarily by regional agencies and local authorities. In the main, this has worked well. These bodies are aware of national strategies towards sustainable

tourism and reflect them. They also have access to a wide range of state and European funding which can be applied to initiatives. The challenge is to make this process easier and more coordinated.

Implications for the EU

Considerable resources to support tourism development and associated regeneration projects, including relevant improvements to environmental management and infrastructure, have been supported at a local level through a range of EU funds. These have included:

- ERDF: Many previous Objective 5b area programmes involved tourism. Tourism features to some extent in most Objective 1 and 2 area programmes. Approximately 50% of UK land area is covered by these two programmes, including many rural, upland and coastal areas attractive for tourism.
- ESF: Extensively used to support tourism training initiatives across the UK.
- EAGGF: Pillar 2 of the CAP, supporting rural development, has been used to support rural tourism enterprise. Most former LEADER2 and new LEADER+ programmes have a tourism component. New monies from the 'modulation' of Pillar 1in the UK, to support agri-environment initiatives, are seen as beneficial to sustainable rural tourism.
- Other specific programmes. There have been sustainable tourism components in LIFE funded projects. The KONVER programme (adjustment from decline of defence industries) has been well used for tourism initiatives.

It has not been possible to provide quantified information about the level of support for tourism from these funds.

It is felt that the continued application of these funds at a local level remains of critical importance in the implementation of sustainable tourism policies.

In general, the process appears to be working well. However, there is some current concern that government agencies within the UK (especially regional government offices responsible for single programming documents for the application of structural funds) are not placing sufficient importance on tourism projects. This has become more apparent under Objective 2 than previously under Objective 5b. Furthermore, knowledge about the possible use of the full range of EU support programmes which could be applied to tourism appears patchy.

There should be stronger guidance for regions and local authorities on the best ways of using these funding streams for tourism. This guidance could be coordinated at a national level. Some useful initiatives have been taken, such as a paper by the British Tourist Authority aimed at the regional tourist boards and local authorities on application of the structural funds. More of this kind of approach is needed, covering the full range of funding programmes that could possibly assist sustainable tourism. This guidance should be related to the sustainable tourism strategies.

Action should also be taken to match this at an EU level. This might entail:

- Stronger coordination between the DGs responsible for funding schemes, DG Enterprise (Tourism Unit), and DG Environment.
- A more clearly agreed strategy for sustainable tourism amongst these DGs.

- Effective involvement of the tourism industry to inform this process and reflect it back to the industry through representative bodies.
- A higher profile for sustainable tourism in guidance from the EU to nation states on the implementation of the measures and programmes.

One area where there is a call within the UK for a specific reform and expansion of funding relating to sustainable tourism is in the area of rural economic development. The UK is taking a lead in calling for a reform of the CAP, enabling more resources to be put into sustainable rural development and environmental management, rather than agricultural production. Tourism can play a key role in this. Resulting improvements to landscapes and biodiversity, together with support for cultural initiatives and appropriate tourism enterprises, could be very beneficial to sustainable tourism. In the short term, this could be assisted through allowing a greater level of modulation of Pillar 1 payments under the CAP.

The UK recognises the importance and value of sharing knowledge about sustainable tourism across Europe. Guidelines on good practice emanating from Europe have been helpful, and this process could be strengthened. The application in Wales of the EU study of Integrated Quality Management of Tourist Destinations is a good example of this.

The current weakness of the market response to sustainable tourism is a common concern. Thought should be given to ways of strengthening the communication of the issues and opportunities to the public at a European level as well as within Member States. Engagement of tourism business in sustainability issues could also be strengthened by giving a higher profile to environmental labelling schemes.

GERMANY

A brief profile of the tourism sector

Topic	1997		1998		1999		2000	
	Number		Number	Variation	Number	Variation	Number	Variation
Territory (10^3 km^2)							356.970	
Resident population (10^3)			82.163		82.259		~ 82 000	
Employed population (10^3)			40.262		40.508		40.326	
of which employed in tourism (10^3)							2.800	
of which employed in tourism (%)							8	
Tourism share of BIP							8	
Total Tourists (10^6)	**92.6**		**96.4**		**101.6**		**108.3**	**+6.5**
Foreign Tourists (10^6)							18.0	+11.5
Residential Tourists (10^6)							90.3	+5.6
Total overnight stays (10^6)	**287.1**		**294.5**	**+2.6%**	**308.0**	**+4.6**	**326.3**	**+5.9**
Residential overnight stays (10^6)	253.7		260.1	+2.5%	272.3		286.7	
Foreign overnight stays (10^6)	33.4		34.5	+3.2%	35.7		39.7	
Number of establishments (N°)	51,338		50,579		49,519		54,278	
Number of beds (N°)	2,360,037		2,404,688		2,430,699		2,478,383	
Average occupation rate per bed (%)	**34.9**		**33.7**		**34.8**		**36.3**	
Balance of Payments – Tourism: Credits (Euro^6)					22.000			
Balance of Payments – Tourism: Debits (Euro^6)					49.000			

NOTE: Data from 1990 are not available/ reliable (German reunification in 1989)

Tourism is an important pillar of the German economy. It is of particular importance in regions with a less developed industry which are situated at longer distances from industrial or service-producing locations. There, the income derived from tourism is important to safeguard jobs and to maintain and develop the regional economic power. In addition to the restaurant, hotel and accommodation industries, for instance retail trade and various service providers profit from a well-developed tourism sector. The share of hotel and restaurant establishments in the total turnover of all enterprises in Germany is about 1.3% (result of the 1998 turnover tax statistics). Due to the large number of staff required (incl. a big share of part-time employees), the weight the hotel and restaurant industry carries for employment is far heavier at about 3%. From 1995 to 1998, turnover decreased in both real and nominal terms. Since 1999, turnover in the hotel and restaurant industry has at least risen nominally. The partial sector of the accommodation industry has benefitted from a more favourable trend, having recorded turnover increases in real terms since 1999 again.

The current state of tourism

The development of tourism in Germany in 2000

In the restaurant industry, however, turnover declined in 2000 - as it did in the past five years. Besides, the number of employees dropped mainly in the restaurant industry in 2000, while the decline of employment, which had been observed since 1995 in the accommodation industry, could be stopped. The accommodation industry achieved a new record result. German hotels, boarding-houses and other accommodation establishments with nine or more beds welcomed 108.3 million guests. This was an increase of 6.5% compared with 1999 and the highest ever number of visitors. The number of overnights also climbed to a record level of 326.3 million, surpassing the 1999 results by 18.3 million or 5.9%. As in the preceding years, tourism in the new federal Länder and Berlin-East enjoyed a more favourable

development than in the former territory of the Federal Republic. 19.3 million visitors were counted in the eastern federal Länder (+8.5% compared with 1999), who stayed for 59.5 million overnights. This was an increase of 10.1%. The accommodation establishments in the old federal Länder recorded 89.0 million guests (+6.1%) and 266.8 million overnights (+5.1%). The highest growth rate of all federal Länder was attained by Berlin, where the number of overnights rose by just over a fifth (+20.4%). Tourism to Berlin has gained particularly strong momentum since Government and Parliament moved to the capital city. Recording an increase of 16.9% in overnights, Mecklenburg-Western Pomerania again was well above the average of the federal Länder after it had been at the top of the list in all the previous years. Lower Saxony, which hosted the world exhibition EXPO 2000, ranked third due to a 8.6% rise in overnights.

Looking at the various types of establishments in the accommodation industry, hotels and hotels garnis at a joint 7.1% recorded an above-average increase of overnights as in the preceding years. For these types of establishments, one may assume a high share of business travellers especially in cities. But also establishments which are typical of holiday tourism like holiday centres, homes and apartments as well as inns and boarding-houses benefited in 2000 from a marked 5.8% rise in overnights. A positive trend in holiday tourism is also reflected by the results for individual groups of communities. Sea-side resorts (+5.7%), climatic resorts (+4.0%) and recreation resorts (+4.5%), i.e. destinations on which holiday tourism focuses to a particular degree, showed higher increases in the number of overnights than in the year before. At a growth of 4.6%, spa resorts, too, were able to achieve a noticeable rise. However, the level of 1995, i.e. prior to those massive losses in the cure and rehabilitation sector of the years 1996-97, has not yet been reached again. Camping tourism suffered a slight decline in 2000. The number of visitors fell 2.2% to 5.4 million as compared to the year before. Overnights dropped 1.4% to 21.0 million. The none too good weather of the previous summer probably was an essential factor in this development. It should be pointed out in this context that accommodation statistics only cover tourist camping but not permanent camping. One segment of the tourism market that has shown an above-average development over the past few years is city tourism. Accordingly, in 2000 the number of overnights in big cities (with more than 100 000 inhabitants) grew far stronger at 8.9% than in the average of all communities (+5.9%). These results reflect the development of both business and private trips to cities.

Exceptionally strong increase of incoming tourism

The number of overnights by foreign visitors has risen for the seventh year in a row. In 2000, however, the increase was markedly higher at 10.9% than in the preceding years, when it had mostly run up to about 3.5%. 39.6 million overnights by foreign visitors mark another record level. One of the major reasons for this development probably was the world exhibition EXPO 2000, which took place in Hanover from June to October. Of all federal Länder, Lower Saxony recorded the highest increase of overnights by foreign visitors at 27.3%. At Hanover as such, that number rose by 64.2%. Besides Lower Saxony, nine other federal Länder showed two-digit growth rates for overnights by foreign visitors. This suggests that the EXPO had positive effects on incoming tourism beyond Lower Saxony as well. Looking at the main countries of origin, the highest increase was recorded for the United States (+17%). Two-digit growth rates in overnights were also registered for visitors from Great Britain (+14.9%), Japan (+13.9%), Sweden (+12.9%) and Switzerland (+10.4%). It is conspicuous that all five countries do not belong to the European Monetary Union. This is further evidence that the rather low Euro exchange rates in 2000 also had a positive influence on the development of incoming tourism. Travelling to Germany has become relatively cheaper for tourists from non-euro countries. Incoming tourism to the new federal Länder is still lagging behind distinctly. The 6.0% share of foreign visitors in the total of overnights was not even half as

high as in the former territory (13.5%) and it did not increase on 1992. Bavaria, North Rhine-Westphalia and Baden-Württemberg recorded more than half of all overnights by foreign visitors (51.7%), while eight Länder, i.e. one half of the total 16 Länder, accounted for 90.3% of those overnights. None of the new Länder was among them.

The effects of 11th September 2001

Immediately after the 11th September the decline in tourism was considerable. At the beginning of 2002 the booking rates of holiday trips were still below the figures of former years. Aside the 11th September also other reasons have to be taken into consideration: especially a general trend in Germany towards more short termed booking. Also the slightly worse economic situation may have some influence. In fact the outgoing tourism from Germany to the USA and Middle East still today is facing a reduced demand. The incoming tourism to Germany still counts less guests. Special destinations like e.g. Heidelberg, central Rhine area, or the Castle of Neuschwanstein in Bavaria, highlights for US American and Japonese visitors in Europe, state slightly reduced demand form USA. At the other side the trend for more domestic tourism is considered to continue - also because of the fact that more Germans hesitate to book flights and prefer earthbound transport and holiday on the continent, including in the own country: coastal destinations, hilly/rural areas and the southern mountains expect a considerable raising demand in 2002 onwards. The German incoming tourism industry here in general sees a good opportunity to raise the image for the quality of domestic tourism offer, of nature and culture based holiday, combined with high environmental friendliness as a "quality plus".

