

NALAS POSITION PAPER “SEE TOURISM GOES LOCAL”

Vision: Municipalities manage tourism in a sustainable way so that three values could be met: Happy community and guests, Fair distribution of tourism expenditure and Qualified care and nurturing of natural and cultural heritage

1. Introduction

The purpose of this Position Paper is to **a) build a common understanding** of what is sustainable tourism development at local level in South Eastern Europe (SEE); **b) encourage sustainable tourism planning and development across SEE** through deploying the potential of the Network of Associations of Local Authorities of South East Europe (NALAS); **c) build a common reference point for local municipalities and local government associations (LGA's)**, recognizing tourism as a relevant economic option which, in order to be successful, needs to be carefully planned and managed for continuous use in the future while still bringing benefits to the present.

Building on the opportunities provided by the steady growth of international tourism, the Position Paper presents the vision, general principles, objectives, actions and recommendations to encourage the implementation of sound policies by municipalities and LGAs. It also strives to help NALAS to disseminate its practice throughout the SEE in line with its principles of promotion of the process of decentralisation in South-East Europe and carrying out regional initiatives.

It recognizes that **tourism development is a multi-sectoral activity which takes place mainly at the local level and brings with it social, economic and environmental impacts**. These require considerable planning to make the development outputs attractive to tourists while being “sustainable”, requiring a careful co-operation and co-ordination of both the private and the public sectors.

Particularly, **three values should be met in developing local tourism**. First, it should take into equal account **the needs of local communities and guests**. Long-term viability needs satisfied visitors who return and who recommend others to visit, which means delivering an experience that meets or exceeds expectations. However local communities might have to meet a number of external costs associated with tourism, therefore it is important that policies seek to maximize the economic returns to the community.

Second, it should strengthen the number and quality of local jobs directly and indirectly created and supported by tourism, while seeking **a widespread and fair distribution of economic and social benefits**, including improving opportunities, income and services available to the least advantaged members of the community. This should be reached by engaging and empowering LGAs in planning and decision making about the management and future development of tourism.

Finally, tourism development should respect and enhance historic heritage, authentic culture, traditions and distinctiveness of host communities, while maintaining and enhancing the quality of landscapes, both urban and rural, and avoid physical and visual degradation of the environment. SEE is a millennia-old cultural space, where shared history and memory of a geographically contiguous group of countries generated an outstanding cultural and natural heritage. This “treasury” includes tangible heritage such as historic buildings and artifacts and intangibles like cultural traditions. Conservation of both is of great importance for its own sake and for the sustainable growth of the tourism sector. A regional commitment and a shared approach to the preservation of tangible and intangible, cultural and natural assets is therefore essential to successfully address tourism development and to forge a fertile dialogue and a sustainable growth in the whole region.

2. Tourism – current opportunities and conditions for local development in SEE

Tourism has long been of major importance globally. According to the latest UNWTO¹ World Tourism Barometer, International tourist arrivals grew by 4% in 2012 to reach 1.035 billion. Long-term forecasts are also blooming, as **growth is expected to continue so that to reach 1.8 billion by 2030**, with the number increasing by an average 3.3% a year².

Particularly **international arrivals in emerging economy destinations are expected to continue growing at double the pace (+4.4% year) of advanced ones (+2.2% a year)**. In absolute terms, the emerging economies will gain an average 30 million arrivals a year, compared to 14 million in the traditional destinations of the advanced economies of North America, Europe and Asia and the Pacific.

The next 20 years are thus expected to be of continued growth for the sector offering immense possibilities to SEE's economies too as **it might foster economic growth, social**

¹ United Nations World Tourism Organization

² We refer to the report *Tourism Towards 2030*, presented on the occasion of the 19th session of the UNWTO General Assembly, 8-14 October 2011, Gyeongju, Republic of Korea

progress and environmental sustainability, through offering new model of society and increased quality of life.

Although SEE countries hold relevant differences in tourism arrivals and expenditure, with seaside destinations accounting for a wider market share, trends in worldwide international tourism and growth forecasts built for the whole area along with the **widespread trend towards alternative and special interest tourism, brings about relevant development chances for inner destination too**³.

