

Tourism Supply Chains

Report of a Desk Research Project for

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Summary

The supply chain comprises the suppliers of all the goods and services that go into the delivery of tourism products to consumers. It includes all suppliers of goods and services whether or not they are directly contracted by tour operators or by their agents (including ground handlers) or suppliers (including accommodation providers). Tourism supply chains involve many components - not just accommodation, transport and excursions, but also bars and restaurants, handicrafts, food production, waste disposal, and the infrastructure that supports tourism in destinations.

Supply chains operate through business-to-business relationships, and supply chain management delivers sustainability performance improvements alongside financial performance, by working to improve the business operations of each supplier in the supply chain. Tour operators have enormous influence over activities throughout the tourism supply chain, since they direct and influence the volume of tourism, the tourist destinations and facilities that are used. Tour operators can use this to help in promoting general improvements in sustainability performance as part of good commercial practice.

In planning actions for sustainable supply chains, tour operators and The Travel Foundation should note that there are examples of good practice throughout the direct supply chain of tour operators as well as in a variety of tourist destinations but these are only implemented by some companies and many others can learn from them. It will be easiest to implement sustainability requirements in accommodation and most difficult in transport, most visible in excursions and activities while most beneficial to the local economy when this supports food and craft production. Destination sustainability efforts will require wider stakeholder partnerships and if only for this reason will be more time consuming to implement.

A secure income stream, with stable contracts and foreseeable contracting conditions including prices is paramount, both to facilitate the necessary investments by the supplier, and to cement the trust in the relationship. Projects require time for companies to build knowledge and develop relationships, and tour operators tend to require a steady and significant volume of operations with a supplier or destination if they are to make a significant contribution and expect changes in local operations. Three conditions in the tour operator-supplier relationship are particularly important for the success of supply chain initiatives: long-term partnership, fair pricing and a consistent volume of operations.

Successful supply chain relationships between companies and their suppliers are developed and implemented according to a defined series of steps:

1. to establish a sustainable supply chain policy and management system.
2. to support suppliers in reaching Sustainability Goals, including raising awareness on sustainability issues amongst suppliers and demonstrating why sustainability performance is important
3. to integrate sustainability criteria into suppliers' contracts and preferentially contract suppliers that meet those criteria.

Business benefits from adopting good practices for tourism supply chain management include retention of clients, as there they increasingly expect responsible behaviour even from those not willing to pay for it; increased revenue; reduced costs and improved operational efficiency, remaining competitive to assess and respond to risks and opportunities in the market; - management of risks and staying ahead of legislative requirements; enhanced staff performance, achievement of better recruitment and staff retention, as satisfied staff are a key asset; protection of the core assets of the business (environment and culture); and enhanced brand value, reputation and market share, protecting image and status, particularly for companies publicly quoted on stock markets.

We recommend that the TF give priority to work in the accommodation sub-sector, particularly in relation to medium-sized hotels, and in local food production and supply, and that the priority areas for improvement in each of these sub-sectors are:

Accommodation: environmental performance; employment conditions for staff and provision of training on sustainability issues; employment opportunities for local community residents; environmental infrastructure in the destination, especially for management of solid and liquid wastes; linkages with the local economy especially for food supply, handicrafts and furniture; marketing of socially and environmentally sustainable tourism packages and suppliers

Local food & craft producers & suppliers: sustainable production methods including production planning and training; quality, reliability and distribution; and access to markets

On the basis of current supply chain performance and activities, improvements are needed as a priority in these tourism sub-sectors in all developing countries where tourism takes place. In addition, improvements that could be considered in relation to transport, ground handlers, excursions & activities, and bars & restaurants sub-sectors, are outlined.

We also suggest the following priorities for action by the TF that would assist in promoting supply chain improvements:

1. support TF tour operator members to gain more specific and systematic information on their activities that contribute towards greater sustainability at the various points in their supply chains, especially for mass tourism.

2. support wider adoption and implementation by TF members of existing examples of good practices in the supply chain, including encouragement of their suppliers through awareness raising, training and technical support, and use of specific contract clauses as appropriate, to implement good practice tools and standards for their sector, on socio-economic and environmental aspects.

3. support TF tour operator members to gather information about sustainability issues at the destinations - especially mass tourism destinations - which they visit, perhaps by establishing a rolling programmes of information gathering and review starting with a few destinations initially.

4. encourage TF members to enhance communications with destination stakeholders on key sustainability issues and to develop partnerships with destination stakeholders to develop and implement projects to improve sustainability policies.

5. encourage TF members to adopt and develop customer education so that their customers are aware of key social, economic and environmental issues at destinations, and of actions that they can take to improve sustainability while on holiday; and to use marketing to promote - in customer-friendly language - suppliers and holidays that are more sustainable.

1 Introduction

This report reviews examples of existing tourism supply chain initiatives from different parts of the world and at different points in the supply chain. The supply chain comprises the suppliers of all the goods and services that go into the delivery of tourism products to consumers. It includes all suppliers of goods and services whether or not they are directly contracted by tour operators or by their agents (including ground handlers) or suppliers (including accommodation providers). It should also be considered that some tourism goods and services are supplied direct to tourists and are purchased by consumers themselves and it should not be forgotten that tour operators can influence their customers in this area too. The initiatives reviewed in this report focus on improving benefits to the destination, consumers and the tourism industry. These initiatives are focused around four main points in the tourism supply chain:

- Accommodation
- Transport
- Ground handlers, excursions and activities
- Food and crafts

These include a variety of different activities - from increasing the proportions of local goods and services used in the tourism sector, to working on environmental and socio-cultural issues, such as waste management practices, employment training and combating illegal forms of tourism. Many of these initiatives are being put into practice by one or a few tourism businesses, sometimes working with partners across different points in the supply chain. We have also included some initiatives designed to support more sustainable tourism that are being undertaken at destination level.

Tourism and supply chain management

The impacts of a tour operator come from the impacts of all components of the products they sell, including use of raw materials and their processing and production, as well as impacts from transport and distribution. Understanding the sustainability of each tourism product means going right back to the raw materials from which they are produced, through suppliers, suppliers' suppliers, and so on, right back to source, as well as ensuring that a company meets sustainability criteria in its own internal operations.

Tourism, like all other supply chains, operates through business-to-business relationships, and supply chain management can be applied to deliver sustainability performance improvements alongside financial performance, by working to improve the business operations of each supplier in the supply chain. The main differences between tourism supply chains and those of other sectors, are that tourists travel to the product, and the product that they buy has a particularly high service component - in other words, it involves a higher proportion of people in the immediate production of the holiday experience.

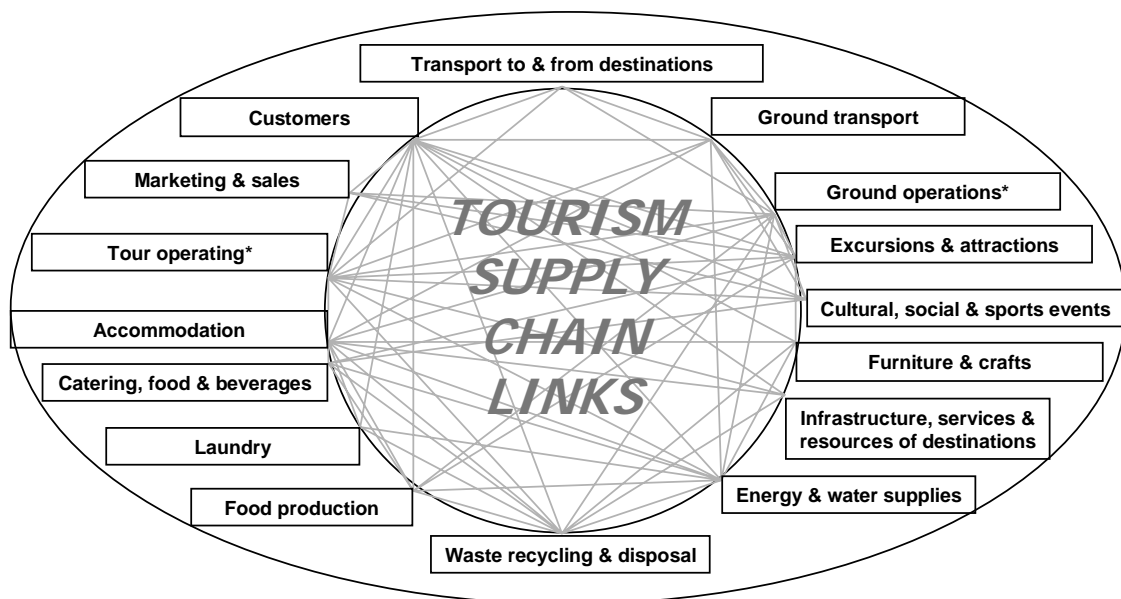
A good example of supply chain management from another sector is the DIY retailer, B&Q, which has developed and implemented a major supply chain management programme, first addressing environmental impacts, and now incorporating social impacts as well, for all its 40,000 products. In order to assess its overall sustainability as a retailer, B&Q analyses the sustainability of its products going right back to the raw materials from which they were produced, through suppliers, suppliers' suppliers, and so on, right back to source, as well as ensuring that B&Q meets sustainability criteria in its own internal operations. For B&Q, the ethics of a product - including employment and working conditions - are an important part of quality and sustainability.