Outlook

In Germany following four trends for tourism have been identified and are expected for the coming years:

- more demand for events and adventure travel
- growing importance of the experience of nature
- trend towards all forms of cultural tourism
- growing use of the Internet for information and booking

An overview of Sustainable tourism policy

Because tourism is a cross-sectional sector there are complex impacts on sustainable development. For example, leisure-time and holiday travel, along with business trips, generate about 50% of all emissions caused by traffic in Germany. Approximately 70% of all commercial air travel undertaken by Germans is generated by tourism.

At the national level, the Ministry responsible for Environment and Tourism is the Federal Ministry for Environment, Nature Conservation and Nuclear Safety. The Federal Ministry for Economics is responsible for tourism policy in general. Since Germany is a federally governed country, tourism policy and promotion are generally with the State Ministries for Economics, and, at the local level, with the municipal tourist boards. The relevant Ministries for Environment are responsible for ecological aspects of tourism development.

Germany participates – amongst other - in the following **international** cooperative programmes related to sustainable tourism:

- Convention on the Protection of the Alps, tourism protocol
- BALTIC 21 (development of sustainable tourism indicators)
- Antarctic Treaty: Environment Protocol

- Convention on Biodiversity
- Implementation of the Berlin Declaration "Biological Diversity and Sustainable Tourism" (1997)
- Declaration and Conclusions “Sustainable Tourism, Environment and Employment” (2000)

The German policy is to develop all types of tourism in a sustainable way. Eco-tourism and nature-based tourism are implemented in a broader sense by promotion of, inter alia, the following items:

- research on sustainable tourism development, development of indicators, opinion polls.
- construction and management of bikers' lanes, hiking and canoeing trails,
- visitors management in protected areas and historical sites,
- ban on speedos in certain coastal areas and on many secondary waterways and lakes,
- designation of particularly sensitive areas in protected areas,
- voluntary tools for the development and promotion of more sustainable tourism: Ecolabels, Environmental management systems, competitions and awards
- information and awareness campaigns in cooperation with the tourism business and sports associations and other NGOs

The relevant issues for a policy on sustainable tourism at all levels - federal, State, local - are

- environmentally compatible products and services;
- introduction of environmental management systems in the tourism business;
- sustainable transport systems;
- conservation and preservation of the natural and cultural heritage, including landscape and biodiversity;
- information of tourists and education of professionals in the tourism business.

At the **federal level**, the main laws that can be applied to sustainable tourism management are

- the federal laws for building and spatial planning
- Federal Nature Conservation Act
- Federal Forest Act
- Federal Water Act
- Closed Substance Cycle and Waste Management Act
- Federal Immission Control Act and Technical Instructions on Noise Abatement
- Act on the Assessment of Environmental Impacts
- EC Eco-Audit Ordinance (EMAS)

There is no **national** Strategy for sustainable tourism. The Federal Minister for Economics, however, publishes a national report on the state of tourism every four years ("Tourismusbericht der Bundesregierung") to the German Parliament, which contains a chapter on "Environment and Tourism". In 2001 the federal government installed a national council for sustainable development. As first results a strategy paper for sustainable development in Germany was performed in December 2001. It does not contain special Tourism issues but objectives like energy saving and soft mobility. Based on earlier studies the Federal Government will publish in 2002 a detailed national report on “Tourism and Environment”.

A public-private National Working Group **“Development of rural areas/sustainable tourism”** in 2001 proposed 5 measures:

- improvements of the national policies for financial support of sustainable tourism projects - assessment of Länder, federal and European funding opportunities

  - national funds for coastal protection (GAK): assessment of status quo, strategy, ICZM projects
  - improvement of regional economic structure in rural areas(GAW):combination with EAGFL funds
- nature oriented tourism in Germany: new strategies for marketing
- co-ordination and qualification of potentials for more walking/trekking tourism
- proclamation of a German "Landscape of the year"
- improvement of qualification opportunities for sustainable tourism initiatives

One of the **national** instruments employed by the Federal Republic of Germany to protect natural resources and ecosystems is that of **landscape planning.** It must be performed at all levels of government administration: the Länder level (landscape programme), the regional level (framework landscape plan), and the local authority level (landscape plan / green spaces development plan). The Federal " Nature Conservation Act" and the nature conservation acts of the Länder stipulate that landscape planning should present the measures and prerequisites for achieving the objectives of nature conservation and landscape management for a given planning area. The landscape plan provides town and country planners with the necessary planning foundations and assessment criteria for integrating aspects of landscape management and ecology, so that relevant nature conservation concerns can be properly considered when coordinating land-use demands like tourism development. In addition, the Federal Office for Nature Conservation (BfN) operates the LANIS landscape information system, thus allowing the quick and reliable transfer of relevant information on nature conservation.

The **Federal** States establish their own tourism plans and strategies, e.g. in Schleswig-Holstein or Bavaria. At the **regional and local** levels a variety of model projects integrate tourism in plans and strategies for sustainable development. These projects are partially funded by the federal government. A growing number of **tourism businesses** is committing itself to the voluntary application of environmental management systems according to EMAS and ISO 14000 ff.: hotels, camping sites, tour operators. The Federal Environmental Agency supported the development of EMAS for local destinations.

With respect to different Codes of Practice, in 1997, **the German tourism industry** through its major representing associations signed a voluntary agreement committing itself to a policy of sustainable tourism development ("Environmental Declaration"). To complete the general environmental declaration with detailed objectives for the development of tourism in Germany the Deutscher Tourismusverband (DTV) published its own "Positionspapier Nachhaltige Entwicklung: Tourismus und Umwelt in Deutschland " (Position paper on Sustainable Development: Tourism and Environment in Germany, 1998).

Relevant issues and actions, bringing out examples of good practice

Actions in Germany mainly aim for **two objectives**:
- to raise the number of domestic guests in Germany i.o. to reduce the environmental impacts by high energy consumption by German tourists' long distance trips. Products combined with soft mobility shall be preferred
- to stimulate the whole tourism sector to consider the principles for sustainability and to raise the demand for more sustainable products

Beside environmental laws and regulations a broad variety of "soft" instruments is developed and used
- to encourage good environmental practice in tourism destinations
- to promote tourism in nature and national parks

- to make tourism enterprises more sustainable
- to raise public awareness

The activities include competitions and Ecolabels, integrated regional development planning, promotion campaigns, Environmental management systems for businesses and resorts, sustainable tourism fairs and best practice information systems, e.g.

Bundeswettbewerb Umweltfreundliche Fremdenverkehrsorte in Deutschland

In 1996 the German association for tourism (Deutscher Tourismusverband) together with further stakeholder associations and the ministries for the Environment and for Economy realised the national "competition for environmentally friendly local destinations". Objectives of the competition were the creation of impulses for a environmentally-friendly way of behaviour in tourism communities, motivation of communities to carry out environmental activities and improve their existing environmental works, to improve the acceptance of environmentally-friendly tourism offers of operators and to set up the environmental quality as an important competition tool for the German tourism. The criteria for awarding covered the fields of transport, air, noise, climate; waste; water/waste water; energy; nature and landscape and environmental management. 110 destinations participated, 27 local communities were awarded. They form a unique net of small and large, cultural, mountain, coastal and spa destinations with an excellent environmental performance.

AENUS - Modellprojekt Europareservat Unterer Inn *(model project European reserve lower river Inn)*

This project started in 1997 and ended Mid 1999. 60 communities at the transborder Bavarian-Upper Austrian border in the framework of 3 regional forums worked out a plan for a border crossing developing strategy. The implementation of this model for integrated regional development took place in a variety of projects in 20 specific working groups with topics such as bike tourism, environmentally-friendly mobility, European Reserve, agriculture. The project was supported by the EFRE programme (Interreg II a).

Interessengemeinschaft Autofreie Kur- und Fremdenverkehrsorte in Bayern (IAKF)

(Association for Car-Free Spa And Tourism Destinations in Bavaria)
This initiative was implemented in 1993 with support of the Ministry for Environment in Bavaria/Germany. The main objective is the reduction of environmental pollution caused by traffic in centres of local communities or in sensitive spa and holiday areas in Bavaria, Germany in consideration with the car free mobility and the use of alternative traffic. The first step was the reduction of car use by individuals and the reduction of dangerous substances emissions. Each community develops specific projects in accordance with its own need. The network promotion so far is not focused on the partners' tourism products but on the principle concept of the reduction of environmental impacts caused by traffic. Up to now, 29 spa and tourist communities have committed themselves to respect the "car free" concept. An increasing use of alternative transport means (bicycles, walking, use of public transport, use of gas or other alternative energy cars etc.) has been noticed in those destinations. The project management works in a very closed co-operation with NETS, the European network for soft mobility which has been implemented with support of the LIFE program.

Natur und Lebensraum Rhön: out of the region – back to the region

The implementation of the biosphere reserve Rhön in the central area of Germany in the 90es included many local and business activities. Many were supported by the LEADER program. Based on an integrated regional development plan a wide variety of sustainable tourism activities were realised to raise the economic income and contribute to the conservation of nature and culture. Local produce of meat ("recovery of the Rhönschaf"), farmers' products, handcraft, apple juice, etc. more and more were sold to tourism businesses and tourist. The creation of added values, marketing groups and quality criteria for Rhön products created many jobs and made known the Rhön area as a destination for tourists. Today e.g. the hotel/restaurant "Zur Krone" rose the share of regional products from 5% to nearly 80% , it works on an absolutely ecological way and is recognised as a leading model for sustainability and quality in Europe.

European Charter for Sustainable Tourism in Protected Area: first parks certified in Germany

This initiative has been developed since 1995 by the EUROPARC Federation, Germany, and the "Federation des Parcs Naturels Regionaux de France". Several partners are involved in the project such as the European Commission DG XI, The French Ministry of Tourism, NGOs, protected areas, and business tourism representatives. Co-financing came from the LIFE programme. In 2001 the first two parks in Germany were certified with the Charter. The German ministry for environment strongly recognises this initiative and encourages, in co-operation with the German Association of Nature Parks, more protected areas to apply for the Charter.

Fahrtziel Natur (destination "nature")

The co-operation between the Deutsche Bahn and four environmental associations (Bund für Umwelt und Naturschutz Deutschland e.V. [BUND], Naturschutzbund Deutschland e.V. [NABU], Verkehrsclub Deutschland e.V. [VCD], Umweltstiftung WWF Deutschland) aims to bring a higher share of leisure transport from the roads to the railways (soft mobility). At the same time they want to raise awareness for the values and high qualities of protected natural areas in Germany. Four regions in the northern part of Germany with six protected areas (national parks, biosphere reserves and nature parks) are linked closely now by the project "Fahrtziel Natur". The protected areas are the "Jewels" of the northern part of germany: Wattenmeer/Upper Saxony, Uckermark/Brandenburg, Isle of Rügen/Mecklenburg-Vorpommern, Harz/Upper Saxony.

