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**COMMISSION COMMUNICATION TO THE COUNCIL,
THE EUROPEAN PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE
AND THE COMMITTEE OF THE REGIONS**

Basic orientations for the sustainability of European tourism

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EXECUTIVE SUMMARY

Ensuring the economic, social and environmental sustainability of European tourism is crucial both as a contribution to sustainable development in Europe and world-wide, and for the viability, continued growth, competitiveness and commercial success of this economically highly-important sector. The challenges for sustainable European tourism are linked to both the consumption patterns, in particular seasonal spread and travel for the purpose of tourism, and its production patterns, i.e. the value chain and the tourist destinations. Sustainable tourist behaviour and good public and private governance are key to changing unsustainable tourism patterns.

Stakeholders at all levels, have started to prepare the ground for better matching of sustainability requirements in tourism and using its potential for sustainable development. Although not specifically targeting the tourism sector, the European Community contributes significantly to these efforts with a wide range of policies and measures that favour sustainable development, both in its global responsibilities and within the European Union.

The Commission, therefore, considers the right pathway to the sustainability of European tourism to be reinforcing the existing framework for action and making best use of it. This means relying mainly on the positive effects of established Community policies and measures, while enhancing them, and on initiatives in favour of the sustainability of tourism that stakeholders other than the Community undertake in this field. Some specific measures to fill gaps should complement this approach.

In the international context, the Community approach is thus to continue its policy of promoting the sustainability of tourism as a matter of trade and of assistance to the developing countries. It seeks reinforced co-operation for sustainable tourism with United Nation bodies and other international organisations, in respect of its global responsibility and in Europe.

The Commission envisages several measures for strengthening the Community contribution to the sustainability of European tourism. These aim at increasing the benefit from European Governance and from the various Community policies and measures affecting European tourism and its sustainability. The Commission also wants to enhance co-operation with the World Tourism Organisation and between all stakeholders of the tourism sector in Europe.

The Commission intends to launch a *Tourism Sustainability Group* composed of representatives of the various stakeholder categories. This group will have the task of drafting a detailed framework for action, which allocates specific activities to the individual stakeholders and include an agreed timetable for implementation. The Commission is willing to promote and support the implementation of activities defined by the group.

Specific initiatives will concern better monitoring and reporting of the sustainability of tourism, activities that further sustainable tourism consumption patterns by European citizens, and promoting sustainability in the tourism value chain and destinations. The development and use of appropriate information tools and networks will assist these initiatives.

The Commission expects other stakeholders in Europe to contribute significantly to the efforts for implementing sustainable tourism. This concerns European citizens and tourists, private sector enterprises, tourist destinations and public authorities, and civil society stakeholders. The Commission plans to regularly report back on the progress of implementing these basic orientations.

I. INTRODUCTION

Tourism is one of the most important and expanding sectors of the world economy and that of the EU. It can contribute significantly to achieving the objectives of maintenance of high and stable levels of economic growth and employment, social progress which recognises the needs of everyone, and effective protection of the environment and prudent use of natural resources. For this to be sustained globally and in the EU requires that stakeholders care for the fabric on which tourism depends.

The limits of the natural, economic, social and cultural resource base, which define the economic sustainability of the sector, would be unable to cope with indefinitely continuing expansion of European tourism. However, with specific strategies, tourism activity can be realigned to meet sustainability requirements, new challenges and demands from changing tourism trends and activities (see Annex 1), and increase revenues.

The Plan of Implementation adopted at the Johannesburg *World Summit on Sustainable Development* calls for a focus on sustainable tourism development and outlines actions to change unsustainable patterns of consumption and production, which are also highly relevant for sustainable tourism. There is growing demand at European level for the identification of strategic guidelines and measures necessary to achieve sustainable tourism development and appropriate sustainable development models for each type of tourist destination.

In the same way that tourism is a global phenomenon that is shaped locally, the sustainability problems linked to it range from global ones that need to be solved globally, to local ones that require action on the ground. However, tourism is a sphere of primarily local and regional responsibility. Tourism-related measures largely need to be devised and implemented locally, in order to address the specific needs and limitations that exist.

On the other hand, many Community policies significantly affect the various activities of the tourism sector. The choices made in these policies have a major effect on the development of tourism and its sustainability, both generally and on the ground.

Article 2 of the Treaty establishing the European Community lists the promotion of sustainable development of economic activities as one of the Community's tasks. Tourism has great potential for contributing to the achievement of sustainable development objectives, and Article 3(u) of the Treaty provides for Community action to comprise measures in the field of tourism for the purposes set out in Article 2. The sustainability of tourism must be in line with the overall orientation for sustainable development defined for the EU in the European Sustainable Development Strategy (SDS).

Since the mid-1990s, the sustainable development of tourism has become a priority for EU Institutions. In its Communication Working together for the future of European tourism of November 2001, the Commission proposed to further "*promote sustainable development of tourism activities in Europe by defining and implementing an Agenda 21*". This issue received strong support from the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

This Communication aims at promoting further progress towards the sustainability of tourism in Europe and worldwide. Its basic orientations provide the European Commission's input, at this stage, to a broad Agenda 21 process for sustainable European tourism. It is intended to stimulate multi-stakeholder efforts in this field, across all territorial and administrative levels, and outlines how the Community and the other stakeholders can further contribute.

II. CHALLENGES AND OBJECTIVES OF SUSTAINABLE TOURISM

- **Main challenge: sustainable activity and growth**

The central challenge for the tourism industry, its businesses and destinations, is: how can the tourism activity in Europe and world-wide, and the growth expected over the next two decades, be managed in such a way as to ensure that it respects the limits of its resource base, and of those resources' capacity to regenerate, whilst being commercially successful? As the product is largely based on environmental, cultural and social quality, the sector - if not managed sustainably - is at risk of deteriorating or even consuming its own income-generating resource base, and thus of being economically and socially unsustainable.

Sustainable tourism development is linked to a growth in quality rather than in quantity. Quality consciousness of tourists is also a prerequisite for sustainable development, and both sustainability and quality need to be integrated. They are indispensable for the competitiveness of the tourism sector. The competitiveness of tourism enterprises and tourist destinations requires efficiency that can pay for sustainability and an optimal sustainable yield. In turn, quality of the workforce, regard for the local society, and a lower impact on the environment set free money for resource-efficiency.

The specific challenges of key importance for the sustainability of tourism (see Annex 2) exist both throughout Europe and world-wide, but their specific nature and intensity may vary from place to place. They are in general greater where tourism activity and dependence on tourism are particularly high. Moreover, there can be additional challenges specific to particular geographical areas, such as the Mediterranean and the Alps. So-called mass tourism can also be managed in sustainable ways: identifying and implementing them is a particular challenge, but this promises to be the biggest contribution to the sustainability of tourism.

- **A balanced approach to the three pillars of sustainability**

Sustainable tourism is tourism that is economically and socially viable without detracting from the environment and local culture. It means business and economic success, environmental containment, preservation and development, and responsibility towards society and cultural values three facets that are interdependent.

The sustainability of tourism concerns particularly important aspects such as competitive and socially-responsible tourism enterprises, the possibility for all citizens to participate in tourism, good employment opportunities in the sector and benefits from tourism activities for local communities. It requires the preservation of cultural integrity, the incorporation of environmental issues and of the protection of heritage resources in tourism measures.

Multi-partnership solutions and good governance, which improve the participation of all the stakeholders, offer the possibility of moving the industry forward and of overcoming lack of coherence between the practices of these stakeholders.

- **Sustainable consumption patterns**

One of the most wide-ranging problems of leisure tourism in Europe is its concentration on specific, restricted periods of the year, which is linked both to climate and the cultural and socio-economic rhythm of everyday life. This result in temporary saturation of the communication infrastructure, tourist facilities, and the carrying capacity of destinations, which gives rise to reduced quality.