Supply chain management in any sector, including tourism, covers all parts of a product's 'life cycle': raw materials, processing, manufacture, distribution, retailing, customer use and final disposal.

Overall, the sustainability of a tourism product, depends on issues including the environment and working conditions in destination countries; safety, including safety of customers and staff in delivering all aspects of a tourism product; and resource use and disposal, including proper handling, reuse and recycling of waste materials, and measures to increase the efficiency of resource use.

Tourism supply chains involve many components - not just accommodation, transport and excursions, but also bars and restaurants, handicrafts, food production, waste disposal, and the infrastructure that supports tourism in destinations (see Figure 1). These all form a part of the holiday product that is expected by tourists when they purchase holidays - whether or not the suppliers of those components are directly contracted by a tour operator. Just as no tour operator would provide 1-star transport to take customers to a 5-star holiday hotel, the sustainability of a holiday, like quality, depends on performance at all the links in the tourism supply chain.

A further aspect of the tourism supply chain is the activities of customers while on holiday, particularly in relation to their behaviour, and what they source for themselves in destinations. Tour operators are marketing the whole holiday experience to customers, and this includes opportunities to experience a destination's local products and services. Tour operators can play a significant role in providing appropriate advice to their customers about local products and services, and in ensuring that local producers and service providers have access to tourists on a fair basis. Many tour operators already supply some information on these aspects, but there is scope to do more.



*Tour operating includes advertising, purchasing, package development, marketing and sales, and purchasing
 *Ground operations include ground transport and excursions

Some of the components of tourism products... Tour operators contract suppliers to provide some of these components directly: others are obtained by suppliers and their suppliers. All suppliers providing component goods and services that go into delivery of a tourism product are part of the supply chain for that product.

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2 Assessment of current practices: adequacy, implementation, motivations & challenges

We have assessed information on tourism supply initiatives against actions and policies for sustainable tourism that have been outlined by international organisations, tourism industry organisations and NGOs.

Socio-economic and cultural issues encompass a number of aspects, including contribution to the economic development and the well-being of local communities; preservation of cultural identity; respect for human rights local communities' and indigenous peoples' rights.

Environmental aspects include sustainable transport development and sustainable use of resources; reducing, minimising and preventing pollution and waste (e.g. solid and liquid waste, emissions to air); conserving plants, animals, ecosystems and protected areas (biodiversity); and conserving landscapes, cultural and natural heritage. Examples of practices here include environmental auditing and management in hotels, as well as supply chain management actions.

The principles embodied in the various actions and policies advocated for making tourism more sustainable, are well summarised in the definition of fair trade tourism - a "commitment to finding positive and practical solutions for the tourism industry as well as consumers, local communities and destination governments, so as to benefit local communities through trade, in preference to aid". Fair trade principles can be applied to investments, business benefits including wages and working conditions, direct tourist expenditure, and use of natural resources.

Overall, we conclude that proven examples and practical expertise to implement initiatives addressing most aspects of sustainability are already available, and that the main challenges are to apply these more widely, and in some cases to extend their breadth. We also note that widening the opportunity to implement such initiatives in mass tourism from the UK, may require a shift to business models based on destination sustainability and value-for-money, rather than price and asset yield alone, and therefore may raise issues about brand values and consumer marketing which at present often focus heavily on price.

While all the sectors reviewed have some examples of good practice, there is a significant variation between tour operators in their efforts to promote sustainability in their supply chains. The range of actions available is sufficient for all tour operators to engage at some level, although analysis indicates specific challenges in each sector:

Accommodation

Within those actions undertaken to improve the sustainability of accommodation, our research found a range of activities, but not many of these were the result of tour operator demand or support. So far it is the mass tour operators that have been able to set sustainability programmes for their accommodation suppliers, whilst small operators state that they do not have the purchasing power to change behaviour.

The emphasis of sustainable tourism activities, such as those from MyTravel Northern Europe, Kuoni and Hotelplan, is on the environment, mainly focusing on the reduction of costs from energy, water and waste. Fewer activities are evident in relation to employment conditions and staff development. Most small tour operators rely on selecting suppliers that already meet their sustainability requirements, partly because these smaller operators work with niche markets for whom many of the characteristics of sustainability (small properties, local food, host contact) are part of the product. Developments such as the AITO preferred supplier scheme and the Green Travel Market, as well as the increase of sustainability certification standards are expected to help in this respect.

Socio-economic issues:

The accommodation sector requires considerable numbers of staff, and so has the potential to provide employment for nearby communities. However, many jobs in the accommodation sector are low paid and involve long hours and difficult shift patterns. Because of the restricted length of the tourism season in some destinations, many jobs are temporary and insecure. There is also a tendency to employ non-local labour, especially in large hotels. Improving working conditions and pay and encouraging greater employment of local labour, are all part of improving sustainability performance, and hotels and tour operators are starting to address some of these issues. There are examples of good practice on training and employing local people in hotels (such as Serena Hotels, and the Mövenpick, Carlson and Taj hotel chains), or providing education for staff families (eg. Tongabezi Lodge in Zambia), and a range of smaller tour operators prefer to use locally-owned hotels with good standards rather than international foreign-owned hotel chains (Trips Worldwide, Explore Worldwide, MAD Adventures Guerba World Travel, Intravel, Exodus, SNP, Worldhorseriding amongst others). Members of the TOI and other large tour operators support the ECPAT Code of Conduct against Child Sex Tourism, and deliver training modules on the Code and its implementation to all staff, including accommodation suppliers in pilot destinations, as well as including specific clauses on the issue in hotel contracts.

Environmental issues:

Action on some environmental issues, such as energy efficiency is widespread in larger hotels (eg. Maldives, Lanzarote, Kingfisher Bay - Australia, and Mauritius), and more use is being made of renewable energy technologies, especially in remoter areas (eg. Rottneest Island and Couran Cove - Australia, Cousin Island - Seychelles). Some also use water saving devices, and recycle wastewater ('grey water') for irrigation. Large hotel chains (eg. Marriott, Radisson SAS, TUI Hotels and Resorts, and Accor) often include training on environmental issues as part of staff training programmes, and in other cases, tour operators may provide environmental training for hotels - examples are My Travel and Kuoni Switzerland. In a scheme supported by members of the TOI operating in Side (Turkey), a joint action plan on waste management has been developed through a multi-stakeholder process including local hotels, the Side Tourism Association, and the Side Municipality. As part of this, waste separation bins have been introduced in approximately 100 hotels in Side (representing an overall capacity of around 20,000 beds), training provided for hotels and key workers dealing with waste management, and a waste handling and recycling scheme set up by the municipality.

Many of these actions help to reduce operating costs as well as improving environmental performance. However, little attention has so far been given to the siting and design of hotels to minimise their environmental impacts. Smaller hotels generally take less action on environmental issues, but some accommodation owners, especially in remote areas, use solar and wind energy.

Management issues:

A variety of management tools and standards are available and being applied for improving sustainability performance in the accommodation sector. These include standards and certification (including ecolabelling), auditing and environmental management systems, as well as development of action plans and designation of clear management responsibilities. Many of these tools were originally developed to manage environmental aspects of business, but can be (and in some cases have been) extended to incorporate social aspects too. Working conditions and employment aspects can be integrated into human resource management.

Some large tour operators have developed environmental standards backed by training materials to assist and encourage improvements in performance by their accommodation suppliers (Kuoni Switzerland, TUI, MyTravel Northern Europe, First Choice, Hotelplan); environmental management systems are being implemented in hotel chains (Marriott, Radisson, Hilton, Accor) while a few programmes are integrated with tour operator demands or incentives such as the agreement between the Swiss tour operator Hotelplan and the Spanish hotel chain Iberostar, and some destinations are operating certification schemes to audit and reward good performance by tourism businesses on environmental aspects (Red Sea, Rimini - Italy, Alcudia - Spain, Bolivia, Seychelles, Lloret de Mar - Spain, Phuket Yacht Club - Thailand). A number of these also provide technical advice and support to

help businesses improve standards ranging from the municipality of Rimini in Italy to the nation-wide Costa Rican Certificate for Sustainable Tourism.