Lust auf Natur (desire for nature)

A similar initiative is co-ordinated by the Deutsche Zentrale für Tourismus (German incoming organisation for tourism). DZT in 2002 co-ordinates the nature oriented activities and programs within the international year of Eco-tourism and International year of Mountains 2002 and aims to raise the desire for nature holidays in Germany.

Bayerisches Umweltsiegel für das Gastgewerbe (Bavarian Ecolabel for hotels and restaurants)

In 1991 and 1993/93 first businesses were awarded in the framework of the regional action plan "Umweltbewußter Hotel- und Gaststättenbetrieb" in Bavaria/Germany by the Bavarian State Ministry for the Environment (Bayerisches Staatsministerium für Landesentwicklung und Umweltfragen). Since 1997, it is the official eco-label for Bavaria. Partners are:

Bayerischer Hotel- und Gaststättenverband (BHG), the Bayern Tourismus GmbH, the Bayerischer Industrie- und Handelskammertag. The purpose of the label is to motivate hotels, private accommodation, camping sites, holiday apartments to turn their business management into a environmentally friendly management. In 2001, 200 accommodation businesses were certified, about 1% of all accommodation businesses in Bavaria. The lead organisation aims to double the number of certified businesses in the next 3 years.

ECOCAMPING - Integriertes Umweltmanagement auf Campingplätzen (Integrated Environmental Management on Camping Sites)

14 camping sites at Lake Constance (DE, AT, CH) and 6 at the Lago Maggiore (IT) started to implement an environmental management system that has been developed during the project especially for camping sites according to the EMAS II regulation (European Union's Environmental Management and Auditing Scheme for businesses and services). Camping site associations in Baden-Württemberg, Bavaria, Mecklenburg-Vorpommern meanwhile co-operate with and join ECOCAMPING. The experiences of ECOCAMPING shall be transferred to other European countries and influence the development of the EU-EMAS (European Union – Environmental Management and Audit Scheme) guideline for tourist services. The lead of the project has been taken by the "Bodensee-Stiftung" until the end of the project in September 2001. This project has been financed, among other, by the LIFE Environment programme, by the organisation Deutsche Bundesstiftung Umwelt, and by the Austrian Ministry for Environment, Youth and Family.

VIABONO - Umbrella brand for environmentally friendly tourism in Germany

This national environmental umbrella brand in Germany has been created recently by VIABONO GmbH in partnership with leading German associations in the field of tourism, environment, consumers, communities, ministries and government. Its development has been supported by the German Ministry for the Environment and the Ministry for Economy, responsible for Tourism issues. The purpose of this project is to unite all existing environmental tourism services and products in the various tourism sectors, to raise their quantity, to promote them using modern communication strategies and to raise the demand. An electronic platform on the Internet has been implemented to facilitate the search for accommodation, special tour offers etc. related to the environment and nature, mental relaxation, regional cuisine, wilderness, family holidays, art and culture, etc.
This system concerns all type of tourism services, and is still under development: in the first stage, accommodation businesses (hotels, camping sites, private holiday apartments) and destinations (local communities and regions, protected areas) shall apply for a VIABONO licence. In 2001 40 measurement and management criteria are published for hotels and for local communities. End of 2001 first accommodation establishments and local destinations were licenced.

TopTeamNaTour - Bundeswettbewerb für Kinder- und Jugendreisen im Sinne einer nachhaltigen Entwicklung (Federal Competition for Children and Youth travel packages in the Sense of Sustainable Development)

This joint 3-year initiative has been implemented in 1998 by "AG TopTeamNaTour" (a grouping of German non-profit organisations co-ordinated by the German Youth Hostel Association. Financial support came from the "Deutsche Bundesstiftung Umwelt" (German

Federal Foundation for the Environment). Specific activities such as a competition for sustainable tour packages and training courses encouraged the youth travel operators in Germany to develop environmentally and socially friendly products, to co-operate with new partners on-the-spot, to support the consume of regional products, to improve the design of their travel documentation, to train their staff for sustainable tour packaging, etc. In 1999 and 2000 about 200 package tours for young people to destinations mainly in Europe participated, 24 were awarded. Based on the experiences and feedback in 2001 the award "Top TeamNaTour" shall be developed to a certification scheme/ Ecolabel, organised by the German Forum for Youth Travel. Additional qualification courses are offered for "Teamers", being responsible for the care of the children and young tourists on their holiday trip.

Reisepavillon – sustainable tourism fair

Over 12 years the German fair for alternative travel "Reisepavillon" has established as unique meeting place and discussion forum sustainable tourism, meanwhile on international level. The specific quality of Reisepavillon lies in its combination of exhibition, top-flight programme for travel professionals and entertaining supporting programme for holiday-seekers. The fair has received numerous awards including the 1999 Lower Saxony Environment Prize, the 2000 Green Palm from GEO Saison, and the Award for Best Conservation Practice from the Global Nature Fund in 2000. The 12th Reisepavillon in January 2002 was dedicated to the International Year of Ecotourism, with the participation of WTO, WWF, GTZ, UNEP, German Rail and bodies responsible for marketing large conservation areas. The federal ministry for Environment supported the program.

ECO-TIP – examples of good practice on the Internet

The database ECO-TIP (www.eco-tip.org) offers a variety of more than 300 examples of good practice and models in Europe, gives information on about 100 Eco-labels and Awards for more sustainable tourism and exemplary tools world wide, links and special service**s** for practitioners and students: Out of practice back to practice. ECO-TIP is run by ECOTRANS**,** an independent non-profit European network for sustainable tourism development. The development of the database started in Germany (1997) with the help of more than 10 leading tourism, environment and consumer associations in Germany and financial support from the Deutsche Bundesstiftung Umwelt. From 1999-2000 ECO-TIP was developed for the European level with support of the LIFE programme**.**

Implications for EU support and intervention

The activities in Germany for sustainable tourism have to be considered in the light of two facts:

1. Tourism in Germany is highly developed. There is more activity to make existing tourism supply more sustainable than to develop new destinations and businesses (except in Eastern German and in rural areas, e.g. planned "Oder-Neisse bicycle path").
2. There is a high need for multiplication of examples of good practice. The market conditions for more environmentally products still have to be improved. The European Union more and more is responsible to reduce subvention of environmentally damaging economic activities and products and to link their funding opportunities to principles and objectives for more sustainability in the European single market.

To raise the quantity of good examples and to push sustainable tourism from the niche market to the mainstream market in Germany a.o. following initiatives on European level could be very helpful:

- There are no established procedures to monitor progress of sustainable tourism development. There are, of course, statistical data taken, at the federal and State levels (Federal and State Statistics Offices), as well as by private companies (e.g.: FUR-Reiseanalyse). These data are taken into account when making policy decisions on sustainable tourism development. There is no established national information series on sustainable tourism since Germany is a Federation and the responsibility for tourism is with the Federal States. The Federal Ministry for Environment, however, sponsors information material and the development of criteria catalogues to assist the tourism industry as well as decision-makers. In addition, the Federal States promote relevant information material. A European frame of indicators for sustainable tourism processes and performances for destinations and a European information system would help to specify and establish a national monitoring system (EUROSTAT).

- There are no special funds for sustainable tourism development in Germany, model projects mainly are supported from research programs. The existing structural funds (coast, rural areas) shall be better combined with European funds. Common criteria for the election of projects are needed. European funds which support the planning and establishment of infrastructure shall be linked with clear and measurable objectives for sustainable tourism (process, performance). A certain percentage of such structural funds shall be reserved for research, training, awareness raising and marketing of sustainable tourism. There is no national programme to educate policy makers. Those programs which may be used for training, awareness raising, networking and exchange of knowledge shall be strengthened (LIFE, Leonardo, Socrates, etc.),

- It should be considered whether the acquisition of European Funds for tourism development in nature and national parks could be linked to the existence of the certification with the European Charter for Sustainable tourism in protected areas.

- A main constraint for the marketing of sustainable tourism seems to be the lack of awareness on both sides: tourists and tourism business. A raising demand would be the best argument for both businesses and destinations to engage more for soft mobility, less energy and resources consumption. Environmentally friendliness shall be communicated on European level as what it is: a quality plus. A European image campaign in co-operation with all existing networks and initiatives (e.g. Ecolabels for tourism) could raise the awareness and demand in all Member States – all citizens should know that they may benefit twice: as host population and as tourists.

ITALY

Brief Profile And Current State Of Tourism

Italy is one of the outstanding destinations of international tourism. According to the most recent figured issued by the World Tourism Organisation [1] , Italy holds the fourth place in tourists' preference worldwide (42,2 millions arrivals, representing 5,6% of overall market).

Before September 11th, Italian tourism was experiencing a new "record performance" with an increase of foreign-originated stays evaluated at approx. 4% and of domestic stays just above 1%, totalling an estimated +2,3%. The terrorist outrage had a strong impact on the last three months of the year and, as a consequence, the forecast for year 2001 is now an overall 1,4% decrease. Therefore, if no further disruptive events happen, the 2002 forecast is stationary or slightly increasing (0,4%). These figures are the outcome of the balance between the 1,9% decrease of foreign stays and of approx. 1,9% increase of domestic stays.

The Hotels stays decreased dramatically, owing to the absence of Americans and Japanese: the decrease is approx. 8% vs. 1,6 increase of Italians (the forecast for the overall hotel flow is 2,4% decrease). The tendency "fewer foreigners and more Italians" affects more heavily the most famous hotels in cities of art.

This negative trend is bound to influence Italian economy in general. Tourism is in fact one of the most important economy sectors for Italy. In 1999 tourism expenses in Italy amounted to approx. 72.304 M.euro (44.876 M.euro spent by Italians and 27.326 M.euro by foreigners), equal to 0,9% domestic consumption[2]. The contribution rate of tourism to the overall national GNP was 12,1% in terms of tourism added value, i.e. the double of what was produced by food and agriculture sectors. The number of units directly employed in this sector is approx. 1.530.000, equal to 8,8% total employment. (1999). Moreover tourism industry is important in financing the balance of payments: the positive balance amounts to approx. 11.000 M.euro (1999)[3].

Italian tourism industry is mainly based on a system of highly fragmented small and medium-size enterprises, often family-run. According to ISTAT[4] (1999) there are in Italy approx. 33,341 hotels, 2,355 non-hotel lodgement enterprises, more than 7,000 travel agencies and 200,000 venues including bars, restaurants, coffee shops and pizza places.

This fragmentation being rather incoherent with the very nature of tourism product, consortia have recently been developed as a tool to make offer more homogeneous. Up to now there are about 120 groups, including voluntary and family groups, and more that 300 tourism consortia of different kinds; the consortia, many of territorial nature, often include corporate-hotels or voluntary groups; the "family group" is typical of the Italian tourism market.

From an organisation and institutional point of view, Italy is undergoing deep changes due to the process of regional devolution. Many central government powers are being transferred to regional administrations. This rationale was acknowledged also by the new Frame-Law on Tourism, which establishes that tourism policy are to be decided and implemented by the Regions. Therefore Regions take decisions concerning hotel classification, environmental tourism policies, development of institutional quality marks.

Central government only co-ordinates issues that influence tourism (e.g. transport, safety, fiscal policy) and represents national interests in international contexts. Notwithstanding, the implementation of this law being subject to the dispositions of some norms which have not yet been issued, the fragmentation of decision powers in tourism still stands.