While beneficial to the recovery of resources and local society, off-season operation needs and leaves enormous over-capacity. It requires a very large workforce that lacks permanent employment and often suffers poor conditions, with negative effects on qualification levels, service quality and business competitiveness. This explains why the sector cannot attract and retain the workforce required.

The second crucial influence on sustainability, mainly from an environmental point of view, stems from the transport needed for travelling. The tourism boom of the past 50 years has been made possible mostly with the help of environmentally less-friendly car and air transport, which has become increasingly easier and cheaper. This has encouraged the use of the car also for long-distance travel and boosted tourism air travel, including short-haul trips. Today, there is a growing tension between the development of European transport infrastructure and services, the mobility requirements of tourism in the context of available connections to destinations, the capacity to serve them, and related costs.

However, travel intensity in Europe will increase further. Tourists are increasingly opting for more individual choices and, largely through the use of electronic means, this involves looking for personally-tailored products and trying to optimise the ratio between quality and positive experience, on the one hand, and the price of the product, on the other.

Alongside the significant growth in tourism, a changing demographic structure will result in the demand for types of tourism changing. For example, cultural and natural heritage tourism is expected to grow the most. However, for the entire tourism population the traditionally big segments, the so-called mass tourism that is overwhelmingly controlled by the international tour operators, will continue to be the most important ones in terms of quantity.

In addition, more tourists with special needs that must be catered for to enable them to fully benefit from tourism want to travel. Apart from the 10 % of the population formally recognised as disabled in one way or another, a growing number of tourists can be expected to suffer from reduced mobility as a result of a temporary disability or age.

Consumer behaviour as a result of price, quality and image is almost exclusively determined by individual interest. Currently, few tourists are interested in sustainability. But, by informing consumers adequately through easily understandable messages within the sector's broadly distributed means (promotion brochures, catalogues and guide books), developing their sustainability thinking, and influencing and convincing people through clear signals, it is possible to provoke sustainable consumption patterns, triggering changes in the product offered. Young people are a particularly important target group in this respect. This must include raising consciousness of quality as an integrated product feature and new approaches to get the message across to tourists that quality and sustainable tourism have their price.

- **Sustainable production patterns**

Sustainable value chain

As is the case with the consumers, tourism suppliers follow traditional behavioural patterns, often bound by narrow economic imperatives, particularly pronounced vertical interdependence between tourism businesses providing the various components of the extremely diverse and composite tourism product and decisions based on price.

Sustainable tourism value chain management involves competitive enterprises and a level playing field for competition. It is related to quality management for the production of goods

and services. For economic profit not to be produced at the expense of social and environmental aspects, the sector needs to internalise socio-economic and environmental cost to get its prices right, mainly through the use of appropriate market-based systems.

Sustainable tourism value also means optimising employment and social benefits, i.e. the sector's enterprises implement the concept of corporate social responsibility. This includes learning opportunities and good quality jobs for qualified and motivated staff to provide high-quality tourism services, certification systems to promote sustainable production and consumption patterns, and the use of innovation and new technologies where appropriate. It also requires strengthened social dialogue and additional power given to the social partners at all levels of conception and implementation.

Sustainable destination development

Together with the individual service components of the value chain, the destination as a whole forms the overall tourism product. The different activities and policies of destinations that combine public and private interests are therefore important for sustainable production. In most parts of Europe the traditional cultural landscape provides the suitable natural and cultural resource which is a prerequisite for the tourism product. Heritage resources, the communications infrastructure, hospitality and tourist facilities are further basic resources of a tourist destination. Wise land-use is a crucial factor in sustainable destination development.

Tourism requirements in this respect, and in relation to local cultural identity and local resident needs, have in some cases generated tensions at destination level. Competitive high-quality tourism needs to respect the carrying capacity of its natural and cultural areas. A range of destinations - in particular some coastal zones and islands in the southern part of Europe, some mountain resorts and certain cities - have experienced the negative effects of a tourism development to a level that exceeds their carrying capacity. Furthermore, where the local development of destinations with a limited economic base, such as islands, is heavily based on tourism, this risks resulting in a fragile and over-dependent 'mono-economy' without the desired indirect effects on other aspects of the local economy, such as agriculture and crafts.

Added to this are two regionally very different phenomena closely connected to tourism: secondary and third-age residence in many European tourist destinations, and one-day visits, which at certain locations within easy reach of agglomerations can far outweigh normal tourism activity. Although in most cases combined with relatively low spending, such activities can help to mitigate the negative effects of off-season low demand. But it is far more likely that, in addition to certain permanent negative local impacts such as contributing to the urbanisation of valuable landscape and increased land prices and costs of living, high numbers of day-visitors at weekends and holidays with good weather or for special events during high season will considerably increase demand and pressure on resources, transport infrastructure and services used by tourism, except for accommodation.

Ensuring good prospects for European tourism requires the preservation of its regional diversity as a competitiveness asset, ensuring quality and considering community well-being in tourist destinations, conserving or restoring European coastal zones and mountain areas, protected areas and cultural heritage sites as the basis for attractive destinations, protecting the environment and heritage resources, and using them wisely, and promoting sustainable inter- and intra-destination mobility. It also depends on a level playing field for the local providers in relation to those who market the tourist product and requires tourism-generated profits to flow back to the destinations.

III. WHERE WE STAND: THE STATE OF THE ART

Many initiatives

Many stakeholder groups have started to respond to the challenges (see Annex 3). Basic orientations for the sustainability of European tourism can build upon a large amount of work and documents outlining important processes and principles. Networks are being established to exchange or divulge useful information and to encourage the uptake of best practice.

Through a set of policy measures, also the European Community has started to contribute to sustainability, including that of tourism, both in a global and a European context (see Annex 4). Although they mainly target sustainability issues more generally, across economic sectors, these elements can significantly contribute to the development of European tourism.

European tourists globally represent the biggest demand, and European companies the biggest stake in international investment in the tourism sector. In the public sphere, in accordance with the current work at international level, the EU assists tourism development as an important tool in fighting poverty and improving social conditions, especially in the world's poorest countries. In 1998 the Commission presented A [European Community strategy to support the development of sustainable tourism in the developing countries](#) as an essential policy base, which the Council took up in a Resolution of 30 November 1998.

The Community's global responsibility also extends to sustainable trade in services. In addition to implementing existing commitments, the Community wants to further liberalise the tourism sector in the framework of the World Trade Organisation-GATS. Remaining restrictions to trade in this sector need to be substantially reduced in a way that is compatible with other agreements supporting sustainability and does not negatively affect the conditions of local communities and their rights. Neither should the right of local governments to determine sustainable tourism development, the local natural and cultural assets, the quality of service, protection of consumers' and workers' rights, or public safety be reduced.

The sustainability of tourism in the Mediterranean basin is a particular challenge. It could profit from an improved [Euro-Mediterranean Partnership](#) and from Community support to implementation of the [MEDA](#) programme, in particular when regional authorities and other stakeholder categories important for tourism are associated as partners. Likewise, the fragile areas in the North of Europe could benefit from enhanced partnership in this region.

The European Environmental Agency has established some [key indicators](#) and is working to develop a 'Tourism and environment reporting mechanism'. In addition, the [European Spatial Development Perspective](#) (ESDP) is a reference for territorial development regarding tourism, as is the Protocol on Tourism and Recreation under the [Alpine Convention](#). For these initiatives, transposition to the regional and local level will be important to mark progress.

At a national level certain countries are drawing up *National Sustainable Development Strategies* that include tourism or more specific tourism sector national plans. Regionally, several tourism monitoring and indicator system prototypes are being designed and tested.