Conservation issues:

Some hotels are developed within old and historic buildings giving them a new life and preserving a part of a destination's architectural heritage. Smaller buildings, such as former fishermen's cottages and barn conversions, traditional properties and colonial buildings are also preserved by restoring them as holiday accommodation (eg. the Laona Project, supported by Sunvil, Cyprus, Laskarina, Inntravel, Worldhorseriding, Pure Crete, and Gites de France). As well as preserving local heritage, these also offer communities a new source of income from tourism.

Transport

Transport by air, land and sea is a major area of environmental impact for the tourism industry, and one that can only partly be managed through switching to less polluting forms of transport or upgrading to more efficient transport. The emphasis in transport has been on environmental issues, rather than on social ones and this has meant that opportunities to use airlines for instance as a communication medium to captive audiences have often been missed by operators.

Environmental issues:

Tour operators maintain that they do not have the ability to influence the sustainability of air transport and the few examples are mainly focused on offsetting carbon emissions. However, tour operators do have some choice over mode of travel, and over the operation of ground transportation that they use. A few tour operators have schemes to promote a modal change towards use of forms of transport with lower environmental impacts, such as using trains instead of planes as the preferred form of transport for their products where feasible (Studiosus, Forum Anders Reisen). SNP, the largest soft adventure tour operator in the Netherlands, always offers train transport first for all package holiday destinations under 1,000 kilometres away and offers to quote for train transport for all other destinations.

Ground transportation operators can promote greater fuel efficiency by ensuring that their fleets are well maintained, and by requiring drivers to switch off engines when vehicles are stationary (Vasco Travel). And in the Pantanal region of Brazil, World Horse Riding has supported its suppliers to replace environmentally unfriendly two-stroke boat engines with cleaner four-stroke engines and small solar-powered electric motors.

Because of the difficulties in reducing environmental costs, some tour operators use carbon offset schemes (eg. Future Forests, Climate Care, C Level and Coolflying) which calculate carbon dioxide emissions from air transport and promote offsetting of these generally through reforestation projects, or in some cases through investment in renewable energy supplies. Some tour operators provide information on these schemes in their brochures (Kuoni Switzerland, Guerba, Trips Worldwide, Island Holidays, Naturetrek, The Adventure Company) and websites (Journey Latin America, The Gambia Experience) and encourage contributions by their customers on a voluntary basis. Other operators - usually at the higher end of the market - include contributions to these schemes in the price of the packages they sell (High and Wild, Greentours, The Expedition Company, Discovery Initiatives, Club Robinson-part of TUI, South American Experience Ltd, The Last Resort, Wildlife World, Crystal Holidays). In discussions with industry experts it was stated that these programmes won't make a real difference to the problem of climate change, but can raise awareness and lead to more advanced proposals.

Socio-economic issues:

Some airlines deliver sustainability messages through their in-flight presentations, such as magazines and videos, and the few examples available (such as destination-specific videos produced by Tourism Concern) could be replicated. For example, Air France and Austrian Airlines show ECPAT video spots in their flights highlighting the issue of sexual exploitation of children.

Ground handlers, representatives, excursions, and activities

Most of the examples found of sustainability requirements from ground handlers come from smaller, nature and ecotourism operators, and even amongst those, there are relatively few examples of ongoing impact assessments of excursions and other products. There are however good examples of destination training, both for the operators' own representatives and those of its suppliers. In particular, it is important that tour guides and local representatives are trained in minimisation of environmental impacts, and maximisation of local economic benefit and educating customers on the social workings of a region so as to maximise positive local impact, so that they can play their part in implementing company policies. These examples however are small compared to the portfolio of excursions, since tour operators are often unwilling to deselect unsustainable and poorly managed products that are otherwise popular with customers.

Like the accommodation sector, ground handling and related activities are staff-intensive, and often provide only low-paid jobs with poor working conditions as well as suffering from the seasonality of tourism. However, there are a number of examples of good practice on sustainability issues. Most of these come from ecotourism and nature tourism companies and excursions, where experienced staff with detailed knowledge of local culture and environments are vital for delivery of quality holidays. But these are also equally relevant and applicable to mass market operators too.

Socio-economic issues:

Our research found that some operators (eg. Rainbow Tours, Intravel and Guerba) emphasise the importance of selecting suppliers based on community and workforce issues before environmental concerns, and/or are working on introducing responsible tourism criteria in their purchasing policies to cover these issues. Some take steps to employ local staff (Guerba, Worldhorseriding, and Andean Trails), and/or promote visits to community projects or tourism enterprises (Sunvill Africa, Dragoman, Abercrombie & Kent, Exodus, and Andean Trails). A number of mainly smaller tour operators have provided financial investment to assist their ground handlers to improve the quality of their services (Guerba, Alternative Travel Group) and, indirectly, the sustainability of their operations, or have provided basic equipment needed for specialist excursions, such as field guides, binoculars and telescopes (Naturetrek). Importantly, nearly 40 tour operators that offer trekking holidays are implementing policies on porters rights and working conditions, based on Tourism Concern's Porters' Rights Campaign. Some operators state they will stop using suppliers if standards are not met, but have never actually had to carry through this approach (Imaginative Traveler, Explore, Audley).

Environmental issues:

A variety of practical measures are available to address environmental quality issues. Some tour operators are working with their customers and local suppliers to reduce the amount of waste generated by their tours (Andante Travel, Thomas Cook, Laskarina, and Exodus), and most adventure tour operators interviewed take home all waste materials to prevent litter in the sites they visit. Some tour operators set standards for key excursion and activity suppliers operating in protected or sensitive areas such as marine environments. TOI member companies are working with Conservation International and CORAL to establish guidelines for marine recreation standards, to support resorts and tour operators in selecting more sustainable suppliers.

Conservation issues:

Nature and wildlife are key parts of some holiday packages and excursions, yet just the pressure of sheer numbers of visitors can do serious damage to wildlife and sensitive sites. Provision of information combined with simple management controls can help visitors experience the natural environment while protecting it for others to enjoy in the future. Most tour operators provide an element of customer education on conservation, especially advising customers not to buy products made from endangered species, such as from coral, shells or ivory, which are in any case protected by national and international legislation (Thomas Cook in Cuba, Jamaica and Egypt, TUI UK in Tunisia and Kenya); and in many parts of the world, tourists diving around coral reefs must first take a local induction programme on how to avoid damage to corals (eg. Bonaire Marine Park, Accor hotel group in the Red Sea, Hotel association in Fiji). Some tour operators encourage and develop nature-based tours which can help raise

awareness of the environment and conservation issues amongst tourists (eg. TUI UK turtle appreciation excursion in Greece).

Food and crafts

Food and crafts can generate considerable profits for the local population, when volume production and delivery at set quality standards can be met by local producers. Key issues for local sourcing of food supplies in the tourism sector are quality, reliability and quantity of supply. Promotion of local sourcing therefore requires training and technical support and investment - for example in storage and distribution facilities - to meet quality and reliability standards, as well as the development of production and distribution networks to gather supplies from different local producers into the quantities required by hotels.

Socio-economic issues:

Few tour operators have supply chain initiatives on the production and distribution of local, sustainable food and crafts, but some work with their local suppliers to promote local sourcing of food and other local products. Small hotels are more likely to buy from local suppliers, while some large hotels have developed programmes to encourage local production at the standards they require. This generally requires constant supervision and commitment, and success is often linked to championing of local sourcing by hotel chefs. Most large hotels that have worked with local food producers have found it requires constant supervision and commitment, and success is often linked to championing of local sourcing by hotel chefs - examples include GrecoTel's organic vegetable program linked to promoting local products in hotel restaurants, and the Sheraton Lombok's fish programme that has created a number of local jobs. Local sourcing and production will usually improve the contribution of tourism to the local economy, both financially and in terms of employment, and may also help to preserve local skills in craft production, such as the production of local crafts in Malta, provide a source of diversification and reduce seasonality in employment.