Tourism does not only supports jobs in accommodation and related tourism services but also induces **a market for goods and services in sectors as diverse as transport, retailing, construction, culture, food processing, fishing and agriculture**. Differently for other sectors, tourism is a resource-based industry whose “raison d’être” is to be consumed where it is produced. Destinations only exist by virtue of people that visit it and by making available at the local level an amalgam of resources which make up the “**tourist experience**”, that is the tourism product delivered by the destination and consumed by tourists:

- Resources in the form of physical and cultural attractions to induce people to visit.
- Resources in the form of facilities and services, including human resources, that enable them to stay at the destination.
- Resources in the form of infrastructure and services that makes the destination accessible as well as the various attractions, facilities and services within the destination.
- Information provision so that the consumer actually knows about the destination and its resources.

Decisions about tourism development should therefore be taken at the lowest level of governance and where is appropriate to make decisions centrally, and **the local stakeholders affected by tourism should be consulted and encouraged to participate**.

It is thus particularly important to:

- Fully engage the local community in the development of tourism policies and plans. This should involve local government institutions and there should be a process of wider consultation and participation for the community and other stakeholders.
- Empower local communities to influence decisions on tourism development in their area, including the provision of the skills and knowledge that people need to participate effectively in decision making at the local level.

³ See, for instance, World Economic Forum (2011), *Travel and Tourism Competitiveness Report*

Because of its dependence on local circumstances, **there is no fixed agreement as to what the best methods are or the role of the local municipalities should be.** Several private and public actors and multi-government organizations are typically involved in the construction and delivery of the “tourism experience”, with marketing functions played by destination management organizations or regional tourism organizations while destination planning is commonly undertaken by a combination of urban and regional planning bodies.

This situation means that **destination planning and development occurs in a complex set on institutional and public-private arrangements that include different organizations, including non-governmental ones.** The stakeholder analysis carried out by NALAS has helped to identify at least the following groups:

- At local level: mayor, city council, local tourism council, local sustainable development councils (committees), regional councils, destination management agencies and NGO society.
- At the LGA level: NALAS Knowledge managers, PR Officers, executive directors.
- At National Level: relevant ministries in charge (tourism, economy, etc), ministry of regional development, ministry of finance, ministry of transportation and communications, national councils for sustainable development and customs offices.
- At private sector level: economic chambers, associations of tourist guides, associations of hotel and restaurant owners, association of national tourist agencies, advertisement agencies, licensed tourist agencies, mass media, universities of tourism and union of employers.
- At international level: international and European agencies, the European Commission, national chambers of commerce of non-SEE countries, ANCI, CIFCA, the French National Association of Towns and Regions of art and history and Towns with protected areas, biodiversity networks, sustainable development organizations.

Whatever the governance system is, planning for sustainable tourism should provide a balanced mix between social, environmental and economic goals. The idea of competitiveness and strategic planning should however be pursued, bringing stakeholders together and sharing effective analysis, the fitting of smart goals and measurable objectives along with a clear implementation strategy, built on relevant indicators for sustainability on which stakeholders agrees as to their relevance and as to how results should be interpreted.

The **public-private approach, based on clear goals, objectives and indicators would also allow for a smart prioritization of investments,** sound fiscal policy and effective fund-raising by local municipalities. This would help to solve the intrinsic paradoxes that

features the tourism industry particularly with reference to the financing of tourism projects. Tourism results in increased spending in a community and often in increased employment, which is enhanced by the “multiplier” effect. However although it may be in the national interest to produce revenue in the form of taxes on profit, employee taxes, excise duties, and so on, this might not help the local authorities, where they have to provide for additional costs due to the provision of local collective tourist services. These include direct costs due to garbage collection, promotion, museum management and information provision, but also larger capital investments in infrastructure and super-structure, as far as tourism developments succeeds and physical sustainability issues usually arise.

The issue of finance is therefore central to sustainable tourism. Local municipalities should strive for enhancing fiscal federalism to sustain collective tourism services and investments, enforcing public-private partnership schemes and accessing to national and international funds, such as the EU structural funds. Such funds should also directed to sustain capacity building in the field of sustainability, including both private and public operators at the local level.

3. Principles & Objectives

The following general principles should guide the approach to sustainable and responsible tourism at a local level:

- Tourism development should be planned with a long term vision, avoiding short term approaches and solutions that cannot be sustained over time.
- Equal weight should be given to economic, social, cultural and environmental aspects of sustainability.
- Ethical concerns should underpin SEE tourism policy and activity at a local level.
- The significant impact of tourism and other industries and activities on the local environment and guest community should be recognized, with reference to direct and indirect impacts and multiplier effects.
- Objective assessment and evaluation should be undertaken of the impact of potential tourism development and of all ongoing tourism activity, based on smart goals and measurable objectives built on relevant indicators for sustainability.
- The direct beneficiaries of tourism, including businesses and tourism, should be made aware at a local level of the external costs associated with their activities so that to contribute to their mitigation.
- Capacity building with local communities, based on the principle of assisting rather than being prescriptive, should be promoted as an important component of sustainable tourism development.