Slow progress

Despite these many initiatives, which exist from international down to local level and are available everywhere, there is still no significant change from unsustainable patterns of consumption and production in European tourism. European tourism is not yet adapting in a

fundamental manner to sustainability requirements with regard to tourism transport and to the seasonal spread of leisure tourism and its economically, socially and environmentally unsustainable effects. Nor has there so far been sufficient effect on production in the tourism value chain or on tourist destination development.

Apparently, there is neither the information nor the incentive to take up these initiatives sufficiently on the ground, where tourism is shaped. Since socio-economic and environmental costs are not internalised, there is rather an adverse incentive. Furthermore, consumption behaviour is formed individually, and tourism takes place locally. Policies targeting them need to be devised and implemented at this level. The success of sustainable production initiatives and contributions is thus determined principally at SME and local destination level.

One major handicap for transposing initiatives into successful concrete action at the 'sharp end' of the industry is that managers' face many issues and their priorities are determined at the local market level. In addition, there is poor communication from the top down: messages formulated in complex language at high level do not reach local and regional players and citizens. Making publications available and Internet dissemination do not create sufficient ownership on the ground. Tourists generally do not have access to or understand the rather complicated information needed to assess the sustainability effects of their behaviour. Therefore, action is needed to associate, involve and address these players more directly, and to formulate easily accessible messages that are easy to understand.

IV. FACING THE CHALLENGES: THE POLICY OPTION

The slow progress recorded suggests that the economic, social and environmental sustainability of European tourism as a contribution to sustainable development both in Europe and worldwide, and as a condition for the viability, growth, competitiveness and commercial success of the sector, needs a reinforced approach that addresses the various challenges in a coherent manner. This approach must build on the involvement and optimum active contribution of all stakeholders concerned, at all levels, and focus on:

- The merits of subsidiarity and of the prevailing 'bottom-up' approach to address the issues;
- The need to look at individual components, sub-sectors, areas and aspects, and particular problems related to them, rather than treat tourism and its sustainability as a single issue;
- Consumer information to ensure market forces are exerted to promote sustainable consumption and production patterns;
- The need to recognise the particular nature of SMEs and micro-enterprises;
- The need to ensure the social and economic viability, as well as the environmental sustainability, of rural and coastal communities.

These considerations need to be taken into account when choosing the European Community policy option to face the challenges for the sustainability of European tourism. An extended impact assessment of possible policy options and the public consultation show that both a comprehensive approach shaped as a genuine Community policy, and the total renunciation of Community activities in this context are to be ruled out (see SEC(2003) 1295). Instead, the existing framework for action should be reinforced and used to the best advantage.

Feedback on the comments received during the public consultation

This also takes account of the majority of comments received during public consultation held in preparation of this Communication (see SEC(2003) 1295, chapter 7. and appendix). However, some went largely beyond the scope of the subject matter, targeting general or global sustainability issues or representing extreme views, so that a feedback was not possible or not appropriate in this context.

As a result of the public consultation, the Commission confirms that there are many models for achieving sustainable tourism development, that tourism and its sustainability are primarily consumer driven, and that economic success is essential for achieving sustainability. This requires an approach that targets as many stakeholders as possible, favouring consensus-building. The consultation also resulted in a reinforced recognition of the territorial (land use) dimension, and of the issues linked to climate change, for sustainable tourism. Although, to some extent, seasonal spread is one of the issues of tourism sustainability hard to deal with, it is a major challenge that needs to be considered in a European context.

The Commission does not favour the idea of introducing regulatory instruments because voluntary instruments developed for sustainable tourism have had of little success so far. However, in exceptional cases regulation cannot in principal be excluded, if it is part of a recognised Community policy. Taking account of comments referring to co-ordination and integration of the various existing Community policies affecting tourism sustainability, also in relation to liberalisation, the Commission confirms its intention to reinforce integration of sustainability concerns into Community policies and initiatives affecting European tourism and to enhance their effect on it in order to support the sustainability of the sector. It follows the line of dealing with all aspects of sustainability and not only selective ones.

Although these basic orientations foresee that measures will be gradually shaped during the process still to come, they are as concrete as possible with regard to specific measures. In general, the comments strongly supported the suggested measures, and added further details or precision. But a number of them wanted the conception of action and the Community contribution extended, mostly requiring, in one form or another, specific Community funding for sustainable tourism or measures that would need considerable financial commitment. At this stage, it is not intended to give follow-up to these requests.

Regarding a Tourism Sustainability Group, a few comments questioned its usefulness, whereas others confirmed that such a group is key to the success of efforts. While local and regional authorities representation in this group was strongly supported, opposition arose to it being led by the tourism industry, even from the industry itself. Indeed, the creation and work of this group is seen as a crucial measure, but its details take account of the comments received. Chapter V.3. also largely integrates the comments with regard to the other measures, but the process still to come will define how they will be shaped and implemented in detail.

Regarding the contribution of other stakeholders, the comments received added useful information, and put additional emphasis on consumers and on the importance of education in this respect. The importance of those stakeholders that operate on the ground was particularly underlined, whereas that of international stakeholders was viewed with some reservation. For the major part these comments were used to enrich, to revise and to fine-tune chapter V.4. But they also showed the need to further discuss controversial issues, such as the sustainability of so-called mass tourism, the potential market dominance of major tour operators, and the usefulness of environmental taxes, in particular at tourist destinations.

The two basic elements of a feasible way forward for facing the challenges are reliance on:

- effective implementation of existing initiatives and reinforced efforts of stakeholders, other than the Community, who are active in this field; and
- Community activities, of which two basic types can be distinguished:
 - optimising the effect of Community policies and measures on the sustainability of European tourism, and
 - the definition and implementation of complementary tourism-specific measures to promote sustainability throughout the Community, which particularly target support of and involvement in other stakeholders' initiatives, and which fill gaps left by the Community policies and measures affecting tourism.

The Commission considers this **co-operative and pro-active multi-stakeholder approach**, which also aims at bridging the remoteness of the Community from the players on the ground, as the right *road to the sustainability of European tourism*

V. IMPLEMENTING TOURISM SUSTAINABILITY: BASIC ORIENTATIONS FOR A EUROPEAN COMMUNITY APPROACH

1. The general concept of future action

Within and beyond Europe, the sustainability of European tourism needs policy measures at every level from global to local, to address patterns of consumption and of production in the tourism value chain. Tourism stakeholders – enterprises, workers and destinations, national administrations, and regional and local authorities – bear the prime responsibility for defining tourism policy frameworks and implementing measures. Self-regulation in the various sub-sectors and at the appropriate levels, and the work of specialised international and European bodies, including standardisation organisations, can spur progress in implementation.

Whilst action focusing on issues linked to seasonal concentration and on sustainable tourist travel generally needs to be dealt with above the local and regional level, local authorities and the tourism private sector are nonetheless the key stakeholders for the sustainability of tourist products. They have to formulate their own Agenda 21 at local or sub-sector levels. To do so, they need policy hints and guidelines resulting from a voluntary process, broadly based on regional, local and non-public stakeholder involvement, albeit endorsed at European level. Bodies representing the tourism industry, regional and local authorities and civil society interests need to commit themselves to this process, contributing their knowledge, experience and views and promoting the message to public and private players at all territorial levels.

The overall approach of the European Community will rely essentially on initiatives by directly responsible and specialised stakeholders, and on activities under those Community policies that affect the sustainability of European tourism. Its implementation needs to reflect the fact that the level of tourism activity and dependence on tourism vary across Europe's vast and diverse territory, as do the intensity and specific nature of challenges for the tourism industry and for sustainability.