In many cases tour operators use local food and crafts as one of the tourist attractions of their packages. There is also scope for tourists to visit local bars and restaurants to experience local produce and cuisine. Local crafts retail outlets and restaurants are often key to the holiday experience, for example the Canadian Economuseum Society opens craftmakers's workshops to visitors, and the 'Eurotext' initiative in Finland, Greece and Portugal uses the production of traditional textiles as a tourist attraction. Tour operators and representatives can play an important role in suggesting visits to appropriate places through the holiday information they provide to customers when they book, and at destination meetings. Tour operators are in a tremendous position to educate their customers about local food and crafts and to encourage their appreciation, which can help to make a real difference to the preservation of local skills and jobs. However there are few examples were available of tour operators considering the potential depletion of local food (for example fish and seafood) or the outcome of rises in prices for locals.

Destinations

In relation to the tourism supply chain and direct inputs to tourism, destinations provide infrastructure and services. Destination initiatives for sustainable tourism seek to improve the quality of infrastructure - for example, through improvements to waste management infrastructure for solid wastes and waste (eg. Çirali and Side (Turkey), Menorca and Calvia (Balearics), Hanauma Bay (Hawaii), Cape Town, Phuket Yacht Club (Thailand), and Río de la Plata (Uruguay)) and awareness raising programmes on waste management practices (eg. the Maldives, Lanzarote, Lloret de Mar and Mauritius), to transport systems and to reduce vehicle impacts (Hanauma Bay (Hawaii), Tres Islas (Mexico), Alcudia, Lloret de Mar and Sant Feliu de Guíxols (Spain), Cap d'Agde (France), Rottneest Island, and Couran Cove) - and to increase the ability of the destination to gain from tourism. Several destinations have worked to improve the sustainability performance of suppliers (eg. Red Sea Sustainable Tourism Initiative), and marketing and product developments being used by mass tourism destinations to offset seasonality in tourism (eg. Calvia and Sant Feliu de Guíxols in Spain, and Bermuda). Other initiatives include the promotion of

linkages between tourism sites, and promotion of a wider range of tourism activities to encourage tourists to sample different aspects of the country and thereby diversify and spread the economic benefits of tourism.

A number of initiatives in destinations in many developing countries are designed to enhance local employment in tourism, such as by supporting the substitution of locally-grown and locally-manufactured products in place of imports in the tourism sector (Western Samoa), the establishment of investment and loan funds to assist local tourism businesses to start and expand (Zambia), or the setting up of employment bureaux to match employees with tourism jobs (Macedonia).

Some destinations have set up local quality of life and sustainability programmes using sustainability indicators to monitor environmental quality (Lanzarote and Calvia), and in some cases, biodiversity (St. Lucia Marine Park and Cousin Island), as well as monitoring visitor satisfaction and changes in tourism markets. Marketing, products and operations can then be adapted according to the monitoring information obtained. Associated environmental initiatives often include general environmental education programmes (Rottnef Island, and Calvia), as well as various approaches to protect biodiversity, which may include the protection of a single species or site, such as turtle protection (Belek, and some Brazilian sites), establishment of environmental monitoring and restoration programmes, and environmental impact studies and indicators (Couran Cove, and the Maldives). Measures for protection of cultural heritage are also in place in a number of destinations, ranging from requirements for new developments to be of appropriate architectural designs and built of local materials (eg. Mauritius and Tres Islas) to the development of visitor management infrastructure and encouragement for visitation to historic monuments and archaeological sites (eg. Honduras and Turkey).

3 Trade stability as pre-condition to sustainability improvement in supply chains

Suppliers are more willing to adopt tour operator requirements when they have long term contracts that guarantee the return on investment. A large part of sustainable supply chains depends on first ensuring the socio-economic sustainability of the suppliers. The move in the early 1990s towards "guaranteed" accommodation contracts, in which operators would guarantee payment regardless of occupancy, was designed to secure accommodation and to mitigate financial risk, but in fact laid the foundations of a more sustainable supply chain partnership.

A secure income stream, with stable contracts and foreseeable contracting conditions including prices is paramount, both to facilitate the necessary investments by the supplier, and to cement the trust in the relationship. Because projects require time for companies to build knowledge and develop relationships, supply chain initiatives are unlikely to produce measurable short term, quick fix results. Tour operators interviewed reported that it is necessary to develop initiatives gradually and that results are based on solid working relationships that have been built up over time and reflect a mutual respect between both parties. Tour operators tend to require a steady and significant volume of operations with a supplier or destination if they are to make a significant contribution and expect changes in local operations, whether this is in terms of contracting local people or influencing decision-making of suppliers. Therefore three necessary conditions must be met in the tour operator-supplier relationship:

- Long-term partnership;
- Fair pricing;
- Consistent volume of operations.

Many improvements in the supply chain are not the result of projects *per se*, but of advice and support provided to suppliers through long term working relationships and the security of a stable client. Smaller tour operators with long term links to destinations have a greater tendency to fund projects that improve local quality of life, whilst creating new tourist products that their customers can visit on excursions.

4 Approaches to implementation of good practices

Two main types of approach can be identified. The first involves businesses working through their own internal management procedures and/or through their business networks and relationships with suppliers. The second approach involves actions outside the direct supply chain, through partnerships with stakeholders in the public sector, private and voluntary sectors, including local enterprises, host communities and destination NGOs.

Internal management, supplier networks and direct business relationships

A tour operator may adopt practices to reduce the environmental impacts of their office and sales operations, including addressing issues such as brochure production, energy and waste management at their premises. However, the main opportunities for improving the sustainability of their holiday products are to be found in the hotels, airlines, ground transport and other suppliers that are contracted directly. In this tour operators are in a similar position to any retailers where most of its impact as a business comes not from its internal operation, but from the products it sells.

Tour operators direct and influence the volume of tourism, the tourist destinations and facilities that are used. Through this, tour operators have enormous influence over activities throughout the tourism supply chain and the opportunity to use their influence to help in promoting general improvements in sustainability performance as part of good commercial practice.

A detailed review by the TOI of initiatives in the management of supply chain relationships by companies in partnership with their suppliers, shows that a defined series of steps are applied to supply chain management by tour operators. These steps are set out in the TOI Supply Chain Management Handbook, and comprise the following:

1. Establish a Sustainable Supply Chain Policy and Management System
 - 1.1 Create a clear company policy on sustainability and co-ordinate implementation across relevant departments.
 - 1.2 Conduct a baseline assessment using consultation to assess the performance of a sample of suppliers against criteria defined in the sustainability policy, and identify priority areas for improvement.
 - 1.3 Prepare and implement an action plan drawing on the baseline assessment, and working with suppliers to improve their sustainability.
2. Support Suppliers in Reaching Sustainability Goals
 - 2.1 Raise awareness on sustainability issues amongst suppliers and demonstrate why sustainability performance is important.
 - 2.2 Provide suppliers with technical support on actions to improve their sustainability performance
 - 2.3 Offer incentives to sustainable suppliers to recognise and reward them for improvements on key environmental, social and economic issues.
3. Integrate Sustainability Criteria into Suppliers' Contracts and preferentially contract suppliers that meet those criteria

These steps are equally applicable to development of action within individual companies. Within these frameworks we have found a series of tools that are being implemented, with some overlaps in use, including:

- Standard setting and use of certification schemes
- Performance monitoring through special surveys and through customer satisfaction questionnaires
- Provision of a range of incentives, such as long term relationships and preferential marketing
- Partnerships, such as investment assistance
- Provision of technical support and advice
- Preferred contracting
- Avoidance or deselection of suppliers that do not meet basic requirements

The successful implementation of sustainability management systems relies on systematic data gathering. For tour operators that are not already doing this, there are a variety of tools available that offer frameworks that they can use. These include the GRI reporting indicators for tour operators, the socio-economic and environmental indicators that form part of the IHEI's Benchmark tool for accommodation, and the forthcoming supply chain management handbook, and marine purchasing guidelines from the Tour Operators' Initiative for Sustainable Tourism Development (TOI). It would be valuable to encourage use these or similar tools in order to gather baseline information which can then be used by tour operators in setting clear objectives and programmes for implementation of sustainability improvements in their internal operations and in their supply chains, which together make up the mainstream business activities of tour operators.

The basic methodology for information gathering can be developed around existing expertise with sustainability indicators, including the work of the GRI and TOI on sustainability reporting indicators for tour operators, and the TFIU's Integrated Responsible Tourism Programme which includes a section on assessing the impact of products and services. It would be possible for information gathering to be done collectively, for example through the TF or the FTO, or to be done or commissioned by individual tour operators for specific destinations (for example, as in the case of Life Cycle Assessments of destinations that were commissioned by British Airways Holidays). Whichever approach is adopted, it is essential that tour operators buy into the process, as it is they who will primarily act upon the information gathered.