- Close cooperation and common approach among SEE local authorities and countries should be furthered and delivered through networking, knowledge sharing and joint strategies, actions and projects aimed at addressing tourism challenges and seizing opportunities .
- Closer engagement with European countries and institutions, including national associations of local authorities, should be promoted and supported
- LGAs should encourage and facilitate exchange of best practice in sustainable tourism, inside SEE countries and at a pan-European level.

4. Actions & Recommendations

The following actions and recommendations are provided to ensure appropriate engagement of the four levels of stakeholders with regard to sustainable tourism.

4.1 . Local governments should:

- Implement systematic strategic planning and development of sustainable tourism, which would include:
 - The control of volume, nature and location of tourism development so that to prevent undue pressure on local resources and biodiversity
 - The protection of natural and cultural heritage by sound planning controls and sufficient management capacity
 - The promotion of destination management partnership bodies, bringing together public, private and civil society, including organizations that represent environmental, cultural and local community interests.
- Involve representative of local communities and promote the consultation and participation of stakeholders to identify priority issues and related sustainability indicators, using smart governance tools to help to deal with conflicting objectives, gain commitment to the effective implementation of decisions, communicate more effectively about decisions and risks associated to tourism development options.
- Apply a sustainable tourism performance management and measurement system, strategically oriented, selected and managed according to the priority issues identified in the destination.
- Adopt a realistic system of sustainability objectives, indicators and measurements in all development plans directly and indirectly associated to tourism and carried out by the local government, including land use and development of infrastructure..
- Deliver capacity building activity, disseminating good practice and establishing stakeholder networks, including intermunicipal cooperation,

twinning and exchange of best practices in the SEE and with European partners to tackle the challenges of tourism sustainability.

4.2. Local Government Associations should:

- Enhancing their coordination and facilitating role in the field of sustainable tourism, keeping abreast of international research and knowledge.*
- Promote the knowledge and skills of themselves and their members in the field of sustainable tourism planning supporting and disseminating relevant research and information and implementing appropriate tourism education.*
- Recognize and disseminate good sustainability practices throughout the SEE, promoting and encouraging study tour and other exchanges also with other European partners.*
- Provide technical and political assistance to local municipalities and facilitate them in accessing specific EU and other international funds aimed at financing sustainable tourism projects and initiatives.*

4.3. Central Governments should:

- Include sustainability issues in their national and regional strategies, which should emerge for processes that ensure stakeholder participation, promote and respect planning for tourism at a local level, reflect aims and principles for sustainable tourism.*
- Recognize that in order to achieve effective results, sustainable tourism policies must be developed and implemented at both national and local levels, with the latter playing a relevant role as proved by the practice of several countries which are in the process of decentralizing their political and administrative structures.*
- Complement national and regional tourism strategies with those carried out at a local level, promoting effective cooperation in sustainable tourism planning and development, also with regard to programs related to EU structural funds, ensuring that sustainability criteria are included in the disbursement of funds to support tourism development.*
- Actively involve local authorities in creating and implementing sustainable tourism projects, in order to embrace the inputs and to guarantee control of broad-based community on tourism development, in respect of the principles of sustainability and subsidiarity; local tourist boards should take the role of intermediaries and act as leading coordinators in this process and, where not already provided for by*

existing institutional frameworks, should be established at municipal level.

4.4. Business community should:

- Avoid non-ethical tourism, ensuring the protection of children and minors and working towards the elimination of all forms of sexual and labour exploitation in travel and tourism*
- Adopt the principles of sustainable tourism and particularly:*
 - Deliver a consistent service quality level, with a focus on the promotion of high quality products, services and activities.*
 - Treat their employees fairly, respecting their rights and those of their representative bodies.*
 - Implement environmental management systems, involving staff and informing guests.*
 - Support the conservation of the local natural and cultural heritage.*
 - Recruit staff and source supplies locally wherever possible, engage with the community and make their facilities available to them.*
 - Participate in data gathering and monitoring and be prepared to measure and report on their own performance.*
- Cooperate with local governments in tourist planning and development, while supporting and participating in destination partnerships*
- Promote the use of certification and award schemes, built on sustainability criteria, and the establishment of clusters or networks, geographically or thematically based, that foster common standards, mutual support and peer pressure among members.*