The great diversity of European tourism, the subsidiarity principle and the lack of specific powers in this area mean that the European Community itself can only undertake

complementary activities, and encourage stakeholders to put policy measures into practice, *inter alia* by:

- stimulating the coherence and effective contribution of Community policies and of complementary measures in the sphere of tourism,
- actively participating in global and international processes, interlinking with international governmental bodies, and bringing together the activities of major international players,
- practising and promoting the principles of good governance, through:
 - ensuring adequate Impact Assessment of any relevant Community measure or initiative,
 - furthering the coherence of national policies in relation to Community activities, and between the policies of the different Member States,
 - liaising, consulting and co-operating with international and European non-public bodies that represent the tourism industry and other stakeholder interests, and
 - furthering good governance at all levels and encouraging the various stakeholders, as well as their representative bodies, to find joint approaches to sustainability in the different tourism sub-sectors;
- helping European, national, regional and local private and public stakeholders to assume their responsibilities for the sustainability of tourism production, in particular through:
 - the use of available Community instruments,
 - promoting the exchange of good practice and dissemination of information, and flexible co-operation, partnership and networking between stakeholders across Europe, and
 - drawing together expertise on under-researched issues in order to contribute to stakeholder guidance.

2. The European Community contribution

a) In the international context

The Community will continue its policy with regard to sustainable trade in services (including environmental considerations), international environmental governance, and positive synergies between trade liberalisation, economic growth, environmental protection and social development, using Sustainability Impact Assessment (SAI).

The WSSD *Plan of Implementation* put emphasis on sustainable tourism development as a contribution to social, economic and infrastructure development and to sustainable development in the developing parts of the world, and as an issue of protecting and managing the natural resource base of economic and social development. The Community will examine how this emphasis can be better reflected in its Development Policy and aid programmes. It will continue to ensure that the Commission's *European Community strategy to support the development of sustainable tourism in the developing countries* of 1998, and the subsequent Council Resolution of 30 November 1998, guide the relevant measures.

Increasing the emphasis on sustainable tourism development in developing countries could include considering joining forces with the United Nations Conference on Trade and Development (UNCTAD) and with the World Tourism Organisation (WTO) to step up work on its Sustainable Tourism - Eliminating Poverty (ST-EP) special initiative. The Community intends to reinforce its co-operation also in other relevant initiatives undertaken by international bodies, such as the United Nations Environment Programme (UNEP), the WTO, and the International Council for Local Environmental Initiatives (ICLEI).

b) Within Europe

With regard to a demand-oriented approach and to improving the stakeholder value chain and destination development, focal areas of action will be:

- consumer-oriented awareness raising,
- multi-stakeholder partnerships and networks,
- governance and policy integration at each level,
- capacity building, good practice and stakeholder commitment to sustainability, and
- multi-stakeholder monitoring and reporting.

Sustainable tourism information, policy tools and best practice need further development. There is an urgent need for reliable carrying capacity analysis techniques, development of user-friendly sustainability reporting mechanisms, and better statistical monitoring and indicator systems to provide information for managing tourism supply and demand. These tools need to be conceived in such a way as to be optimally adapted to local conditions.

3. What the Commission intends to do.

The Commission is planning a number of provisions for putting the further European Community contribution to implementing tourism sustainability into concrete form.

a) Firstly, the Commission will use suitable working arrangements to enhance the contribution of Community policies to the sustainability of European tourism.

The Commission will use the Impact Assessment tool to integrate sustainability concerns into Community policies and initiatives affecting European tourism.

Impact Assessments undertaken in preparation for the Commission's annual Legislative and Work Programme, and during its implementation, help to identify beforehand the initiatives that are likely to affect tourism. They should make it possible to evaluate the potential contribution of these initiatives to furthering the sustainability of tourism. Reinforced consultation and dialogue, both with interested parties and within the Commission, provide an opportunity to bring the concerns of all tourism stakeholders to bear.

The Commission will prepare and implement an internal work programme for enhancing the effect of the various Community policies on European tourism in order to support the sustainability of the sector.

With regard to the Community policy fields that affect the wide range of challenges to be addressed, this work programme will aim at both improving the effectiveness of existing legislative and non-legislative instruments and defining additional initiatives where appropriate. Based on a detailed analysis of the various Community policies, it will be a joint open co-ordination effort between the stakeholders and Commission services concerned. A guide will indicate the Community support available for the sustainability of tourism.

Policy fields relating to entrepreneurship and competitiveness, employment, learning and a skilled workforce, good environmental performance as well as natural resources and cultural heritage, are examples of subjects that require special attention. However, this work will also include the issue of how the Community can help to improve data and indicators on the sustainability of European tourism. Based on the methodological work done in the field of tourism and environmental research and statistics, Eurostat intends to elaborate a methodological manual for the measurement of the sustainable development of tourism and to test a selected number of indicators with its help. The results of this work are expected to deliver recommendations on how to compile statistical data on tourism sustainability.

b) Secondly, the Commission will encourage stakeholder synergies and co-operation.

The Commission will develop a co-operation agreement with the World Tourism Organisation (WTO) in the field of sustainable tourism.

The agreement is intended to identify the fields and measures of co-operation, in two respects: (1) specific arrangements regarding WTO initiatives for sustainable tourism which particularly target Europe; and (2) European Community technical co-operation in, and support for, global WTO initiatives for sustainable tourism and their implementation in Europe. This can also include activities in developing countries for the promotion of sustainable tourism development as a contribution to poverty alleviation, in connection with the above-mentioned ST-EP initiative.

The Commission favours the involvement of EU Member States (in their capacity as WTO members), of the tourism industry and the civil society groups concerned, and of any other appropriate stakeholder, in the preparation of the agreement and its implementation.

The Commission will launch a Tourism Sustainability Group composed of representatives of the various stakeholder groups, with the task of steering and monitoring the coherent implementation of specific activities to be undertaken by these stakeholder groups.

To be effective, this group, which is crucial for implementing tourism sustainability, must be a joint effort between all the stakeholders concerned, using the method of open co-ordination. The Commission will define the initial representation in close consultation with the various stakeholder representatives. In co-operation with public stakeholders at various levels and civil society organisations, the different core players in the European tourism industry need to show particular commitment to, and ownership of, this group.

A first task of the group will be to draft, discuss and table a detailed framework for action which allocates specific activities to the individual stakeholder groups, includes an agreed timetable for implementation, and forms a very important further contribution to the broad European Agenda 21 process for sustainable tourism. The Commission would be prepared to contribute to the multi-stakeholder efforts with activities as specified below, under c).

The group will also be responsible for regularly evaluating the implementation of the measures provided for in the framework for action. It will be asked to set up and manage at European level a system to monitor the sustainability of the tourism sector. This will also make it possible to report periodically on progress made in this field. For this purpose, and as a tool to fulfil the Community commitments undertaken in the international context, the Commission will continue, together with other public and private stakeholders, the work undertaken in the field of sustainable tourism indicators.

The Tourism Sustainability Group needs to provide value also for the players on the ground. It can guide the use of the Local Agenda 21 tool in tourist destinations, and the preparation of a model for local destination monitoring and indicator systems to ensure that destinations do not follow divergent monitoring principles and deliver comparable results. It can also encourage the bottom-up development of tools and good examples of tourism sustainability, adapted to local conditions.

c) **Thirdly, the Commission could assist the promotion of sustainable patterns of tourism consumption and production, and the better transfer of approaches, initiatives, instruments and good practice to the players on the ground.**

It will focus on promoting and strengthening voluntary efforts and change in the realm of the various stakeholders, their capacity building, and the exchange and take-up of good practice.

- Regarding sustainable tourism consumption in Europe, the Commission wants an initiative that involves all stakeholders and focus on the two core issues of sustainable consumer choices in leisure tourism, i.e. appropriate seasonal spread and sustainable tourism transport. Stakeholders with a major influence and/or knowledge in this field should meet regularly to address the problem of the seasonal character of tourism. They should appraise the evolution of seasonal spread, its consequences and the factors influencing it, and develop ideas for improving it and mitigating negative effects of seasonal concentration.