Overview on sustainable tourism policy

Following the Rio Conference in 1993, Italy adopted the National Plan for Sustainable Tourism[5]. In the following years an organic environmental policy for tourism was not defined, although, mainly at regional and local level, the attention for environmental problems in tourism increased dramatically. The lack of efficacy of 1993 Plan is mainly due to the practical fragmentation of decisional power in tourism and environment-related issues. For this reason in 1999 the Ministry for the Environment requested a new strategic approach of the Plan. The objective of the revision of the plan was to establish a guideline document providing a unitary frame of reference, shared and binding for government's action at different levels and for all actors.

The Plan's proposal, presented in 2000 and not yet approved, provides an environmental tourism policy matching the EU guidelines. They can be summarised in the following points:

- Integrate tourism in territorial planning and management;
- Promote the emersion of submerged enterprises and activities – including the registration of holiday homes and of rent sector.
- Severely repress abusiveness, mainly in the building sector, even through demolition of buildings and public works that are not compatible;
- Promote associations and consortiums amongst the enterprises of the sector, strengthen their institutional and voluntary representations, thus enabling them to establish negotiation policies at sector level and;
- Promote a better distribution of demand amongst local tourism resources, including wider areas in the offer when appropriate, and a better distribution of demand over the year and seasons, through a differentiation of holiday periods and the promotion of special offers in off-peak periods;
- Define obligations and rights of tourists, operators and local authorities involved in tourism fluxes;
- Promote operators' training and awareness of the public, as well as of Public administrations. Promote a unified information system including criteria for cataloguing and certifying integrated offer;

At local level only few regional governments adopted an organic tourism policy. Amongst there the most interesting example is Emilia Romagna region which adopted an *Action Programme for the environment*
(http://www.regione.emilia-romagna.it/programmambiente/programma.htlm)

The diffusion of sustainability criteria in tourism sector has been set as primary objective for upgrading the sector.

Increased environmental awareness of tourists, mainly the ones coming from northern Europe who are traditionally more sensitive to such issues, determined the need to revise actions aimed at developing tourism and start a new planning of interventions, finalised to consolidating tourism sector in national and international market. Following also the serious outcomes of mucilage impact in Summer 1989, which caused relevant economic damage to the entrepreneurs of Emilia-Romagna coast, the region has set up a series of integrated

programmes, in accordance with European indications, aimed at all components of the sector: private enterprises, public bodies, residents and tourists.

These programmes, applied to the whole regional tourism area, aimed particularly at upgrading the most run-down areas as concerns the quality of urban environment (coastal system) or sites particularly sensitive to these issues (thermal cities)

In general terms, sustainability and environmental protection criteria are deemed primary for defining the classification for funding, abiding by the sector laws (L.R. 3/93 incentive for tourism enterprises and public intervention; L.R. 26/87 financing ski lifts and L.R. 32/88 for spa; L.R. 30/96 for special area programmes involving tourism areas; L.R. 7/98 for enhancing and promoting tourism sector).

Key initiatives

The following are the initiatives that we thought worth transferring at European level:

New investment planning methods in infrastructures and structures of public interest: feasibility studies (SDF) and Territorial Integrated Projects.

The analysis of investment policies concerning 1994-1999 Structural Funds stressed that the lack of technical, economical and administrative planning caused delays, sometimes very serious ones, in the procedural, financial and actuation process of the regional programmes of QCS Italy objective 1 1994-1999. For this reason one of the priorities of 2000-2006 Structural Funds planning was to provide local governments with new planning tools. Amongst these the most relevant for tourism development are feasibility studies (SDF) and Integrated Territorial Projects.
SDF' task is to verify the economic, institutional and territorial-environmental feasibility of projects involving public investments. The final aim is, on one side, to harmonise the infrastructural interventions co-financed by the European Union in some particularly environmentally sensitive or culturally relevant territorial situations, and on the other side, the urban and territorial planning tools in force at local level. Besides, the studies required for SDF encompass the Evaluation of Environmental Impact. These studies have enhanced the availability for many areas located in the south, of project-ideas and economic resources supporting and helping local tourism development.

PITs are the planning tool for spending structural funds ob.1 at local level. In the interpretation given by ob.1 regional administrations PITs risk, in various situations, to enhance the use of resources on territorial basis instead of facilitating specific growth potentials. Hence the need to link the territorial interventions to a unifying "guideline".

Therefore PITs reflect the original inspiration of integrated territorial planning, formulated in the preparation stage of the new planning of structural funds, aimed at establishing opportunities for "quality projects" and at directing more efficiently actions accompanying and supporting local partnership dynamics.

Although they are still being defined, according to interviews made, a significant role for sustainable tourism emerges as a theme of guidelines.
www.tesoro.it

Planning and investment public policies for tourism structures and infrastructures in objective 1 areas.

The route activated by Piedmont Region for drawing up the Unified Planning Document finalised at allocating the financing of the Regional Development Fund, is an interesting example of integration of E.C. policies at regional level. In particular the elaboration modalities of 97-99 operational tourism programme, besides producing meaningful results in terms of expenditure, substantially reflected the very spirit of integrated development, innovation of tourism products and pipeline coherence. The method has been selected as an example by the Commission itself, which considered it an example to follow, quoting it in the *Guidelines for 2000-2006 programmes* in the *Commission communication concerning structural funds and cohesion fund (*1999/C 267/02).

Moreover, following the positive experience, Piedmont Region passed a law (L.R. 4/2000) enforcing the same methodology. The law aims at the following: promoting the development of tourism oriented areas, revamping declining tourism areas, improving the quality of "strong" tourism areas through co-financing (70%) interventions coherent with tourism planning guaranteeing that environment, local society and economy are compatible.
www.regione.piemonte.it
www.arpa.piemonte.it

Tourism destination management

In Italy the concept of "destination management" only recently became part of tourism culture and planning. From an operational point of view it is increasingly linked to the implementation of Local Agenda 21 processes and environmental certification systems.

At present the communities that have a certified environmental management system are: Capri, Varese, Ligure, Vado Ligure, Iesolo and Celle Ligure and San Michele al Tagliamento. Interviews stressed that many communities, particularly in areas with greater tourism development, show interest and are willing to use these instruments.
The most innovative project, presented at the International Rimini Conference on Sustainable Tourism (2001),is the registration of the Bibione Tourism Pole. It is different from other certifications in the way it tackles environmental peculiarities/problems connected with tourism in that its approach is a "system approach" i.e. it advocates the basic principle that great efforts of few shall never have the same impact as "little" efforts of the whole community living in the territory. The environmental safeguard and protection is guaranteed by public awareness raising (citizens, tourists, economy operators, public administrators) and by the concept that improving the environmental performance of a single organization is important, but not sufficient.

Management of fragile and sensitive tourism oriented areas.

At the moment there are no reliable figures available for the impact of tourism in the most fragile and sensitive areas. The level of formal protection of the territory has recently increased.

The efficacy of these constraints is still precarious. Approx. 80% of protected areas (equal to approx. 10% of the whole nation) were established during the last 10 years, but they were given the necessary management tools only during the last five years.
The Parco delle Alpi Marittime (Piedmont Region) and the National Park of the Monti Sibillini (located in central Italy between Umbria and Marche Regions), adopted the European Charter for Sustainable Tourism. The Charter is the result of a previous reflection, started in 1991 by Europarc federation, that lead to the publication of the report. It is one of the priorities of the actions programme "parks for life" of the World Union for Nature (UICN).

The Charter's signers pledge themselves to implement a local strategy in favour of "sustainable tourism". Acknowledging the Charter means adopting a working method based on the principle of partnership, which expresses itself through all phases of definition and implementation of durable tourism development programme. The outcome is a contractual activity and in a loyal and intense co-operation among the institution managing the protected area, tourist operators, travel organizations and other local actors.

In the Sibillini Park this activity resulted in the approval of a *Declaration of Intents* through which operators appointed the Park to represent them with local and regional governments as concerns the support of investment policies in tourism sector.
In the National Park of Alpi Marittime the co-operation between tourism operators and administrators of the protected area resulted in drawing up a Manual for tourism enterprises, on how tourism offer cam be improved in the perspective of sustainability .
Another interesting initiative was developed by Autonomous Region Valle d'Aosta, which passed a law (L.R. 20/96) which established a usage-fee aimed at preventing congestion in the streets involved in tourism. The law is the final outcome of a LIFE project.

Funding policies of the Ministry for Industry: Law NR. 488/92

Since 1998 is in force "Law n°488/1992 – Extension of facilitation to enterprises operating in tourism-accommodation sector, in accordance with art. 9, paragraph 1 of the law 27/12/1997 n°449" which equalises tourism enterprises with industrial enterprises, thus permitting to use the funding included in the Law nr. 488/92 specifically for tourism sector. The intervention is aimed at facilitating the activities carried out by tourism enterprises through accommodation structures like: hotels, motels, hotel-villages, residence-hotels, camping-sites, farm-holiday sites, room rentals, holiday flats and houses, youth hostels and mountain huts. Incentives apply also to travel and tourism agents, although in this case the list of expenses that qualify is smaller. Furthermore regions can issue norms aimed at individuating further activities that help enhancing tourism-environmental issues that are not included in national norms (for example managing bathing establishments), in which case they must report to the Ministry for the Industry within October 31st each year. Expenses qualify for facilitation according to the kind of beneficiary and retroactivity.

In particular for tourism enterprises the following expenses can be facilitated: general and executive planning, in-yard works direction, expenses for building permits, studies of economic-financial feasibility, environmental impact and mandatory testing, starting quotas of franchising contracts, quality and environmental certifications (ISO14001 – EMAS). All this up to 5% maximum value of the overall investment that qualifies.

Voluntary tools of environmental certification systems.

To this day in Italy there are al least 9 environmental quality marks. Moreover more and more tourism enterprises apply for EMAS and ISO 14001 certifications. Amongst the most interesting cases there are the initiatives started by the Adriatic Riviera, a coastal area known for tourism charge in summer.
In 1997 the local administration, the Hotel Association and Legambiente established in Riccione the "*Hotels recommended for their engagement in defending the environment"*.

The objective was to start a more environmental friendly hotel management and to arouse interest in the clientele.

The project started with an intensive training that provided operators with the knowledge needed to reconvert and qualify their activity , and prepared them to the relationship with a clientele particularly environmentally oriented. Participating enterprises pledged themselves to develop and implement the indications included in a ten points document issued by Legambiente. The engagements of hoteliers, guaranteed by regular Legambiente controls, include reducing garbage, recycling materials through separate collection, reducing water consumption, using low energy consumption lamps, introducing organic products in menus and breakfast, using food without chemicals and genetically modified organisms. As already happening abroad, the income from selling public transport tickets is devolved to interventions for environmental education, and bicycles are available to be borrowed free of charge by guests. Other engagements include the promotion and organisation of visits to environmentally and artistically relevant sites in the area and noise reduction. Hotels are marked by an external plate, by a container for exhausted batteries, by stickers aimed at reducing any useless washing of towels in bathrooms. Guests who choose hotels participating in the projects are given a card where they are asked to indicate pros and cons of the initiative and to what extent they perceive that engagements have actually been carried out.