Financing for supply chain initiatives based on internal management and business-to-business relationships of this type generally comes from the budgets of the businesses concerned, and can be obtained from budgetary reallocations, as well as through cost savings that may be made in some areas of sustainability implementation. The majority of actions taken through this approach are self-financing, although in some cases external funding support may also be provided, for example through programmes funded by governments or by overseas development aid that are aimed at improving various aspects of business performance linked to sustainability.

Partnerships involving the public, private and voluntary sectors

When the World Tourism Organization analysed 49 sustainable tourism good practices, they found that, irrespective of whether they were in developed or developing countries, the success of these projects is linked to local community involvement in the planning, development and management of the projects in over 40% of examples. Partnerships such as that in Side supported by the TOI, or Tourism Concern's work to develop its Porters' Rights campaign are critical to ensure that a good understanding is built up between all those who need to take action in a supply chain or in a destination, and that common actions with clear responsibilities are established from the outset of a project aimed at creating sustainability improvements. It should also be noted that NGOs can and do play an important role in drawing attention to some supply chain issues - the Porters' Rights campaign being a good example.

Partnerships involving two or more groups of stakeholders are the second main approach used to promote sustainability in tourism supply chains. The stakeholders involved in these initiatives can include national and local government organisations, business associations (such as the Caribbean Alliance for Sustainable Tourism and the Caribbean Hotels Association), local communities (often through community associations), and NGOs. Some of these projects incorporate components that are directly aimed at assisting the private sector to improve performance in some aspects of sustainability. One example is the programme of environmental auditing for hotels - EAST: Environmental Audits for Sustainable Tourism - that has been set up in Jamaica.

A number of these partnerships deal with infrastructure for environmental and resource management at destination level - particularly solid and liquid waste management, and water quality and supply - through supporting investment and through establishment of improved management systems.

Other partnership projects deal with a range of areas covering:

- Marketing, ecolabelling and certification
- Promotion of economic development and employment, including development of economic linkages between tourism and other local economic activity
- Legislation enforcement and standard raising
- Training and awareness raising
- Protection and restoration of natural and cultural heritage

Financing for initiatives based on partnerships often comes mainly from national governments and overseas development aid, with varying degrees of contributions from the private sector and local government. Some initiatives - generally smaller schemes - can also involve funding from NGOs or are self-financed by tourism enterprises.

The recent work of the Association of Independent Tour Operators (AITO) is a good example of partnership approach to using market mechanisms to promote sustainable suppliers, by developing a system to promote the use of sustainable suppliers for AITO members' new product development. Details of tourism service suppliers that have met sustainability criteria will be stored in a database and directory, which AITO members can search when preparing new packages. Current suppliers of these tour operators will be encouraged to demonstrate that they meet the criteria to be included in the database, while the service will be promoted to other suppliers with good sustainability credentials that aim to work with AITO tour operators.

As a multi-stakeholder organisation, the TF is well placed to encourage partnerships that integrate a number of tour operators working in the same destination, as this reflects specific TF aims, to which TF Forum members have signed up to through the UK Sustainable Tourism Initiative Commitment, in which they have undertaken to:

- "develop a policy and associated strategy to integrate and implement sustainable tourism practices into their mainstream business activities with indicators to track progress and to engage with other stakeholders to achieve the goals of the initiative."
- "work together in a process of continuous improvement in sustainable tourism practice."
- "Implementation of preferred codes of practice supported by practical tools that allow continuous improvement in the environmental and social performance of supply chain partners in destinations."
- "Building multi-stakeholder partnerships in destinations to identify and address priority areas in promoting sustainable tourism practice."
- "Developing a communication process that will engage consumers and other stakeholders in sustainable tourism issues."

5 Business issues and motivations

Good practice covers both what a business aims to achieve, and the processes and approaches by which it seeks to implement such aims. The cases reviewed for this report demonstrate a range of good practices, which have potential to be applied widely across the industry by tour operators and their supply chain partners. However, at present, apart from some basic environmental technologies, such as use of energy efficient lighting, few of the good practices recorded in this report are being applied very widely.

Tour operators make strict health and safety demands in their supplier contracts, but they tend not to set local labour and employment conditions, even though these can also contribute to the quality of their customers' holiday experience, by encouraging the development of high quality local staff. Some of the actions are tokenistic and short term and use philanthropic actions to make up for an inability of internalising sustainability in core business operations.

Most suppliers are chosen on overall quality, but at present the tourism sector only rarely includes sustainability issues as part of the quality equation. Sustainability issues are most evident as a quality issue amongst smaller and specialist tour operators. The mass tourism sector is just at the very early stages of incorporating sustainability as a product quality issue, focusing mainly on environmental issues, but now starting to address a few social issues such as working against child sex tourism through implementation of the ECPAT code. However despite examples such as Serena Hotels, specific action to improve employment and working conditions within mass tourism businesses is still a rarity.

Yet good practices recorded in this report are clearly viable as part of the business practices of those businesses that have adopted them, and indeed provide a range of business benefits that maintain and increase competitiveness. These include gains from brand reputation, to better staff morale and retention, to stronger long term business relationships with key suppliers. This suggests that there is huge scope for good practices to be adopted by tourism businesses throughout the supply chain on both social and environmental aspects of sustainability.

However there are some very good examples that genuinely incorporate sustainability into supply chain management and contractual relationships: these need to be encouraged. Pro-active, forward looking tourism firms have much to gain from selecting, developing and retaining sustainable and responsible suppliers. The TOI members and the World Travel and Tourism Council have separately reported similar benefits from corporate social leadership and actions to improve sustainability performance. Seven categories of business benefit have been identified by the TOI from a series of case studies of good practices by TOI members:

- Retention of your clients, as there they increasingly expect responsible behaviour even from those not willing to pay for it
- Increased revenue
- Reduced costs and improved operational efficiency, remaining competitive to assess and respond to risks and opportunities in the market
- Management of risks and staying ahead of legislative requirements
- Enhanced staff performance, achievement of better recruitment and staff retention, as satisfied staff are a key asset
- Protection of the core assets of the business (environment and culture)
- Enhanced brand value, reputation and market share, protecting image and status, particularly for companies publicly quoted on stock markets

These business benefits match those highlighted by the WTTC in their 2002 report "Corporate Social Leadership".

6 Recommendations

There are examples of good practice throughout the direct supply chain of tour operators but these are only implemented by some companies and many others can learn from them. In this section we set out recommendations on the key areas of tourism supply chains where improvements are needed, and propose priorities for action by the TF that would assist in promoting supply chain improvements.

We recommend that particular attention is paid to integrating sustainability improvements into mass tourism. Specialist and small tour operators already address some social and environmental issues in their business practice as part of their overall quality equation. Widening the opportunity to address these issues in mass tourism in the UK may require a shift to business models based on destination sustainability and value-for-money, rather than price and asset yield alone, and therefore may raise issues about brand values and consumer marketing which at present often focus heavily on price.

We recommend that supply chain actions are promoted by all tour operators regardless of their geographic or product focus. We have found evidence of good practice by suppliers (either supported by tour operators or otherwise) in a range of mass tourist destinations to many remote locations. We have not found any specific regions which could be regarded as priorities in comparison to others regarding supply chain actions. For practical reasons, the TF may wish to focus its efforts on a few specific pilot areas, and we suggest that the TF select such areas based on the activities of UK outbound tourism operators, and in each instance, assessment of the chances of the TF in achieving successes that could then be replicated elsewhere. In this respect, we note that it is easier for sustainability requirements to be implemented in accommodation than in other areas of the supply chain, while improvements in transport are the hardest, particularly air travel. Improvements in excursions and activities is where they are most obvious to tourists but not necessarily where they benefit the most local people, while sustainable production and consumption of local food and crafts will bring the greatest economic benefits to local people.