Concerning sustainable tourism transport, the Commission is already launching a specific action targeting this issue from a European perspective, which aims at involving all stakeholder groups concerned. After the current preparatory phase, and based on solid information on the tourism travel behaviour of Europeans, it will examine whether it is possible to produce a quantitative model and a stakeholder-oriented assessment of the transport-related impact of current European tourism. A competition for innovative approaches and sustainable production and consumption patterns in European tourism with more sustainable transport uses run by the European tourism sector might follow.

Furthermore, the Commission will examine how to promote effective consumer-oriented stakeholder initiatives, including those undertaken by the media. Such initiatives aim at raising awareness and developing sustainability thinking with regard to tourism activities. They need to provide consumers with the necessary transparent information, for example on the advantages and disadvantages that specific tourist products have for sustainability. This can favour sustainable tourism consumption attitudes and, increasingly, change unsustainable patterns of tourism and create incentives for sustainability. Some of the issues will be to better understand tourists' consumption patterns, to provide easily accessible messages in simple language (e.g. in the form of a Charter of the rights and duties of tourists), and to further the tourism sustainability education of young people.

- Regarding initiatives for encouraging the development and adoption of good practice in sustainable production throughout the European tourism sector and among its stakeholders,

the Commission favours in particular promoting the principles of governance and fostering Corporate Social Responsibility (CSR) practices as a specific initiative within the European Multi-stakeholder Forum on CSR. Focusing on the enterprises of the sustainable value chain, in particular SMEs and micro-enterprises, this needs to involve, for implementation purposes, appropriate intermediaries to reach these enterprises.

Concrete activities to which the Commission could contribute include:

- co-operation in the UNEP co-ordinated Tour Operators Initiative and in efforts to extend this approach to other tourism branches and to European tourism SMEs,
 - tourism sector multi-stakeholder platforms for promoting the different elements and tools to implement CSR practices among European tourism enterprises, and
 - multi-stakeholder efforts for sustainability in the tourism value chain, in particular with regard to awareness raising, effective communication and dissemination of knowledge, and on-the-ground promotion of CSR and its elements, such as learning, working and social conditions, sustainable products, and sustainability reporting and transparency.
- Likewise, activities have to specifically target tourist destinations, promoting their sustainable development and management, and a strengthened ability of local players to better take into account the spatial and land use dimension of tourism. The Commission could contribute to such activities by supporting and co-operating in, for example:
 - large-scale initiatives to achieve a wide use of the instrument of Local Agenda 21 in European tourist destinations as a central effort for sustainable tourist destination development and management, and corresponding encouragement measures,
 - the development, refinement and use of reliable and locally adaptable techniques to analyse, manage and enhance sustainable tourism carrying capacity and its different elements, including the assessment of the mutual impacts between tourism and cultural heritage, which needs pursuing research and taking into account the potential input of cultural heritage research for sustainable tourism,
 - exchange between European tourist destinations on sustainable development and management issues, including the use of market-based instruments, implementation of the carrying capacity concept, integrated management of quality and of sensitive areas and sites, and sustainability monitoring and reporting of tourist destinations,
 - a bottom-up approach to define and implement, together with Member States, regional and local authorities and their representative bodies, and bodies representing European tourist destinations, awareness campaigns and effective communication and dissemination of knowledge on these issues of sustainable tourist destination development and management, and
 - the development and dissemination of good practice.

These initiatives also need to emphasise the positive link between the sustainability and quality of tourism, be it from the consumption or the production point of view. Sustainability

is part of the quality of the tourist product, the value chain and the destinations. Tourists must be made aware of the fact that sustainable quality has its price and that this price is worth paying.

For some of the above purposes, the Commission will examine the possibility of using target-based tripartite agreements or similar arrangements when other stakeholders are involved in addition to public authorities.

- Furthermore, the Commission favours the creation and use of information tools and networks, which involve and target the different types of stakeholders, for good governance at destination and enterprise level, and for disseminating good practice. This includes fully exploiting the potential for better use of information and communication technologies (ICT). These can facilitate direct dialogue between the various stakeholders, help develop it at the interface between tourists and tourism operators, and can be used regularly to evaluate progress towards the sustainability of European tourism.

Provided they deal with relevant considerations in sufficient breadth, the subject, nature and origin of the tools, networks and stakeholders can be as wide as possible. In this context, the Commission will also seek a solution to ensure long-term viability, up-dating and wider use of helpful tools and networks that have already been created with Community financial support.

4. What other stakeholders can do

The Commission expects the stakeholders to be involved with these measures and to contribute to the utmost to ensuring their success. While emphasising the interrelationships between the contributions of national governments, tourist destinations and their local authorities, and private enterprises, it sees the following roles for the various stakeholders:

- *European citizens and tourists*

For tourism to be sustainable, citizens must increasingly become responsible tourists who generally favour sustainability, and tourism professionals need to commit themselves to sustainability. All parties should seek out, and be actively provided with, better information about sustainable tourism, and be willing to make responsible purchasing and travel decisions.

Sustainable tourism can only be a success if consumers buy its products. Clear information, awareness and media presentation are crucial concerns, both for the tourist and his behaviour, and for the citizen in the tourist destination. Coherent and reliable pointers to identify sustainable tourism products and services will help tourists to make informed choices on what products to buy and from whom, with whom they travel, and who deserves their loyalty.

- *Private sector enterprises and social partners*

In tourism, as in other sectors, better use of the wide range of available pertinent instruments and tools helps to develop products which respond both to changing and new markets and business messages that favour sustainability and to increasing sustainability requirements. The tourism trade can influence tourist consumption patterns with regard to seasonal spread, transport and sustainable products, for instance through information and pricing.

Getting the price right means recognising the costs of and opportunities for implementing sustainable patterns of production and consumption, making consumers and producers pay the

full social and environmental costs of their activities, and accounting for wider economic, environmental and social costs and effects. In this context, the tourism trade should develop and propose solutions to achieve sustainability that are feasible in a situation of low profit margins and low spending by tourists.

Open governance requires businesses to assume responsibility in conducting their operations in an economically viable manner that takes into account environmental and social issues. This means full implementation of appropriate CSR practices for tourism value chain services and enterprises of any kind and size, opting for sustainable methods and products, and using a business assessment and reporting system that includes not only a financial, but also a social and environmental balance sheet.

Transparent product information, including guidebooks, helps to change consumption patterns, and opting for sustainable consumer lifestyle choices provides business advantages. Recognised management, auditing, certification and product labelling make efforts visible and attract sustainability-conscious consumers. Capacity-building, learning programmes for staff and enhanced e-business capability make it easier to adapt to the new way of doing business.

Participating in processes such as Local Agenda 21, the Integrated Quality Management of destinations, and the preservation and maintenance of heritage, are important attributes of a sustainably managed enterprise within the tourism economy, and prevent potential conflicts and sanctions. A responsible attitude to destination development and product delivery also means involving local communities and indigenous peoples in the development approach by discussing business policies and decisions with the local stakeholders.

The tourism economy must recognise that it is the right of the local population and their authorities to control local social and cultural development and landscapes. This requires business decisions that benefit local residents, tourists and the landscape, in particular when the product is based on indigenous cultures and their territories. Enterprises involved in tourism services and tourism development should participate in carrying capacity assessment and the application of the tools used for respecting social and environmental requirements.

The other social partners, i.e. tourism workers and trade unions, can contribute to increased job opportunities and quality employment conditions. Multi-activity employment, equitable part-time work, improved learning opportunities, and integrated work-unemployment-education packages can secure longer-term job opportunities. This is linked to the issues of flexibility, of higher levels of education and skills on the part of employees, and of an approach to employment that is based on greater sector and geographical mobility.