Culture of sustainability in tourism sector.

An element that always emerged in interviews is the need to increase awareness about the pressure of tourism on environment and society.

There is the perception of a need for tourists to adopt a responsible environmental attitude, also aimed at promoting a responsible use of environment-tourism resources.

Private sector is now playing an important role in this sector. Tour Operators (CTS, Alpitour, Viaggi del Ventaglio), no-profit organisations (Legambiente, AITR)and Sector Associations (FAITA, campers association), started awareness raising campaigns aimed at influencing the behaviour of operators and tourists.

One of the tools used are the " Codes of ethical behaviour of tourists". One example is the *Identity card for Sustainable Travel*, the result of a shared work that, starting 1994, established the National Responsible Tourism Forum, had the Charter signed, set up the Italian Association for responsible Tourism (AITR) which aimed at diffusing and implementing the principles included in the Carter, which counts on the adhesion of Legambiente and other 22 Italian no-profit associations.

Other behaviour codes have been signed by tour operators like Alpitour, CTS and Viaggi del Ventaglio.

Another interesting example are the tourism guides that only propose destinations respecting specific sustainability principles.

Legambiente promoted the *Blue Guide* (issued by the most important Italian publisher of tourism guides). Out of 483 communities defined "bathing centres" by Touring Club, Legambiente selected 205 that offer a high quality tourism offer and a good conservation of coastal and marine environment. Data concerning environmental and accommodation characteristics have been gathered for each of these communities.

A total 128 indicators have been considered, whose source are ISTAT database,
Ancitel, Sist, Cerved, Ministry of health, Enit, Touring Club, Enel, Ambiente Italia Institute.

Remarks

The interviews made have stressed problems that must be solved in order to facilitate the adoption of sustainable tourism policies in Italy. Problems refer mainly to the following points:

- *Market awareness*

  Nowadays planning processes (often linked to structural funds) do not include any awareness of tourists' behaviour. Surveys concerning demand are largely lacking in the whole territory.

- *Need for scientific deep studies about tourism and sustainable development.*

  This need is justified by the lack of basic data and information as well as regular reports based on systematic and permanent observation. There is a dramatic need for data and information which are comparable and up-dated, accessible and easy to use, that facilitate surveys, studies, technical/practical analysis on tourism (fluxes, trends, tourism types etc.). Also indispensable the establishment of a tourism research and documentation network. A set of shared indicators for sustainable tourism has not yet been individuated and experienced at national level.

- *Need to monitor objectives and expected results for projects financed by public sector.*

  In 1994 Structural Funds (1994-1999) financed the *Multi-regional Operational Programme for Development and Enhancement of Sustainable Tourism in ob. 1 Regions* (238,680 M.euro). Within the objective of recuperating competition margins in tourism sector in southern regions, the programme aimed at developing a model of programmatic and integrated intervention. Moreover the programme meant to promote young people's entrepreneurial attitude and forms of co-operative production. Two years after the programme was concluded, no data are yet available for understanding the impact of the programme on the territory and the benefits it generated.

- *Difficulties in activation Local Agenda 21*

  The diffusion in Italy of Agenda 21 was greatly accelerated after the action of the Ministry for the Environment which activated 110 initiatives. Concerning the diffusion and distribution in the territory of Local agenda 21, the outstanding result is the concentration in northern and central Italy. Before the action of the Ministry for the Environment (according to data gathered through questionnaires in the province of Lucca and Turin), the vast majority of Italian communities had never heard of sustainability and Local Agenda 21 (the reason being lack of access to the European circuit and scant Italian action in this field). Therefore, at least till a few months ago, the majority of these middle and small-size communities was not even able to express its interest for the subject. Following the institution of the " National co-ordination for Local Agendas 21" (and of the large diffusion of the Newsletter which is sent to all Italian communities in Italian translation) there has bee a dramatic increase in the number of administrations that adhered to the idea previously launched (1994) by the " European Campaign for Sustainable Cities". At present also small communities start taking part in the Italian Co-ordination. This confirms the key role of a co-ordinated intervention, adapted to the Italian context.

- *Public Sector Training*

Concerning the implementation of sustainable tourism policies at local level, it showed that the formal engagement of a growing number of Italian administrations is not followed by experiences leading to tangible results. This delay is mainly due to lack of experience and competence, of information, resources, staff, internal co-operation. During the last ten years local Italian administrations, communes in particular, have only scantily practiced the instrument of local planning. In Italy more than elsewhere in Europe their competences have been not oriented in this sense, and the administration burden has been (and is) overwhelming. Therefore, at least till some time ago, professional figures in community administrations (particularly medium and small) were selected and oriented to carry out administration tasks, with a very short-term approach, without much need to open to the exterior and co-operate with local actors. For similar reasons, in these years, inside public administrations there have bee very few opportunities for co-operating amongst different sectors. Instead the different sectors have taken the habit of moving in closed and competing circuits.

Any sustainability oriented policy is not going to produce any results if civil servants are not properly trained.

- *Problems in diffusing environmental certification*

The obstacles to the introduction of environmental certification concern mainly:

a) The entrepreneurial Italian tourism sector is mainly made of small and medium-size family-run enterprises. Therefore the introduction of innovative instruments is seen with favour if they guarantee relevant savings in manpower, the highest cost for these enterprises. If management innovations are introduced, the resistance becomes hard, to the point that PMIs keep their organisation characteristics unchanged since many years: centralised management, resistance to delegating, lack of role and responsibility definitions, "paternalistic" leadership.
b) A second aspect concerns the skill of enterprises in funding environmental policies. For many enterprises the introductions of systems of environmental management implies costs that can only be amortised in the long run. It is therefore necessary to help change through specific funding.

- *Acknowledging the strategic role of tour operators.*

In the first stage the ones planning and proposing the tourism package must necessarily be the protagonists of the change. In the following stage though, they must gather consensus for this policy from sub-suppliers in general: hotels, restaurants, tourism plants, structures and infrastructures of public and private transport, parks, museums etc. i.e. everything representing the content of a box (the tourism package) otherwise void of significance. In this sense tour operators might represent an exceptional driving force for spreading the culture of environmental quality. Notwithstanding they have a natural limit: a for-profit organisation does not have and must not have the institutional task of spreading through the operators of tourism sector the contents and modes to respond to the deep changes happening. They necessarily needs the support of institutions, category associations, and in general of all interlocutors of tourism-lodgement sector who have the task of stimulating operators to give concrete answers, supporting them in this growth route. As an alternative the tour operator might request by contract that its sub-suppliers possess the quality certification in order to become part of a tourism package, as it happened in the Italian industrial world which at the beginning was forced to certify in order to acquire Italian, and mainly foreign clients.

The limit is that nowadays a tourism organisation that would impose limits so strict, could count on a very limited range of suppliers.

Indications on EU role

The most important issue is the support given by EU to sustainable tourism. EU has produced the reference documents and the financial support policies (through Structural Funds and Programmes of Community Initiatives).
Notwithstanding some aspects deserve more attention and more efficient support:

- **It is still important to consolidate supporting policies "from above" through help to local areas.** This role can and must be played by EU and the state. The territory, local and regional administrations lack competence and contents pertaining new themes where innovations processes are very fast. These processes need help that must produce documents and publications that testify the experience carried out and enhance processes of spontaneous identification.
- **EU must promote a model of "open" society and territories.** The opportunity offered by Structural Funds must encourage local and regional administrations to promote debates " on things to be done, doing them together" encompassing specific issues already successfully solved in other contexts.
- **Deep study the local impact of UE policies.** Actual evaluation systems only monitor expense and expense-quality processes. It would be appropriate to experiment methods that raise awareness on "aggregated" impacts and benefits of EU policies concerning local areas. This evaluation system would help define more objective criteria aimed at individuating the responsibilities of local governments in implementing EU policies.

- Actual "access" procedures to tools of economic support to investments favouring sustainable tourism are hampered by the following:
  1. The economic incentive tools are prevalently destined to PMIs. Therefore Tour Operators that move and influence mass-tourism are not always supported and pushed to start sustainable actions.
  2. Excessive bureaucracy in applications for funding (difficult forms, long delays between the moment money is spent and the moment the economic support is actually delivered). This is a practical barrier for many tourism operators, mainly in poor areas.

- Incoherence between EU promoted experiences and their divulgation in the territory.

Annex 2 EU funding programmes and relationship to tourism

The Cohesion Fund

Short description: The Cohesion Fund is intended to contribute to the strengthening of the economic and social cohesion of the European Union and to help the least prosperous Member States to meet the strict budgetary and fiscal convergence criteria for the Economic and Monetary Union. The introduction of a common currency in the European Union calls for a high degree of convergence between the economies and the economic policies of the participating Member States.

Relevance to tourism: Funding under the Cohesion fund is only indirectly beneficial towards the development of tourism insofar that a healthy environment and an efficient transport infrastructure
are important pre-requisites for tourism-related activities. The Cohesion fund supports large public projects rather than private projects.

Total allocation and grant rates for projects: The total budget between 1993 and 1999 exceeded 15 billion euro (Greece: 16-20%, Ireland: 7-10%, Portugal: 16-20%, Spain: 52-58%).

1st European Framework Programme In Support Of Culture (Culture 2000)

Short description: Culture 2000 replaces the three programmes: *Ariane*, *Kaleidoscope* and *Raphael* and establishes a single financing and programming instrument for cultural co-operation. The following measures will be carried out under the programme:

- Integrated projects covered by structured, multi-annual trans-national cultural co-operation agreements, particularly encouraged through networks. The proposed "cultural co-operation agreements", covering a maximum of three years, will cover some or all of the following:
- Co-productions and other large-scale cultural events, especially in the field of live arts, literature and the artistic heritage;
- Cultural events within the Community to bring European culture to a wider audience;
- Measures involving several different cultural disciplines: integrated projects across the sectors (combining the creative arts, heritage and new technologies, for example); and cultural operations which cause economic momentum, combining all or part of the occupational process from creation and design to completion;
- Measures to develop further training and mobility for those in the cultural professions in both academic and practical terms;
- Measures highlighting the richness and diversity of the cultural heritage, to teach Europeans about their common cultural values and roots, encourage mutual awareness of other's culture and history and to promote a cultural dialogue;

Relevance to tourism: The promotion of culture and the organisation of cultural events are closely inter-linked with tourism. Cultural tourism is an important sub-sector. Tourism can benefit from this programme if tourism development or tourism promotion and culture are integrated in the local planning or in a master plan.

Programme duration: 2000-2004

Total allocation to the scheme and grant rates for projects: The budget is 167 million euro. Community support for major projects may not be less than 200,000 euro or more than 1 million euro. Community support for specific co-operation projects may not be less than 50,000 euro or more than 100,000 euro.

LIFE

Most of the financial instruments of the European Union have an element directly or indirectly concerning the environment, but LIFE is the only instrument, which specifically supports the development and implementation of Community environment policy. For the period 2000 – 2004, LIFE has a total proposed budget of 640 million Euro, 47% of which is earmarked for LIFE-Environment projects in the European Union. LIFE-Environment finances innovative pilot and demonstration actions aimed at:

1. The integration of environmental considerations into land use development and planning, including in urban and coastal areas;
2. The promotion of the sustainable management of groundwater and surface water;
3. The minimisation of environmental impact of economic activities;
4. The prevention, recycling and sound management of waste streams; and
5. The reduction of the environmental impact of products.