We therefore recommend that the TF give priority to improving the following aspects within the supply chain in relation to specific sub-sectors:

Tourism industry sub-sector:	Priority areas for improvement in each sub-sector that are recommended for attention by the TF:
Accommodation	environmental performance employment conditions for staff and provision of training on sustainability issues employment opportunities for local community residents environmental infrastructure in the destination, especially for management of solid and liquid wastes linkages with the local economy especially for food supply, handicrafts and furniture marketing of socially and environmentally sustainable tourism packages and suppliers
Transport	environmental performance of ground transport
Ground handlers, excursions & activities	environmental performance employment opportunities for local community residents training of local communities on product development and guiding marketing of socially and environmentally sustainable tourism packages
Food & crafts	
<ul style="list-style-type: none"> • bars & restaurants 	environmental performance environmental infrastructure in the destination, especially for management of solid and liquid wastes
<ul style="list-style-type: none"> • local food & craft producers & suppliers 	sustainable production methods including production planning and training quality, reliability and distribution access to markets

We also recommend that the TF give priority to work in the accommodation sub-sector, particularly in relation to medium-sized hotels, and in local food production and supply. While it is generally easier for sustainability requirements to be implemented in accommodation than in other areas of the supply chain, activities on this tend to be focused on larger hotels, and there is a clear need for attention to be focused on implementation by medium-sized hotels of already proven practices. The focus on local food & craft production and supply is recommended since support from tourism for sustainable production and consumption of local food and crafts has the greatest capacity to enhance economic benefits to local people.

These are general recommendations for priority sub-sectors for the TF. However, it should be borne in mind that the specific needs of any destination or locality in relation to tourism may differ from these priorities, and that the TF will therefore need to make decisions on a case-by-case basis taking local circumstances into account.

We have also considered whether it is possible to identify any specific geographical regions as priorities for attention by the TF regarding supply chain improvements. On the basis of current supply chain performance and activities, improvements are needed in tourism in all developing countries where tourism takes place. We therefore recommend that the TF selects as priority regions those where tourism from the UK has a significant impact, and that these be differentiated according to types of tourism from the UK.

We also suggest the following priorities for action by the TF that would assist in promoting supply chain improvements.

1. support TF tour operator members to gain more specific and systematic information on their activities that contribute towards greater sustainability at the various points in their supply chains, especially for mass tourism.

2. support wider adoption and implementation by TF members of existing examples of good practices in the supply chain, including encouragement of their suppliers through awareness raising, training and technical support, and use of specific contract clauses as appropriate, to implement good practice tools and standards for their sector, on socio-economic and environmental aspects.

3. support TF tour operator members to gather information about sustainability issues at the destinations - especially mass tourism destinations - which they visit, perhaps establishing a rolling programme of information gathering and review starting with a few destinations initially. Information could be gathered initially to provide an overview of issues at selected destinations, with further detail gathered subsequently as the need arises.

4. encourage TF members to enhance communications with destination stakeholders on key sustainability issues and to develop partnerships with destination stakeholders to develop and implement projects to improve sustainability policies. Gathering information about destinations in a systematic way is a key foundation for preparing for sustainability improvements at destinations, and based on the information collected.

5. encourage TF members to adopt and develop customer education so that their customers are aware of key social, economic and environmental issues at destinations, and of actions that they can take to improve sustainability while on holiday; and to use marketing to promote - in customer-friendly language - suppliers and holidays that are more sustainable.

These recommendations to the TF highlight the importance of delivery of improvements in the supply chain through mainstream business practices. As this report describes, a key factor in the supply chain is that it operates through business-to-business relationships. Delivery of sustainability, as with any performance improvements in the supply chain, has to be based on business-to-business relationships. Third party organisations can contribute to this by providing tools which businesses can then apply, and by assisting in identifying issues that need to be addressed and in bringing stakeholders together, and by monitoring overall progress. We suggest that the TF and its non-tour operators members, as well as ABTA, AITO and the FTO, could make contributions in each of these respects.

Case studies

The case studies included here represent a range of supply chain initiatives for indicative purposes only. The information has been provided by the organisations and has not been verified in the field, neither represents the full extent of the actions of these organisations. The consultants do not endorse the activities nor certify the sustainability and accuracy of the cases.

Table 1. Case studies

Issue	Case
Forestry initiative in Kenya	Friends of Conservation
Promoting sustainable suppliers	Green Travel Market
Providing benefits and developing skills for the local community	Klein's Camp
Environmental standards for accommodation suppliers	Kuoni Switzerland
Tour operator and destination partnership for new product development	Pantanal Association of Nature Tour Operators
Developing environmental management systems for resorts	Red Sea Initiative
Production and distribution of food to meet the requirements of large purchasers	Sandals St Lucia
Local community recruitment and training	Serena Hotels
Development of an excursion that benefits small producers in rural Cyprus	Support Abandoned Villages & their Environment project
Social development and community initiatives	Taj Hotels
Fair Working Conditions and Human Rights for Trekking Porters	The International Porter Protection Group and Tourism Concern
Solid waste project	TOI, Side Municipality and Side Tourism Association partnership

Forestry initiative in Kenya: Friends of Conservation

Deforestation poses one of the greatest threats to Kenya's overall environmental health. The country has lost half of its forest since the 1970's. In the Maasai Mara Reserve - one of Kenya's main tourist destinations - tree loss is critical and local Maasai women may have to travel every two days to collect the 30-40 kilos of fuelwood used by a family of five each day. Population pressures around the Reserve, the change of lifestyle of the Maasai People who were once nomadic but are now sedentary, and the growth of tourism have all contributed to the loss of trees in the region. About a quarter of tourist camps and lodges in the Mara use fuelwood for cooking and to heat water. Lodges are estimated to use up to 540 tonnes of wood each year, and since they collect fuelwood from as far away as 30 km, their effects cover large areas.

Friends of Conservation (FOC) are addressing this problem in a number of ways. One of these is to set up forestry training units from which around 15 Maasai people (male and female) "graduate" each year. They are trained in raising seedlings and producing firewood, and are provided with help in marketing the wood to tourist establishments. All who have passed through the FOC training have found local jobs in forestry and some have set up their own businesses to sell wood to camps and lodges.

FOC's own staff aim at producing around 70,000 seedlings a year, for reforestation projects and to set up new enterprises, and the organisation has created a seedbank of indigenous species and buy seeds collected by local people. FOC also organises the sale and free distribution of seeds to schools for seedling production, while raising particularly difficult seedlings itself at its nurseries at each of its three centres, providing seedlings for free distribution to community projects or public institutions. The

seedlings are also available for sale to private enterprises such as lodges or tented camps. FOC has supported private individuals to develop 'woodlots' to grow sustainable supplies of wood for use in construction of houses, lodges and fences, and to provide fuelwood for cooking, heating and light and other commercial purposes.

Recently FOC has started to work on reducing demand for fuelwood - for example FOC's Women's Officer is currently training women and youth-girls to produce fuel-efficient mud-stoves. FOC has also developed waste briquettes which can be used as fuel in mobile camps and small lodges/tented camps, which are currently testing them. During 2001-2, FOC encouraged various tourism outlets to switch their fuel source from wood and charcoal, to other forms, such as gas, paraffin, chardust briquettes, or solar energy. As a result a number of tourist facilities have moved away from using wood and charcoal as fuels.

(Based on information provided by Jonathan Hodrien and colleagues at FOC)

Promoting sustainable suppliers: Green Travel Market

The Green Travel Market (GTM) is a business to business service launched in 2003 to help European and North American tour operators become more aware of sustainable products, integrate them into the packages they offer, and reach relevant markets. GTM offers a range of services: a network of over 500 tour operators aiming to promote sustainability amongst their suppliers; a match-making service to support new product development for tour operators and for tourist destination firms to seek new markets, promotion at key European travel fairs, consumer marketing, information know-how and training materials.

Central to GTM is a database of tourism suppliers with information and credentials on their sustainability performance. This project benefits from the over 1000 European accommodation providers certified by one of the ecolabels under the VISIT initiative. Information included on the database includes receipt of sustainable or environmental awards, being members of key industry associations with sustainability codes of conduct and a solid track record of implementation, or having undergone a screening process from GTM. The list of suppliers in the GTM database ranges from organic farms in Eastern Europe, to car-free resorts in the Alps, community projects in Costa Rica and incoming tour operators from Latin America.

(adapted from www.greentravelmarket.info)

Providing benefits and developing skills for the local community: Klein's Camp

Klein's Camp in Tanzania is one of the Conservation Corporation Africa's (CC Africa) group of small safari lodges and it is committed to CC Africa's core principle "Care of the Land, Care of the Wildlife, Care of the People". Klein's Camp is set against the most breathtaking scenery in Tanzania adjacent to the northern boundary of the Serengeti. Klein's Camp – CC Africa and the Ololosokwan (Maasai) community have reached a land lease agreement under which Klein's Camp can only use 3,000 acres while the remaining 22,000 acres are shared by the camp for safari operations and the locals for their needs. Under this agreement a joint management committee has been established consisting of equal number of members from both the local community and the Klein's Camp lodge, and which is responsible for making all land-related decisions. The agreement gives the Maasai unrestricted access to water and the salt licks.