The Commission sees a need for trade associations and other bodies representing stakeholder interests to launch, at all levels, a broad discussion with their members on the sustainability of the sector and its activities. This includes sustainability information and awareness-raising measures, and effective arrangements for self-regulation. They should also provide trend data and sector information for better policy making with regard to tourism sustainability.

- *European tourist destinations and public authorities*

The Local Agenda 21 process is an important way to further the sustainability of tourist destinations. Local governments play a key role as leaders, political promoters and facilitators of this process, guaranteeing transparent monitoring and assessment with sufficient comparable data. As decision-makers and honest brokers among different interests they can

combine a broad knowledge of the local situation and players with extensive responsibility and power, and as disseminators they can reach almost all local stakeholders.

To best perform their task of providing a sustainable tourist product, tourist destinations and public authorities at all levels of government should adopt the good governance principles of openness and transparency, participation, accountability, effectiveness and coherence, and use of interdisciplinary and integrated approaches. They should activate partnerships of public authorities, private business, and other civil society groups, which all could have a direct input into these governance-by-partnership processes through appropriate stakeholder fora.

A diversified local economy helps avoid the negative effects of a development that is over-dependent on tourism and provides multi-activity employment opportunities. Local public authorities also need to devise policies for coping with the impacts of secondary and senior residence and day-visitors on their tourist destination, and with destination life cycle issues. Inter-disciplinary land-use management at regional and local level is central to the process of integrating sector and thematic considerations in tourist destinations. Impact assessment procedures and monitoring and indicator systems as decision-support mechanisms should assist policy integration and effective policy-making at regional and local levels.

Regional and local authorities play an important role in developing the practical instruments that make those who generate social and environmental costs pay for them, this also being in the interest of discharging public budgets. They are also key to using Structural Funds for enhancing the sustainability of tourist destinations and to reporting on it. Destinations and public authorities should assess whether public management balances economic development with social cohesion and environmental protection and also use annual reporting systems that comprise not only a financial but also a social and environmental balance sheet.

Most tourist destinations and public bodies need to improve sustainability performance. They can involve themselves in the development, promotion and use of market instruments, voluntary agreements, and labelling and certification schemes. They can influence the consumption patterns of tourists with regard to seasonal spread, transport and sustainable products, in particular through organisational measures, promotion and incentives.

Quality and carrying capacity considerations should guide the performance and development of tourist destinations. Together with other public and private stakeholders active in their territory, and with a view to creating 'Learning Areas' in the tourism sector, regional and local authorities should implement suitable training and education schemes for sector practitioners.

Tourist destination managers and other public authority bodies need to be familiar with the core documentation of sustainable tourism. Their sustainability knowledge and skills enhancement should in particular target areas of strategic importance for sustainable tourism development, such as inter-disciplinary teamwork, monitoring and reporting, use of new technologies, networking mechanisms and workforce issues.

Local and regional governments and their representative bodies have a key role to play in the changes and efforts needed to enhance the institutional capacity required to progress towards the sustainability of destinations, and for furthering effective arrangements for self-regulation.

- *International organisations and national governments*

Continued and broadened sustainable tourism efforts on the part of relevant international organisations and bodies will allow the European Community to reinforce its co-operation

and join forces with them in this sphere, while benefiting from and contributing even more effectively to global experience and exchange of ideas.

However, the effective implementation of the many international and European activities needs important efforts to be undertaken by national governments and tourism authorities. Member States should actively participate in the initiatives undertaken by international organisations and bodies and support measures to promote tourism sustainability at any level at which they have influence. The Commission calls on them to give high political importance to the sustainability of tourism, including arrangements for the widest possible staggering of holidays throughout Europe and making tourism consumption patterns an educational subject.

Tourism should be an important issue in National Sustainable Development Strategies, with sufficient room for regional and local initiatives. In addition, national governments have a particular responsibility for widely promoting the principles of good governance and for using impact assessment procedures and monitoring and indicator systems as aids to policy integration and effective policy-making.

It is the role of national governments and regional authorities to give the necessary weight to the sustainable development of tourism and its infrastructure and to assisting sustainability initiatives and capacity building of other tourism stakeholders, both when using their own funds and those provided by the European Community. Planning use on an integrated basis, and effective spatial planning, is key to moving towards sustainable tourism.

Member States and regions need to share good practice on issues such as sustainable transport links, design of new developments, and large-scale visitor management techniques. Together with international organisations, they have a vital role in providing and exchanging trend data and comprehensive and co-ordinated statistical knowledge to shape, monitor and update efforts for sustainable tourism, and in consistently evaluating their impact and the situation.

- *Civil society groups*

As a leading voice in the sustainable development implementation process, civil society groups can use their high social and media acceptance to favour the raising of consumer awareness and a sense of sustainability on the part of the tourism workforce. They can provide a valuable interface between citizens, authorities and the private sector.

Environmental and other non-governmental organisations (NGOs) can assist public and business stakeholders with constructive, solution-oriented contributions and provide innovative approaches, specific solution-oriented expertise and the experience from pilot projects. This should be combined with a deeper involvement in sustainable tourism policy-making as well as the benefits of capacity-building measures. NGOs would need to develop their own effectiveness at regional and local levels, so that representative associations could interface with tourist destinations and public authorities in appropriate stakeholder fora.

VI. CONCLUSIONS

The Commission expects other stakeholders to contribute to efforts to achieve sustainable tourism. This concerns European citizens and tourists, private sector enterprises, European tourist destinations and public authorities, and civil society stakeholders.

It would like to begin the gradual implementation of the measures selected in 2004. Its intention would be to do this in co-operation with the Council, the other Community institutions and with international bodies active in this field, as well as with the active participation of the tourism industry and civil society representatives.

The Commission expects to report back to the Council and other Community Institutions on the progress of implementation in the autumn of 2005 in a sufficiently-detailed form for an Agenda 21 for European tourism to be prepared no later than 2007. This can also serve as a sector-specific contribution to the programme in support of European initiatives to accelerate the shift towards sustainable consumption and production, as provided for in the Plan of Implementation adopted at the Johannesburg World Summit on Sustainable Development.

Major trends in tourism: the scenario driving the future of the sector

European tourism today

Tourism and its growth continue to be one of the major economic and social phenomena of our time, with a global dimension. It comprises a wide variety of products and destinations, involving many different public and private stakeholders with very decentralised competencies often at regional and local levels. Tourism is now an important part of the world economy, and Europe's largest single industry, with continuing prospects for increasing employment. Its development depends particularly on transport as essential facilitator, and related policies.

Since 1980 the tourism boom has seen international arrivals in European destinations double. Europe is the most-visited tourist region in the world, representing today nearly 60% of worldwide international tourism activity. The signs are that growth is set to continue - in a fiercely competitive global market. Numbers in Europe are expected to further increase considerably, and Europe will remain one of the principal markets for tourism to other parts of the world.

Current European Community tourism is largely internal. Only 13 % of its recorded activity is attributed to visitors from non-member countries. As for the tourism of EU citizens, in the recent past three-quarters stayed within the EU. About four-fifths of European tourism is leisure tourism, which also means that the choice of destination is relatively discretionary. The rest is for other purposes, which normally do not allow a free choice of destination.

In the current EU, all this activity involves over two million tourism enterprises, employing 7.7 million people, a figure expected to rise by approximately 15 % over the next ten years. In 2001, the tourism industry delivered about 5% of EU GDP, a figure that rises to over 12% when the wider tourism economy is taken into account. Nearly 99% of European tourism enterprises are SMEs, however some large corporate companies manage a significant proportion of the volume of trade, particularly at an international level.

While numbers are high in European tourism, and expected to further increase to a considerable extent, there is a weakness in the yield generated, especially recently. Nevertheless, tourism remains one of the European economy sectors with the best prospects.