Within this scope a number of policy priority areas are defined. Sustainable tourism is identified as a policy priority area within field 3 – the minimisation of environmental impacts of economic activities.

Community Initiative Concerning Economic And Social Regeneration In Urban Areas (URBAN)

Short description: Urban is intended to help find solutions to the serious social problems caused by the crisis in many depressed urban areas by supporting schemes for economic and social revitalisation, the renovation of infrastructures and facilities, paying particular attention to actions aimed at promoting equality of opportunity, at tackling long-term unemployment and at environmental improvement.

Relevance to tourism: Of the eligible measures the following could be relevant for tourism:

- Infrastructure and environment linked to the above: renovation of buildings and cultural heritage; restoration of public areas, including green areas; reclamation of derelict and contaminated land; provision of cultural, recreational and sporting facilities
- Integrated public transport and communications
- Launching of new economic activities in public/private partnerships (particularly for integrated economic development programmes)
- Employment for local people: appropriate training; programmes to provide work experience for the long-term unemployed, job-intensive projects
- Waste minimising and treatment; efficient water management and noise reduction

Programme duration: 2000-2006

Total allocation to the scheme and grant rates for projects: The EU contribution for 2000-2006 is budgeted with 700 millions euro.

Community Initiative For Links Between Actions For The Development Of The Rural Economy (LEADER+)

Short description: The objective of Leader+ is to encourage, on the basis of local partnerships, the emergence of and experimentation with rural territorial development strategies that are integrated and in a pilot form. These new models of rural development will be disseminated and would increase their value through a significant level of networking. The initiative will encourage inter-territorial and trans-national co-operation.

Relevance to tourism: In the past Leader already supported rural development and was based on development projects carried out by groups working at local level. Under the first Leader programme, out of a total of 217 so-called *Local Action Groups* a third had included the development of rural tourism in their projects. Almost all Leader programmes in the Member States included measures in tourism (under the first Leader programme almost 40% of the budget was devoted for measures for rural tourism). The current Leader+ programme is structured around the following three strands:
A. Support for integrated development strategies of a pilot nature for rural territories relying on the bottom up approach and the horizontal partnership with focus on:

- new information technologies
- improving the quality of life in rural areas
- value enhancement of local products
- development of natural and cultural resources

B. Co-operation between rural areas: This strand concerns co-operation within the same country (inter-territorial co-operation) or between territories from different countries (transnational co-operation) demonstrating a real added value.
C. Creation of networks of actors and the setting up of a European observatory of rural areas, responsible for the animation of the network: The networking of all rural territories of the European Union as well as all rural development actors, whether or not they will be beneficiaries under the new Community Initiative, will allow the exchange and transfer of experience, will stimulate interregional and trans-national co-operation and will inform its members of the changes affecting the rural world and the responses to these changes.

Programme duration: 2000-2006

Total allocation to the scheme and grant rates for projects: The Member State and the EU will jointly finance the new Initiative. The total Community allocation is 2,020 million euro.

Community Initiative For Trans-European Co-Operation For Balanced Development (INTERREG)

Short description: The overall aim of the INTERREG Initiative is that national borders should not be a barrier to the balanced development and integration of the European territory. The main objectives or ”sections” of this Initiative are:
Section A promoting concerns cross-border co-operation, including external and maritime borders;
Section B contributing to harmonious territorial integration across the EU;
Section C aiming at reinforcing interregional co-operation, and by the same token, to improve the policies and techniques of interregional economic development; where accession candidate countries, other Eastern European countries and Mediterranean countries co-operate with EU countries in the framework of INTERREG *Phare*, *Tacis* respectively *Meda* are the sources of funding.

Relevance to tourism: This initiative is open to all sectors, and projects for training and employment in tourism are eligible where they fulfil the related conditions. Tourism-relevant objectives per section:

Section A:
- to promote urban, rural and coastal development
- to encouraging entrepreneurship and the development of small firms (including those in the tourism sector) and local employment initiatives
- to promote environmental protection, energy efficiency and renewable energies
- to improve transport (especially more environmentally friendly modes), telecommunications, water and energy systems

Programme duration: 2000-2006

Total allocation to the scheme and grant rates for projects: The EU contribution for the new Initiative is budgeted with 4,875 millions euro. The financial resources for the new Initiative will be principally allocated to strand A.

European Agricultural Guidance And Guarantee Fund (EAGGF)

Short description: The EAGGF is divided into two sections: the *Guarantee Section* finances price support measures, export refunds to guarantee farmers stable prices, while the *Guidance Section* grants subsidies for rationalisation schemes, modernisation and structural improvements in farming as well as measures of rural development.

Relevance to tourism: Projects supported in the past concerned, for example, development of a tourism product around mountain hiking or the adaptation of canals for water sports or farm tourism. Other measures eligible for financing under the EAGGF Guidance section may also make an indirect contribution to the development of rural tourism, e.g. the renovation and development of villages, the protection and conservation of the rural heritage, measures to protect the natural environment of rural areas, the Community-wide dissemination of knowledge, experience and results of work done for rural development as well as the processing and marketing of agricultural products.

How to apply: Funding through the EAGGF is implemented by the Member States. Tourism-related projects must meet the objectives and priority criteria of the *Mainstream National Programme*s: the focal point for detailed information for application is thus in the Member States, and frequently the regions.

Grant rates for projects: The grant rates per project vary between 15% and 85%, in exceptional cases, of the total project costs.

European Development Fund (EDF)

Short description: Indicative aid programmes are agreed between the Commission and the benefiting states to set out the broad parameters and priorities of the Community's financial and technical co-operation facilitated by the EDF. Individual projects are similarly agreed on within this framework.

Relevance to tourism: Many of the projects in the ACP countries relate to tourism. The Commission's overall approach is indicated in its co-operation strategy for tourism development in these countries *(Communication from the Commission to the Council and the*

*European Parliament on a EU strategy to support the development of sustainable tourism in the developing countrie*s, COM (1998) 563, 14.10.1998).
Total allocation to the scheme and grant rates for projects: The budget for the five-year-protocol" (1996-2000) amounted to 14.625 billion euro.

European Regional Development Fund (ERDF)

Short description: Under the ERDF financial assistance for disadvantaged regions is mainly targeted at:

- supporting small and medium-sized enterprises
- promoting productive investment
- improving infrastructure
- furthering local development.

Relevance to tourism: Within Community programmes the ERDF is a major source for funding of tourism development. Many of the above mentioned Structural Funds programmes include special measures for tourism development. Some examples from the range of projects assisted in the period 1994 – 1999 include improvements of hotels, development of tourism infrastructure (golf courses, conference centres,…), restoration of cultural heritage, promotion of rural tourism, and support for both setting up and upgrading tourism SMEs (from 1994-1999 a total of 4.4 billion ECU respectively euros has been disbursed for tourism-related projects).

Leonardo Da Vinci

Short description: The Leonardo da Vinci II programme has been adopted in April 1999 and will run from 2000 – 2006. The aim is to encourage the development of innovative policies and actions in the Member States through transnational partnership projects involving various organisations with an interest in training. Of the range of activities for which grants will be available, the following are of greatest potential to tourism:

- Placement abroad for young people undergoing initial training and for young workers
- Transnational exchange programmes for national or regional public decision-makers designed to foster mutual understanding of how vocational training systems work
- Transnational pilot projects to foster innovation in training and to promote transfer of technological innovation
- Programmes of transnational exchanges of trainers and instructors between firms
- Transnational projects aimed at drawing up large-scale linguistic audits for firms or for socio-economic groups.

The target groups are the following:

- Apprentices and young people undertaking vocational training
- Young workers
- Students and young graduates
- Trainers, tutors or those responsible for vocational training in companies
- Language teachers
- Local, regional and national public-sector decision-makers
- Members of a trade union or an employers' federation

Relevance to tourism: This programme is open to all sectors and tourism projects are eligible where they fulfil the related conditions. A network relating to continuing training in the tourism industry was already launched under the former *Force* programme. 30 projects relating to tourism were financed by Force following the 1991/1992 call, examining the

impact of technological change on employment, skills and working methods. In the period 1995 - 1999 nearly 3% of all projects under the Leonardo da Vinci programme had direct impact on tourism. With a total of 18 million euro more than 80 projects were funded.

Programme duration: 2000 – 2006

Total allocation to the scheme and grant rates for projects: The programme runs with a financial reference amount of 1,150 million euro. There are different rules on financial support for each type of project, the basic principle being that the financial support of the Community is part of a co-financing approach.
For transnational pilot projects the Commission finances up to 75% of expenditure, the maximum funding being 200,000 euro per project per year (maximum project duration 3 years).
For transnational placement and exchange programmes the European Commission finances up to 5,000 euro per beneficiary for a placement or an exchange. The duration of placements is between three to twelve weeks, and exchanges from two to twelve weeks.

Phare

Short description: The Phare Programme provides grant finance to support its partner countries. Phare provides know-how from a wide range of non-commercial, public and private organisations to its partner countries. Phare acts as a powerful catalyst by unlocking funds for important projects from other donors through studies, capital grants, guarantee schemes and credit lines. It also invests directly in infrastructure, which will account for more Phare funds as the integration process progresses.

The mains priorities for Phare funding are common to all countries, and include restructuring of state enterprises including agriculture, private sector development, reform of institutions, legislation and public administration, reform of social services, employment, education and health, development of energy, transport and telecommunications infrastructure, and environment and nuclear safety. Phare also finances the co-operation of accession candidate countries with EU countries in the framework of *Interreg* as well as in the framework of the *Tempus* programme.

Relevance to tourism: In the Baltics, Poland, Hungary, Romania and Bulgaria national Phare tourism programmes concentrated on following issues:
- Development of a national tourism strategy
- Legal and institutional development
- Training of tourism professionals
- Marketing/Promotion

In the Czech Republic and Slovenia where no national Phare programmes were implemented, tourism projects were included in the *Cross-border Co-operation Programmes* with neighbouring EU Member States (see *INTERREG*,).

Socrates

Short description: Socrates covers all types and all levels of teaching, from pre-school to postgraduate education. Grants are awarded under various sub-programmes for:
Erasmus (higher education)
- Co-operation between universities
- Mobility of university students and teachers

Comenius (school education)

- Co-operation between nursery, primary and secondary schools
- Promotion of schooling of children of migrant workers and gypsies
- Updating the skills of educational staff in schools

Lingua (promotion of language learning)

- Promotion of language skills in the European Union

ODL (open & distance learning) and *Adult Education*

- Promotion of information and communication technologies and open and distance education and learning

Relevance to tourism: This programme is open to all educational institutions and tourism projects are eligible where they fulfil the related conditions. Schools and universities offering education for the tourism sector can benefit. In 1993/94, for example, the *Erasmus* programme included 1,600 students and 124 institutions in 27 programmes relating to tourism studies.

Programme duration: 2000-2006

Total allocation to the scheme and grant rates for projects: 1,850 million euro. The Community contribution will not normally exceed 75% of the total cost of any specific project.