Following the land agreement Klein's Camp and the CC Africa have launched a number of initiatives that support the Ololosokwan community and its environment. Klein's Camp helped the development of the Ololosokwan Community clinic and employs a medical assistant who treats staff and community members. Apart from medical facilities, Klein's Camp helps the communities to build and fully equip classrooms and provides skills training such as carving, building, weaving and ironmonger that help the locals not only to improve their lives but also to increase their revenue by selling handicrafts to guests. Klein's Camp supported locals to establish vegetable gardens, and this project has proved so successful that the garden keepers now supply not only Klein's camp, but all the Serengeti camps and two local villages.

Other initiatives include AIDS education, scholarship sponsored, employment opportunities in the camp and reintroduction and re-establishment of endangered wildlife populations. A significant portion of the revenue from Klein's Camp is given to the community and to the local conservation authority in order to care for the local people and wildlife.

(adapted from www.africafoundation.org/casestudies/kleins.asp and www.ccafrica.com/destinations/tanzania/kleins/comm.asp)

Environmental standards for accommodation suppliers: Kuoni Switzerland

Kuoni Switzerland developed in 2000 an in-house scheme, the Green Planet Award, to encourage and reward environmental management for its beach accommodation suppliers. In assessing candidates for the award, Kuoni focuses on how hotels deal with energy, waste and water. In order to achieve this Kuoni developed a questionnaire to provide measurable data. The key issues of the questionnaire are the quantity and quality of the information the hotel provides on its energy consumption, its waste and waste-water management and its use of water resources. Great importance is also given to details on aspects such as information provided to guests on each hotel's environmental efforts, and on training provided to the staff on how to operate their duties in more environmentally-friendly ways. Space is also provided for further information about their future environmental development goals.

The initiative was launched in the summer of 2000 in all seaside resort-destinations where Kuoni does business: since then, 641 beach resort hotels have been approached and by May 2002, 43 of these had met the criteria and were presented with the award. Kuoni conducts its survey once a year and publicises the winners in its catalogues and on its webpage, enabling its customers to select their holiday accommodation in line with their environmental principles. Each hotel that receives the award can retain it for one year only and has to prove each year that it still meets the criteria through participating in Kuoni's annual survey. Through this Kuoni's accommodation partners can demonstrate systematic environmental management, their willingness to innovate and put environmental action into day-to-day practice.

The award enables Kuoni to work with its partners to achieve more sustainable tourism development. Through this, both parties - accommodation suppliers and the tour operator - not only can acquire new clients but also to increase customer loyalty as a result of the strong reputation they built through the award. Through the Green Planet Award Kuoni has achieved to build its suppliers' environmental awareness and motivated them to implement better practices. By receiving this award a hotel can develop a distinctive profile that can be used for promotional purposes and also gains competitive advantage in the market, as well as benefiting from long term cost savings by implementing water and energy conservation strategies.

(adapted from Kuoni Switzerland 2002 Environmental report)

Tour operator and destination partnership for new product development: Pantanal Association of Nature Tour Operators

Pantanal is a protected area in Brazil covers 2.3 million hectares of mainly private land in 197 different Fazendas, as well as some land owned by local and regional authorities. A partnership approach has been used to plan the use of tourism as a tool for sustainable development, with the involvement of seven selected specialist tour operators through a familiarisation trip that involved stays in several pousadas (ranches) starting tourism businesses to complement their traditional sources of income. After the trip a two day workshop brought together pousada-owners and tour operators for feedback on both activities and accommodations offered, including comments and suggestions for improvement. The tour operators were invited by the Pantanal Park as the area considers it needs tourism income to maintain its protected area qualities.

The tour operators provided expertise in new product development, designed guide training programmes in nature interpretation and other concepts, and are currently providing a supportive network for local landowners to adapt their facilities and services to meet the requirements the specialised western ecotourism market. The Pantanal Association for Nature Tour Operators is now a unit working together with the Park and Association of Pousadas for connecting the local providers with parts of the international market, creating a feeling of fellowship between the Tour Operators, and creating a group-

synergy around the Pantanal both as a destination and as a project, something that can further develop the local providers' products and future income.

The Pousadas have gained invaluable knowledge on not only the ecotourism market but the value as well as the limitations of their resources, as well as gaining a small but secure market that allows targeted investments. These pousadas are receiving some tourists through tour operators that are supportive of a learning environment, and the pousadas are gaining skills such as responding to tour operator requirements, pricing, quality assurance, logistics and other elements of the incoming tour operator's job. As a result of the familiarisation trip, the new products developed in conjunction with the pousadas are high-end incentive trips for CEOs, riding holidays, jungle trips, ecotours, backpacker trails, and wildlife and birdwatching tours, by Adventura AB, World Horse Riding, JungleTrekker, Worldwide EcoLodges Viventura, Saiga and Discovery Initiatives.

(with thanks to Sylvie Blanchy, independent consultant, and Anna Widstrand, Worldhorseriding)

Developing environmental management systems for resorts: Red Sea Sustainable Tourism Initiative

The Sinai Peninsula and Red Sea Coast benefit from a USAID funded program to support Egypt's Tourism Development Authority (TDA) to plan and manage sustainably for tourism growth. The focus of the Red Sea Sustainable Tourism Initiative (RSSTI) is to highlight best practice and raise sustainable tourism awareness through awareness campaigns, and in particular to train and implement Environmental Impact Assessment and monitoring and Environmental Management Systems.

Within this program eight resorts have implemented a resort-wide Environmental Management Systems (EMS) which resulted in significant savings, as well as the development of local examples for other resorts to follow. The EMS programme covers a range of issues such as energy and water efficiency, solid waste management, landscape design and planting. To support the implementation of an EMS, the program includes training courses for hotel senior management leading to a recognised certificate, the development of practical manuals and awareness campaigns, the preparation of self-auditing checklists and the potential to access independent certification of the properties through Green Globe. The Steigenberger Golf Resort and The Oberoi Sahl Hasheesh received this certificate by amongst other actions conserving energy and water, reducing their solid waste through separation and recycling.

(adapted from www.rssti.org/articles.html)

Production and distribution of food to meet the requirements of large purchasers: Sandals St. Lucia

Sandals St Lucia has been working to improve their supply chain by supporting a local farmers organisation and distribution company, with support from Oxfam UK. The Caribbean islands suffer from production of only a limited range of produce which is grown locally and not well-planned in relation to market requirements. The lack of a common Caribbean-wide market and protective national policies towards other Caribbean states, means that most goods for resorts like Sandals are in fact flown in from Miami. Oxfam UK chose to work with St. Lucia because they perceived there was a positive national government agenda, policy framework and desire to act, as well as a formalised agricultural sector, and with local food production because it could contribute to tackling poverty in ways that heritage and environmental conservation could not. Other locations where similar work could be considered are the Dominican Republic and Mexico.

Oxfam is providing support focusing on bridging the institutional gaps that exist between small farmer producers to reach potential markets. This requires linking individual farmers in groups through planned production beyond monocrops, by introducing the necessary skills and equipment. Local producers need to focus on health and safety primarily in supplying meat and fish produce, while for most fruit and vegetables the producers need training on washing and packaging, and on quality standards set at a national level.

The next planned steps is to provide specialist business skills and to help producers reach the economies of scale and quality required by Sandals, and to equip them to enter in the market of the trading and distribution companies that act as the middlemen. One recognised bottleneck for local producers is in placing their products into distribution channels, due to small volume of production and the seasonal nature of their products. This means that Sandals would require to keep their importer suppliers as well as a local distributor for farmers produce, increasing their administrative costs. To avoid this, the challenge is for the small producers to be able to sell through the current distributors that supply Sandals and get these distributors to give preference to local produce when these are available, as well as the development of a market information system that allows them to plan production.

(with thanks to David Bright, Oxfam UK)

Local community recruitment and training: Serena Hotels

The Serena Hotels Group is a luxury collection of resorts, safari lodges and hotels operated by Aga Khan Fund for Economic Development. Their uniqueness is in their objectives, which prioritise operating in regions of higher and longer term risk with the aim of benefiting local people in the process. Serena Hotels offer a very unique African experience, showcased in use of traditional Swahili architecture, excellent environmental management practices and use of locally purchased fish, vegetables and other foods. The hotel chain also ensures the highest international hospitality standards even though it contracts local people, few of whom have previous experience of operating to such standards. To address this, the chain implemented a substantial training program when opening four new properties in Tanzania requiring 400 new full time staff.