Current global circumstances

Recent security crises and health scares, which have attracted widespread media attention and triggered confusing government reaction, have generated changes in tourism patterns and demand that also reflect a current slowing of economic growth world-wide. Businesses, in particular, are cutting their travel costs. Unemployment, security fears, tighter security precautions, which make travelling less easy, and higher charges to pay for them deter travel. There is also a reluctance to visit certain destinations for political and safety reasons.

As a result, tourists are turning to their domestic markets and short-haul destinations and they are reducing holiday spending. For Europe, this means decreased inbound tourism from overseas and Europeans are travelling less to other parts of the world and staying closer to home. Airline capacity has been significantly reduced, so that it will be difficult to meet any rapid increase in demand should tourism patterns revert to what they were previously.

Mid-term and long-term demographic and social change

Demographic change will have a major impact on tourism trends and demand. The proportion of people over 60 in the developed countries will grow from 20% to one-third over the next half-century. They are likely to retain their independence for longer, and health, spa and 'keep fit' tourism is among the segments likely to benefit from it. They increasingly spend longer periods in tourist destinations considered to provide pleasant living conditions, in particular in the South and off-season. More of them are changing their place of residence more or less permanently to regions which are important tourist destinations or have the potential to be so.

This change, and the growth of minority groups in developed societies, will result in new product demand. Younger people, however, will continue to require 'youth travel' products, and people increasingly tend to consider themselves 'young' even beyond their twenties. More and smaller households, higher disposable incomes and more flexible working patterns will lead to even more short-break holidays and a demand for higher quality services. Improved freedom of movement and a culture of lifelong learning should encourage the willingness to travel and seek new experiences, not just those confined to ordinary leisure tourism.

Changing political attitude and increasing economic pressures

While levels of government support for tourism are expected to be reduced, increased awareness of environmental responsibilities could result in further regulation to protect the environment affecting in particular, adventure tourism. The prospect of higher taxes, charges and pricing to control environmental pressures, of rising costs related to strengthened consumer protection, the cost of improved accessibility for disabled people, and higher insurance premiums will all put increased pressures on the private sector to provide its product at a price that the consumer expects. Competition between destinations and private-sector enterprises, within the vertically-integrated sector, will become tighter. They will respond with closer (more direct) contact with their markets and (potential) customers, within Europe and internationally, by greater co-operative use of new technology for more cost-effective promotion, marketing and information provision.

Changes in the transport sector

The continued growth of low-cost airlines using regional airports will favour destinations deserved by them, in particular in point-to-point service, and the growth of the short-break segment. New fare structures and the e-market will change booking behaviour and favour personally composed and 'non-standard' products, as against package tours, both in short-haul and long haul travelling. Similar fare structures applied to cruises could lead to more flexible products, particularly in the Mediterranean area. Both scheduled and charter airlines, among which limits are increasingly dwindling, will further limit their fleet to the capacity promising maximal yield. This reduces their ability to meet rapid rises and peaks in demand. They will still face the potential problem of fuel shortages and price rise due to political problems.

The current growth rate of individual tourism road transport is not likely to continue. It will be more the discomfort of using the car than increasing cost which will discourage using the car for tourism transport. For the management of the limited infrastructure carrying capacity of important urban destinations, the success of the congestion charge in London could see this being applied in other cities, accompanied by limitations on the movement of tourist coaches and an increased use of public transport. Government efforts to reduce congestion and pollution from road transport will mean that rail travel will increase, if public financial support is given, as the relative advantage of using private cars for tourism diminishes.

Important challenges and major private and public governance objectives for the sustainability of European tourism

Challenges of key importance for the sustainability of tourism are:

- the lack of skilled manpower for certain jobs, and the difficult social and working conditions in the sector;
- the development of transport and its effect on traffic flows: as tourism necessarily depends on transport, this sector deserves specific attention also with regard to sustainability, in particular limiting its environmental impacts, including the issue of climate change;
- a potential impact of tourism development on the economic and social conditions of the local population, such as price increases and cost of living, and the risk of detaching culture from its local context and divorcing it from its role for the local society, and losing local authenticity of socio-cultural expressions as a consequence of globalised tourism development and investment;
- the use of heritage resources, the need to protect the environment, and increasing exposure to natural and man-made risks;
- potential shifts in the choice of destination, whether or not in high season, as a result of major consumer trends and external factors, including changing features of regional climate and extreme weather events;
- potential further trend towards the concentration and increased vertical integration of tourist services; and
- the adoption and incorporation of new information and communication technologies as a factor of competitiveness.

Major objectives regarding good private and public governance for sustainable tourism are:

- the integration of sustainable tourism development into overall economic, social and environmental development strategies;
- integrated sector policies and overall coherence across all levels;
- multilateral environmental agreements and sustainable international trade policies;
- the development and adoption of corporate responsibility reporting and sustainability accounting in both the public and private sectors;
- using Local Agenda 21 specifically for tourist destinations, including at regional level;
- the use of value chain and destination development monitoring and indicator systems; and
- participation of citizens, both as consumers and in the work place.

Examples of initiatives and contributions of international and European stakeholders

The global Agenda 21 process is of fundamental importance for the tourism sector. In 1999, the UN Commission for Sustainable Development's (CSD) adopted a decision on *Tourism and Sustainable Development*, which includes an international work programme on sustainable tourism development. The *Plan of Implementation* adopted at the 2002 World Summit on Sustainable Development (WSSD) adds to this. Its guidance for changing unsustainable patterns of consumption and production (items 13 to 22) is highly relevant for and directly applicable to the tourism sector. It also specifically refers to the promotion of sustainable tourism development as an issue of protecting and managing the natural resource base for economic and social development; and to sustainable tourism that contributes to social, economic and infrastructure development; and to sustainable development in the developing parts of the world (items 41, 52 (g) and 64).

Regarding sector-specific initiatives at the global level, in 1996, the World Travel and Tourism Council (WTTC), the World Tourism Organisation (WTO) and the Earth Council drew up an *Agenda 21 for the Travel and Tourism Industry*. In 1999, the WTO General Assembly adopted the *Global Code of Ethics for Tourism*, which is a comprehensive document committing the tourism sector also to sustainability principles. The WTO also published a *Guide for Local Authorities on Developing Sustainable Tourism* and a *Declaration on Tourism and Climate Change*.

The United Nations Environment Programme (UNEP) / Convention on Biological Diversity produced *International Guidelines for Sustainable Tourism* (Guidelines for activities related to sustainable tourism development in vulnerable terrestrial, marine and coastal and mountain ecosystems). UNEP also co-ordinates the *Tour Operators Initiative*, which develops voluntary guidelines for responsible corporations and contributes to the *Global Reporting Initiative*. Whereas both initiatives tend to focus on large enterprises, the tourism sector requires that SMEs should also be fully aware of how to implement more responsible business activity.

A multi-stakeholder *Tourism Industry Report* issued for the 2002 WSSD lists initiatives with which the tourism industry and certain of its major stakeholder groups have responded to sustainable tourism development, emphasising the crucial importance of strong partnerships between the different stakeholders. On the same occasion, the WTO tabled several tourism-specific contributions, including a publication on *Tourism and Poverty Alleviation*, from which it developed together with the United Nations Conference on Trade and Development (UNCTAD) the special *ST-EP* (Sustainable Tourism - Eliminating Poverty) initiative. Furthermore, WTTC issued a publication on *Corporate Social Leadership for the Travel & Tourism Industry* as a business response to the challenge of sustainable development.

Relevant work was also undertaken by international Non-Governmental Organisations in the spheres of culture and nature. The *International Cultural Tourism Charter* presented by the International Council on Monuments and Sites gives principles and guidelines for managing tourism at places of cultural and heritage significance. The *International Friends of Nature* issued *Ten Guidelines for a Sustainable Development of Tourism*.