Structural Funds

Short description: In the framework of *Agenda 2000* the objectives and regulations of the Structural Funds underwent major changes. There are 3 priority objectives, two of which are regional in application and one which apply across the whole territory of the Union:
Objective 1: Promoting the development and structural adjustment of regions whose development is lagging behind
Objective 2: Economic and social conversion of areas facing structural difficulties (industrial, agricultural, fishing and urban areas)
Objective 3: Adapting and modernising systems of education, training and employment

Objective 1 - Development and structural adjustment of regions whose development is lagging behind

Transitional support: the regulation establishes a transitional assistance mechanism for regions eligible under Objective 1 in 1999 but which will no longer be eligible in 2000. In these regions, a new regional programme will be supported by the Structural Funds generally until 31 December 2005. Regions that include areas fulfilling the eligibility criteria for the new Objective 2 will continue to benefit from European Regional Development Fund (ERDF) support until 31 December 2006. Those areas will be determined at the same time as eligible Objective 1 regions. Other regions shall continue to receive assistance in 2006 from the European Social Fund (ESF), the European Agricultural Guidance and Guarantee Fund (EAGGF, Guidance section) and the Financial Instrument for Fisheries (FIFG) only.

Objective 2 - Economic and social conversion of areas facing structural difficulties
In the case of a serious crisis, this map may be amended in 2003, provided that this change does not increase the ceiling set for Objective 2 coverage in each region. Safety net and transitional support: as for Objective 1, a degressive transitional assistance mechanism is planned for areas which are covered by Objective 2 and 5b in 1999 but which will no longer be eligible for the new Objective 2 in 2000. These areas will benefit from transitional support from the ERDF until 31 December 2005, and will also benefit, between 2000 and 2006, from ESF assistance within the framework of Objective 3 as well as from EAGGF (Guarantee

section) and FIFG assistance in the context of rural development measures and accompanying measures to the Common Fisheries Policy.

Objective 3 - Development of human resources
Objective 3 will focus primarily on the adaptation and the modernisation of national and European policies for employment, education and training. Objective 3 funding will be available in all **areas except those covered by Objective** 1. Objective 3 will also serve as a reference framework for all human resource actions in the Member States. It will take into account the Employment Title in the Amsterdam Treaty and the new European employment strategy.
The regulation takes into account the wide variety of policies, practices and needs in the different Member States based on their national action plans for employment and the ex-ante evaluation. In view of the length of the period covered, the areas in which the ESF will apply have been broadly defined. They include active labour market policies to combat unemployment, promote social inclusion and equal opportunities for men and women, strengthen employability through lifelong education and training systems, and measures to anticipate and facilitate adaptation to economic and social change.

Financial Instruments

Financial assistance through the Structural Funds is provided in the form of non-reimbursable grants, subject to co-financing from the Member States, and is channelled through three financial instruments: *Mainstream National Programme*s, *Community Initiative*s, and *innovative Measures.*

Mainstream National Programmes: funding will be channelled through *Operational Programmes* (OP) or *Single Programming Documents* (SPD) negotiated with the Member States on the basis of their national or regional strategies. Designated authorities in the Member States will implement all mainstream national programmes.

Community Initiatives: there are 4 Community Initiatives. They differ from Mainstream National Programmes in that they are initiated at the Community rather than the national level and are proposed by the Commission to the Member States. They are implemented through programmes in partnership with regional and local authorities concerned.

Innovative Measures: they are the only exception to the principle of de-centralised programming and permit the Commission, on its own initiative, to finance studies, pilot projects or networks with a view to exploring new approaches to encourage co-operation and the exchange of experience between actors in local and regional development.
A measure or operation may benefit from a contribution from a Structural Fund under only one of the objectives referred to in Article 1 at a time.
No operation may benefit simultaneously from a contribution from a Fund under Objective 1, 2 or 3 and under a Community Initiative.
No operation may benefit simultaneously from a contribution from a Fund under Objective 1, 2 or 3 and under the EAGGF Guarantee Section.
No operation may benefit simultaneously from a contribution from a Fund under a Community initiative and under the EAGGF Guarantee Section.

Programme duration: 2000-2006

Total allocation to the Structural Funds: 195 billion euro. *Breakdown by Objective:*

- 69.7% of the total Structural Funds budget will allocated to Objective 1 regions (a total of 135.9 billion euro), 4.3% of which will be allocated to regions in transition
- 11.5% of the total Structural Funds budget will allocated to Objective 2 regions (a total of 22.5 billion euro), 1.4% of which will be allocated to regions in transition
- 12.3% of the total Structural Funds budget will allocated to Objective 3 regions (a total of 24.05 billion euro)
- 0.5% of the total Structural Funds budget will allocated to the FIFG to support accompanying measures to the Common Fisheries Policy in areas not covered by Objective 1 (a total of 1.1 billion euro) For each of the Objectives, the Commission has drawn up an indicative breakdown of funds per Member State, using objective criteria and taking account of the specificity of employment issues.
- 5.35% (i.e. 10.9 billion euro) of the total Structural Fund allocation will be allocated to the Community Initiatives and 0.65% of each Fund allocation will be used to finance Innovative Measures

Performance reserve: 4% of each national allocation will be held in reserve at the beginning of the period. At the mid-term point, the Commission, in close co-operation with the Member State, will allocate the reserve to those programmes that are performing best. A series of quantifiable indicators, defined by the Member State, will be used to measure programme performance; the indicators must reflect the effectiveness, management and financial implementation of the programmes, and measure their mid-term results in relation to their specific initial targets.

The Funds

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- European Agricultural Guidance and Guarantee Fund (EAGGF)
- Financial Instrument for Fisheries (FIFG)

The Community Initiatives

- Initiative for Trans-European Co-operation for Balanced Development (INTERREG)
- Initiative concerning economic and social regeneration in urban areas (URBAN)
- Initiative to assist rural development (LEADER+)
- Initiative for the Development of Human Resources (EQUAL)

INTERREG and URBAN will be financed by the ERDF, LEADER+ by the EAGGF and EQUAL by the ESF.

Annex 3 List of Directorates with programmes affecting tourism

AGRICULTURE DG

- European Agricultural Guidance and Guarantee Fund (EAGGF) - Provision of market support and delivers aid for the adjustment of agricultural structures, for rural development and economic diversification.
- Structural Funds.
- Community Initiative for Links between actions for the development of the rural economy (LEADER+) Help to restore the vitality of rural areas and to stimulate the creation and maintenance of rural activities.

ECONOMIC AND FINANCIAL AFFAIRS DG – FINANCIAL OPERATIONS SERVICE

- European Investment Bank - The EIB was established to facilitate the funding of investments that promote balanced regional development of the Community and European integration.
- European Investment Fund (EIF) - The EIF is a response to the need for easier access to finance in two important areas of the European economy:
  - Trans-European Networks and SMEs. Joint European Venture Initiative (JEV). Support mechanism for the creation of transnational joint ventures for SMEs in the Community.

EDUCATION AND CULTURE DG

- Leonardo da Vinci - Encourages the transnational development of innovative policies and actions in the field of training.
- Socrates - Promotes the European dimension and helps to improve the quality of education by encouraging co-operation between the participating countries.
- Community Action programme for Youth - Co-operation in the area of youth policy, based on informal education, training and exchanges of young people within the Community and countries outside the EU.
- Tempus - Develops co-operation between European Union countries and those of Central and Eastern Europe in the field of higher education.
- 1st European Framework Programme in Support of Culture (Culture 2000) - Contributes to the promotion of a cultural area common to the European people and supports the co-operation between creative artists, cultural operators and the cultural institutions of the Member States.
- European City of Culture - Annual event that aims to promote the cultural richness and diversity of Europe's cities, while highlighting their common heritage and the vitality of their artistic creation.
- European Cultural Month - This event espouses the same aims as the European City of Culture and is intended especially for cities in Central and Eastern Europe.
- Media - Strengthens the competitiveness of the European audio-visual industry.

EMPLOYMENT AND SOCIAL AFFAIRS DG

- European Social Fund (ESF) - Financial instrument for promoting employment and developing human resources.
- Structural Funds

- Community Initiative for the Development of Human Resources (EQUAL) - Promotion of new means of combating discrimination and inequality in connection with the labour market.
- European Employment Services (EURES) - Aims to create a European labour market network in order to facilitate the mobility of employees within the European Economic Area.

ENERGY DG

- Energy Framework Programme - Brings all financial and non-research related EU energy activities under one, single legal basis.
- Save - Framework for the implementation of the energy policy of the European Union.
- Altener - Measures and actions to promote renewable energy sources in the European Union that are open to co-operation with the accession candidate countries.
- Synergie - This programme is the international co-operation component of the *Energy Framework Programme* (see above).
- Energie - Support of research & development, technology demonstration, dissemination and other reinforcing measures.

ENTERPRISE DG

- 3rd Multiannual Programme for SMEs - Basis for actions aimed at improving the conditions that affect the competitiveness of SMEs, including the improvement of the business environment.
- Europartenariat - Stimulates the development of objective 1 and 2 regions, by encouraging small and medium-sized businesses from all over the Union and other countries to establish business relationships with their counterparts in these regions.
- Initiative to encourage Partnerships among Industries or Services in Europe.
- (INTERPRISE) - Supports local, regional and national initiatives that are aimed at promoting co-operation between SMEs in a certain sector in Europe.
- Joint European Venture Initiative (JEV)
- Support mechanism for the creation of transnational joint ventures for SMEs in the Community.
- Risk Capital for Business Start-ups (CREA) - Stimulates the supply of equity finance for the creation and transfer of innovative smaller businesses and creates a Community-wide network for seed capital funds.
- European Venture Capital - Stimulates the provision of seed and venture capital to SMEs.
- Mutual Guarantee Companies (MGCs) - The Commission encourages the promotion, development and expansion of MGCs in the European Union.
- Euro Info Centres (EICs) - Network that provides information, advice and assistance to small and medium-sized enterprises in all EU matters.
- Business Co-operation Network (BC-Net) - Establishment of long-term business partnerships and identification of strategic partners for SMEs on a confidential basis.
- Bureau de rapprochement des entreprises (BRE).
- Network promoting the concept of SME cross-border co-operation and widely publicising co-operation opportunities of non-confidential nature.

ENVIRONMENT DG

- Life - Provides co-financing for actions in the field of the environment.
- Environmental Audit - Encourages SMEs to adopt the voluntary regulations on environmental management and the eco-audit.

- Eco-label - Award of a Community Eco-label to products and, in the future, services with a reduced environmental impact.
- Environmental information and awareness raising activities.
- Tourism-related project references.

FISHERIES DG

- Financial Instrument for Fisheries (FIFG) - Structural measures in the catching, marketing, processing and aqua-culture sectors, the creation of protected marine zones in coastal waters and the development of port facilities.
- Structural Funds

INFORMATION SOCIETY DG

- 5th Framework Programme for Research & Technological Development (FP 5) - Sets out the priorities for the European Union's research, technological development and demonstration activities.
- Community Research and Development Information Service (CORDIS) - Provides particularly SMEs with easy access to a wide range of information products and services on European Union research and innovation activities.