Serena wanted to employ people local from the game reserves where the properties were built to ensure they could return to their families weekly (as opposed to other resorts where staff can only return home for their annual holiday), and to bring economic benefits to the local communities. However local people did not have any previous experience of similar work, nor exposure to the required hygiene and housing standards. Western recruitment methods were modified to suit the local conditions and were also tested on other Serena properties. Front of house and other key staff were recruited and started employment six months before opening, with the remaining team one month before. Most staff required mentoring at another Serena hotel in Kenya for around two months due to their poor standard of service. As the first property in Tanzania opened, staff for the subsequent properties could train in their own country. This approach has led to a situation where staff morale is high, labour turnover low, service quality is exemplar and customer satisfaction guaranteed.

(adapted from Green Hotelier Issue 14 April 1999 and www.akdn.org)

Community initiatives: Taj Hotels

"Corporate Social Responsibility" and "Concern for people" are among the core values of the Taj Group of Hotels, and these have been translated into action through the programme "Taj in the community". This is a social development initiative, which encourages employees to voluntarily share their skills with the underprivileged in their local community. Initiatives include education, vocational training, health and hygiene and water management. Hotel employees have trained community groups in housekeeping skills and cleanliness, bakery, and food processing, and in-house training programmes have been developed for under-privileged youth. The objective is to impart skills that will ensure local economic independence, and issues pertaining to women and children are of particular importance.

Taj Hotels' commitment is part of a wider commitment of its parent company, the Tata Group, to social welfare. The Tata Group is one of India's largest private sector conglomerates and has been practising social responsibility for decades. Each Tata company has a mandate to conduct its own community development programme using charitable trust funds. The Tata Council for Community Initiatives (TCCI) conducts regular assessments of what employees have learned from their involvement (which typically involves three to four hours voluntary service a week), and how this affects the organisation. In 2004 the Tata Group will produce its first triple bottom line report as part of the United Nation's Global Reporting Initiative (GRI). Tata is also currently developing an index measuring "human

excellence" which is similar to the Human Development Index of the United Nations Development Programme, and will be the first corporation in the world to apply such principles to a business process.

The TCCI has helped communities to become strong and self-reliant. Its contribution towards creating a better society reflects the group's interest in community welfare activities. As Ratan N. Tata, chairman, Tata Sons Ltd, says "We are not doing this for propaganda or visibility. We are doing it for the satisfaction of knowing that we have really achieved and given something to the community in which we are working. We are doing it because we really wish to do it by choice."

(adapted from <http://www.tajhotels.com> and <http://www.tata.com>)

Development of an excursion that benefits small producers in rural Cyprus: Support Abandoned Villages & their Environment project

The UK government Sustainable Tourism Initiative (STI), the forerunner to the Travel Foundation, commissioned a Cyprus pilot project in October 2002 to make a step change in the implementation of sustainable tourism practice by the UK outbound tourism industry.

The project, October 2002 – January 2004, has focused its work on developing an excursion common to the 'big 4' UK tour operators in Cyprus – First Choice, My Travel, TUI-UK and Thomas Cook/JMC that would increase the economic benefits of tourism to small producers in rural Cyprus. The first SAVE – Support Abandoned Villages and their Environment excursion (there are now two others in implementation) evolved through a multi-stakeholder process of exchange of information and an agreement between stakeholders of an action plan for implementation. Building trust and cooperation among the stakeholders – tour operators, NGOs, producers (agents, village producers) and government (Cyprus Tourist Organisation) has been fundamental to the continuing dynamic of the Cyprus group's achievements.

Developing and producing promotional and educational tools – a SAVE leaflet and video, sustainable tourism training for the company representatives ('Training for Change') have all come from stakeholders' in-kind contribution of voluntary time and effort. The SAVE brand, and its process of development, is now recognized by the Cyprus Tourist Organisation as a way forward to implementation of their 2010 Sustainable Tourism Strategy. The Cyprus Tourist Organisation will help fund the local coordination of the Cyprus Tourism Group from January 2004 that will establish itself as the SAVE Foundation, a registered charity able to raise funds and take on new initiatives for sustainable tourism in Cyprus.

The current SAVE whole day excursion to Spilia and Kourdhal runs once or twice a week in a 25 seat mini bus out of Paphos taking in the village of Lofou and the Environmental Visitor Centre at the Troodos National Forest Park. The cost is 32 Cypriot pounds. The excursion's social, economic and environmental impact is monitored by evaluation criteria developed by each set of stakeholders using customer survey questionnaires from each excursion and producer report backs for every stakeholder meeting. A Spilia producer tells us that the project has kick started a village development process that transforms their 'abandoned' village title to 'saved' village.

(Prepared by Jenny Holland, Project Manager)

Fair Working Conditions and Human Rights for Trekking Porters: The International Porter Protection Group and Tourism Concern

Two organisations focusing on the very poor working conditions trekking porters have to face throughout the world are The International Porter Protection Group (IPPG) and Tourism Concern. Although the organisations have separate campaigns and work programmes, their aims are similar: to improve the working conditions for mountain porters. Porters' conditions include wearing flip-flops in sub-zero temperatures, sleeping in the open, carrying huge loads and neglect of altitude/trekking related illnesses, which have even led to the death of porters.

The IPPG undertakes a variety of actions including lobbying, education, monitoring and direct action through support of clothing banks, the construction of shelters and the provision of rescue posts.

The aim is that every porter should have access to adequate clothing, boots shelter and food, appropriate to the altitude and weather, plus medical care when ill or injured.

Of particular importance to this report is Tourism Concern's work involving UK trekking tour operators and the implementation of comprehensive and practical policies on the working conditions of their porters in the main trekking destinations: the Himalayas, Nepal; the Inca Trail, Peru; and Mount Kilimanjaro, Tanzania. The guidelines for tour operators on porters were formulated via meetings and discussion with tour operators, the IPPG and other porter organisations on the ground. They covered the amount of hours worked, insurance and medical care and maximum weight limits among other issues. This has led to 41 out of 80 tour operators in the UK implementing their own policies on porters in relation to the guidelines produced by Tourism Concern. Tourists themselves have been encouraged to trek with tour operators who have porters guidelines and to monitor the conditions of their porters.

(with thanks to Patricia Barnett, Tourism Concern)

Solid waste project: TOI, Side Municipality and Side Tourism Association partnership

Side is a large coastal resort in Turkey's Antalya region with 25,000 tourist beds. Each year TOI members bring over 300,000 customers to Side. A partnership between the Tour Operators' Initiative, the Side Municipality and the Side Tourism Association, has set as a first priority the development of a common action plan to solve Side's solid waste problems. A second multi-stakeholder meeting was held in May 2003 to assess the progress made in the first year of the partnership and identify next steps.

A waste separation scheme was put in place later in 2002 and a new landfill area at 30 km from Side has been identified. This will replace the current dumping site, in the Side sand dune area, which is near the archaeological sites and the hotel zone. The long awaited solution to the solid waste problem in Side is the first result of the international partnership between the Tour Operators' Initiative, the Side Tourism Association, and the Municipality of Side. The plans received the support of the Turkish Minister of Culture and Tourism.

As part of the waste separation scheme, that aims at minimising the pressure on the land fill area, waste separation bins have been placed in approximately 100 hotels in Side. All shops in the old town use different colored bags to collect their waste. Boxes for used batteries were placed in every hotel and in a local school. Waste separation bins for organic and recyclable waste have been placed in Side ancient town for residents and tourists. Training sessions on Solid Waste Management and Waste Separation Techniques, have been organized for hotels, apartment hotels and pensions have been attended by over 200 managers and staff, and further training sessions have been provided for sanitation managers and workers, and for bars and restaurants. All these activities have been coordinated locally with partners contributing by providing financial resources, training material, and funding a local coordinator.

The partnership was set up following a stakeholder consultation process initiated by the TOI in the resort. During an initial visit to Side, the facilitator of this process met with key tourism stakeholders from government, industry and NGO sectors, to discuss opportunities for promoting sustainable tourism development in the Side region, and for establishment of a destination cooperation for sustainable development between TOI members and destination stakeholders.

These initial consultations have helped identify the most urgent issues in the Side region, including action to implement existing plans, and to control development, especially over-development; improvement of dialogue and cooperation between different stakeholders and municipalities; upgrading of waste, water and sewage handling; and expanding the 'complementary offer' in the resort.

The second phase in this process consisted in a multi-stakeholder conference, convened in Side during April 2002, to further develop discussion and get feedback from local stakeholders on the issues identified during the visit to Side, and to work out together the elements of a joint action plan.

(Extracted from the Tour Operators' Initiative website)