REGIONAL POLICY DG

- European Regional Development Fund (ERDF) - Financial assistance to disadvantaged regions.
- Structural Funds
- Community Initiative for Trans-European Co-operation For Balanced Development (INTERREG) - Action in relation to the borders and border areas between Member States.
- Community Initiative concerning Economic and Social Regeneration in Urban Areas (Urban) - Support to finding solutions to the serious social problems caused by the crisis in many depressed urban areas.
- Structural Funds
- Cohesion Fund - Assistance to large public projects in Greece, Ireland, Portugal and Spain that contribute to the improvement of the environment or to the development of transport infrastructure and networks.
- Europartenariat - Stimulates the development of objective 1 and 2 regions, by encouraging small and medium-sized businesses from all over the Union and other countries to establish business relationships with their counterparts in these regions.
- European Business and Innovation Centre Network (EBN/BIC Network) - Network assisting in the creation of innovative activities through a methodical and highly professional analysis and preparation of business ventures.

RESEARCH DG

- 5th Framework Programme for Research & Technological Development (FP 5) - Sets out the priorities for the European Union's research, technological development and demonstration activities.
- Community Research and Development Information Service (CORDIS) - Provides particularly SMEs with easy access to a wide range of information products and services on European Union research and innovation activities.

TRANSPORT (also Energy)

- Instruments under Transport Policy

COMMON SERVICE FOR THE MANAGEMENT OF COMMUNITY AID TO NON-MEMBER COUNTRIES (SCR)

- This Commission service manages all aspects - technical and operational, financial and accounting, contractual and legal - of the Community's aid to non-member countries, and is also responsible for audits and evaluations.

DEVELOPMENT DG

- European Development Fund (EDF).
- Provides financing for the development co-operation agreement between the EU and the African, Caribbean and Pacific countries under the Lomé IV Convention.

ENLARGEMENT DG

- Phare - Prepares the accession candidate countries of Central and Eastern Europe for future membership of the European Union.
- Phare Trans-European Co-operation - Phare finances the co-operation of accession candidate countries with EU countries in the framework of Interreg programmes.
- Tempus – Phare - Develops co-operation between European Union countries and those of Central and Eastern Europe in the field of higher education.

EXTERNAL RELATIONS DG

- Technical Assistance to the Community of Independent States (Tacis).
- Fosters the development of market economies and democratic societies in 12 former.
- Soviet republics and in Mongolia.
- Tacis - Trans-European Co-operation.
- Tacis finances the co-operation of countries of the Community of Independent States with EU countries in the framework of Interreg programmes.
- Tempus – Tacis - Develops co-operation between countries of the European Union and those of the Community of the Independent States in the field of higher education.
- Mediterranean Partners, Latin America and Asia - The EU has co-operation, association and other agreements with certain countries; six programmes are implemented under these agreements.
- Latin America Academic Education (ALFA) - Stimulates the exchange of students and researchers, as well as general co-operation between Latin American institutes of higher education and their equivalents in the EU.
- URB – AL - Development of direct and sustainable partnerships between local actors from the European Union and Latin America.
- Asia – Urbs - Promotion of partnerships between local governments and communities in Europe and South and South-East Asia.

TRADE DG

- Export Promotion Programme to Japan (EXPROM).
- Assistance to European enterprises' efforts to penetrate the Japanese market and consists of three main pillars.
- Executive Training Programme in Japan (ETP) - The objective of the ETP programme is to create a pool of EU executives equipped with the Japan specific linguistic, cultural and business skills and knowledge necessary to operate in the Japanese market.

- Market Access Data base - Tool for businesses to seek help from the Commission when encountered with unfair market barriers countries outside the EU.

OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES

- Euromarketing Guide - Tool for SME executives and managers to diagnose their company situation vis-à-vis the single market.

Annex 4 List of organisations consulted

Individuals were consulted informally within the following organisations:

Italy

Central Administrations
Tourism Department
Ministry for environment and health
ENIT, Italian national Body for Tourism

Protected Areas
Federparchi

Regional Administrations (Assessorship for tourism)
Aree Ob1: Regione Calabria, Sicilia, Sardegna
Aree Ob2: Regione Piemonte, Marche, Toscana, Trentino (Prov di Bolzano)
Research bodies
ENEA, National Body for Energy and Environment
Centro VIA Italia

Associations: FEDERALBERGHI (Hotel), FAITA (Camping-sites),
Tour Operator: Viaggi del Ventaglio, Alpitour

Environmental associations
Legambiente

Portugal

CNADS – Concelho Nacional do Ambiente e do Desenvolvimento Sustentável
Ministy of Economy
Secretary of State for Tourism
Direcção Geral do Turismo
Direcção Geral do Ambiente
ICEP – Instituto do Comercio Externo de Portugal
ICN – Instituto da Conservação da Natureza
Instituto de Financiamento e Apoio ao Turismo
INFTUR – Instituto Nacional de Formação Turistica
INE – Instituto Nacional de Estatísticas
CCRA - Comissão de Coordenação da Região do Algarve
Região de Turismo do Algarve
GLOBALGARVE

Lusotur SA
Portimar
Thomsons
Universidade do Algarve - Escola Superior de Hotelaria e Turismo
AHETA - Associação dos Hotéis e Empreendimentos Turísticas do Algarve

UK

Department of Culture Media and Sport
British Tourist Authority
English Tourism Council
Wales Tourist Board
South West Tourism
North West Tourist Board
English Nature
The Countryside Agency
The National Trust
British Hospitality Association
Green Business UK Ltd.

Germany

Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit
Bundesministerium für Wirtschaft
Deutscher Tourismusverband
Deutscher Hotel- und Gaststättenverband
Deutsche Zentrale für Tourismus
Bundesverband der Deutschen Tourismuswirtschaft
Statistisches Bundesamt
Deutsches Institut für Wirtschaft
ECOTRANS (data base ECO-TIP)

European Commission

DG Enterprise
DG Environment

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Environmen	Environmental signals 2001	European Environment Agency DK-1050 Copenhagen K	2001	ISBN 92-9167-xxx-x	
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	Tourism and Employment Final Report of Working Group A, B, C, D, E	Office for Official Publications of the European Communities, Luxembourg	2001		
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	On the sixth environment action programme of the European Community 'Environment 2010: Our future, Our choice' - *The Sixth Environment Action Programme*	Office for Official Publications of the European Communities, Luxembourg	2001	COM (2001) 31 final 2001/0029 (COD)	
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	Ten years after Rio: Preparing for the World Summit on Sustainable Development in 2002	Office for Official Publications of the European Communities, Luxembourg	2001	COM (2001) 53	
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	European Charter for Sustainable Tourism in Protected Areas (DG XI)	European Commission DG Environment	1999	FNNPE www.eco-tour.org	
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	Overview of EU action in response to the events of the 11 September and assessment of their likely economic impact	Office for Official Publications of the European Communities, Luxembourg	2001	COM(2001) 611	
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DG X	Natura 2000 – Managing our Natural Heritage	Office for Official Publications of the European Communities, Luxembourg	1998		
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Forum or Sustainabl	The European Spatial Development Perspective (E.S.D.P.)	Office for Official Publications of the European Communities, Luxembourg	1999		
Council fo nitiative	European Local Agenda 21 Planning Guide	ICLEI, Germany	1995		
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sation	Tourism Market Trends: World Overview & Tourism Topics	World Tourism Organisation, Madrid	2001	Professional Edition	
sation	Agenda 21 for the Travel and Tourism Industry	World Tourism Organisation, Madrid	1995		
m Council	Tourism Satellite Accounting research	World Travel & Tourism Council	2001		
m Council	The Tourism Industry - A Report For The World Summit On Sustainable	World Travel & Tourism Council	2001		

NUTS system

f territorial units for statistics (NUTS) Source: EUROSTAT, May 1999

	Nº	NUTS 2	Nº	NUTS 3	Nº	NUTS 4	Nº	NUTS
	3	Provinces	11	Arrondissements	43	-		Comm
	1	-	1	Amter	15	-		Komm
	16	Regierungsbezirke	40	Kreise	411	-		Gemei
of development	4	Development regions	13	Namoi	51	Eparchies	150	Demoi
ion de lades autonomas	7	Comunidades Autonomas + Ceuta y Mellila	17 1	Provincias + Ceuta y Mellila	50 5	-		Munici
	8 1	Régions + DOM	22 4	Départements + DOM	96 4	-		Comm
	1	Regions	2	Regional Authority Regions	8	Countries / Country boroughs	34	DEDs/
li region	11	Regioni	20	Provincie	103	-		Comun
	1	-	1	-	1	Cantons	12	Comm
len	4	Provincies	12	COROP regio´s	40	-		Gemee
von ãnderr	3	Bundeslãnder	9	Gruppen von Politischen Bezirken	35	-		Gemei
nte es autónomas	1 2	Comissões de coordenação regional + Regiões autónomas	5 2	Grupos de Concelhos	30	Concelhos municipios	305	Fregue
-Suomi / nmaa	2	Suuralueet	6	Maakunnat	20	Seutukunnat	85	Kunna
	1	Riksområden	8	Län	21	-		Komm
	12		37		133		443	
nent Office	9	Countries (some grouped); Inner and Outer London	30	Upper tier authorities or groups of lower tier authorities (unitary authorities or districts)	93	Lower tier authorities (districts) or individual unitary authorities	354	Wards
	1	Groups of unitary authorities	2	Groups of unitary authorities	12	Individual unitary authorities	22	Wards
	1	Groups of unitary authorities or LECs	4	Groups of unitary authorities or LECs (or parts thereof)	23	Individual unitary authorities or LECs (or parts thereof)	41	Wards thereof
	1	Country	1	Groups of districts	5	Districts	26	Wards
	78		211		1.093			

Annex 7 Summary of recommendations

This is a composite list of recommendations suggested in this report. Please note that in the report section b) contains the principle recommendations, whilst section a) refers to primary issues. This list shows the priority of recommendations with the Priority Overarching Recommendations encompassing the recommendations on specific priority *issues.* Some implications emanating from analysis at Member State level are given in each country report, and these should also be born in mind in order to arrive at a NUTS I to V spatial application of policy improvements. Similarly NUTS I to V monitoring of policy improvement implementation on the basis of this report and other processes affecting sustainable tourism in Europe should be developed in accordance with processes established in the law of sustainable development, to which the possible policy option resolutions should be made coherent.

Priority Overarching Recommendations

(Underlying mechanisms for managing priority issues)

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 6th 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***[39]. 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-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.

[39] This was one of the recommendations of working group D in the Tourism and Employment process.

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.

Recommendations on Priority Issues for sustainable tourism in Europe

1) Measures To Encourage Good Environmental Practice In Tourism Destinations.

a) IQM (integrated Quality Management)

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

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.

c) Application of strategic environmental assessments and environmental impact assessments

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.

d) Land use planning and development control

The precautionary principle of sustainable development should be 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)

Further resources should be 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 / Areas.

a) Tourism in protected areas - Natura 2000

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*[40]. 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.

b) Rural tourism

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.

c) Eco-tourism

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

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.

a) Information and Advice

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.

[40] The Charter for Sustainable Tourism in Protected Areas has been developed by the Europark Initiative, offering both a framework for managing tourism and a network for exchanging best practice.

b) Training

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

c) Quality marks and labelling

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

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.

a) Stakeholder Participation

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 though improvements in Member State educational progammes and the refinement of the availability and content of internet based information services.