Several other documents, measures and exchanges of best practice particularly focus on Europe, such as a Charter for Environmentally Sustainable Tourism that was recently presented by the Network of European Private Entrepreneurs in the Tourism Sector (NET), and the *European Charter for Sustainable Tourism in Protected Areas*. The Council of

Europe *European Landscape Convention* offers clarification on the approach to ensure the preservation of the regional diversity of Europe as one of the cornerstones for sustainable European tourism. Regarding a large geographical area of particular importance for tourism in Europe, the *Alpine Convention* comprises a Protocol on Tourism and Recreation that addresses particularly sustainability issues.

For the local level, the UN *Local Agenda 21* process is of the utmost importance. It is regarded as a key tool for the management of a sustainable tourism process, offering guidance for local territorial management, i.e. in tourist destinations, forging the use of monitoring and indicator systems to ensure the quality of sustainable development. A number of municipalities are involved in its implementation, which is particularly promoted by the International Council for Local Environmental Initiatives (ICLEI), an international association of local governments implementing sustainable development, and its European Secretariat. Recently (2003), UNEP published case studies and first lessons regarding *Tourism and Local Agenda 21 - The Role of Local Authorities in Sustainable Tourism*.

A number of initiatives at various levels are focusing on the issue of indicators. The World Tourism Organisation has worked on the methodology for the identification and application of sustainable tourism indicators. In 1997, it published a practical guide (*What Tourism Managers Need to Know*) to their development and use. It recently set up a new task force, with the participation of the European Environmental Agency, to produce a set of guidelines for the definition and application of sustainability indicators in tourism. The European Environmental Agency also co-operates in the development of institutional, environmental, socio-cultural and economic performance indicators, the “European Indicators for Sustainable Tourism Development in Destinations”, which is undertaken in the framework of the mainly civil society led EU project *VISIT* (Voluntary Initiatives for Sustainability In Tourism) that the European Commission supports under the *Life* financial instrument for the environment. In 2001, the German Federal Environmental Agency issued a publication on *Indicators for the development of sustainable tourism in the Baltic Sea Region*.

At all levels, a wide variety of relevant initiatives address the development of information tools to encourage sustainable production and consumption patterns in the tourism sector. A recent (2002) WTO publication on *Voluntary Initiatives for Sustainable Tourism* shows the extent to which European products and services have taken a leading role in voluntary eco-labelling initiatives. With about 40 regional, national and international eco-labels for tourism in Europe, these schemes are so plentiful that it is questionable whether tourists can obtain reliable guidance on sustainable consumption. The above-mentioned *VISIT* project has also started developing a standard that allows the identification of the European tourism eco-labels with a high environmental quality.

Alongside these initiatives, the ISO 9000 group of standards on quality management systems and ISO 14000 group on environmental management can be relevant to the tourism sector. A number of tourism enterprises are implementing them.

Community policies and initiatives with a favourable effect on the sustainability of European tourism

– Governance, better regulation and policy integration

European Governance and Better Regulation provide approaches and instruments that support moves to make tourism sustainable. Transversal integration of sector policy-making and implementation ensures an adequate account of sustainable concerns in a cross-sector industry like tourism. Impact assessment crucially contributes to integration and improves the quality and coherence of policy design. Beyond the planned pilot applications, *tripartite agreements* as instruments of voluntary undertakings that do not involve binding legal commitments might help also to promote the sustainability of tourism.

Article 6 of the Treaty establishing the European Community requires the integration of environmental protection. The Council has adopted resolutions, conclusions or strategies for achieving environmental integration and sustainable development within specific policy areas, a number of which are relevant to sustainable tourism development.

The Community Integrated Coastal Zone Management (ICZM) strategy and the related Recommendation, which outline the way to promote ICZM, are particularly relevant for tourism activities and tourist destinations. Member States have been asked to develop national ICZM strategies by spring 2006. Commission publications identify and promote best practice in the field of Integrated Quality Management of Tourist Destinations.

– Sustainable entrepreneurship, business practice and employment

The EU enterprise policy strategy and related measures, such as the simplification of the business environment, the European Charter for Small Enterprises and the European Observatory for SMEs, have the potential to contribute to the sustainability of the European tourism sector. EU action to promote entrepreneurship and SMEs, such as business support measures and networks, access to finance and measures in favour of small businesses and specific target groups, can help foster sustainable tourism enterprises.

The sustainability of tourism can particularly benefit from a joint stakeholder effort to promote and develop Corporate Social Responsibility (CSR). The Commission Communication on CSR provides the reference for its further development, including in the tourism sector. An important element is the invitation for companies with at least 500 staff to publish a “triple bottom line” in their annual reports that measures performance against economic, environmental and social criteria, and the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies.

European competition policy ensures an economically sustainable business world and an adequate level playing field for sustainable business. It backs integrating environmental considerations into Community policies. Merger control sees to it that continued concentration at the level of the intermediaries, combined with vertical integration and enhanced buying power of travel organisers, does not lead to deterioration in competition in the market, with adverse effects on local suppliers, small operators and the final consumers. Community guidelines on State aid for environmental protection explore new forms of aid for environmental purposes as a means of promoting sustainable development in application of the ‘polluter pays’ principle, while avoiding any conflict with that of internalisation of costs.

Sustainable tourism can benefit from the approaches and instruments outlined in detail in the Commission Communication on integrating environmental issues with economic policy. Economic instruments, in particular market instruments for achieving functioning markets for environmental goods and services, offer a good pathway towards integration of environmental and economic policies in this sector. Negotiated agreements, perhaps for a geographical area or sub-sector, leave industry with great flexibility in reaching agreed targets, provided that most of the firms concerned are represented and can be expected to join the agreement. Environmental as well as other taxes can play a significant role for cost internalisation. Tourism environmental taxes can be an important instrument to make polluters pay. Where necessary, levying charges or offering payments that put a price on environmental resources corresponds well to the diversity of the tourism sector.

The main lines of the European Employment Strategy (EES), the annual EU guidelines for employment in the Member States, and the related recommendations addressed to each Member State can be reaffirmed for the tourism sector. Developing entrepreneurship and job creation, improving employability, encouraging adaptability of businesses and their labour force, and strengthening equal opportunities policies for women and men are fundamental areas that could accordingly be explored in regard to tourism potential for job creation.

A socially sustainable tourism sector and its attractiveness for a skilled work force can benefit from the European Community efforts and work on issues in the field of quality working and employment conditions, such as social dialogue and consultation, social co-operation, collective agreements and bargaining, social protection and mutual information on it, disability, ageing policy, co-ordination of social security schemes and social inclusion. The Commission efforts with regard to making a European area of lifelong learning a reality are also beneficial for the tourism sector, in particular with a view to *Learning Areas*, so that the tourism industry has all the skills necessary for innovation available to it.

– Sustainable transport and energy

The White Paper on "European transport policy for 2010: time to decide" and its Action Plan are of prime importance for the sustainability of European tourism.

The White Paper outlines how to achieve tourist transport that is more efficient, sustainable and of higher quality. The proposed strategy and measures are designed to gradually break the link between constant transport growth and economic growth in order to reduce congestion and the pressure on the environment while maintaining the EU's economic competitiveness and developing a quality transport policy for Europe's citizens. The proposed measures concerning transport safety, low congestion, sustainable mobility, passengers' rights, better quality of transport services, and sustainable infrastructure meet the concerns of tourists and local population and significantly affect the tourism product and life in destinations.

The White Paper stresses the importance of a balanced growth between the different modes of transport thanks to policy measures to achieve a regulated market opening and to internalise the external costs of transport, the latter in addition to targeted investments in the networks which ensure a fair competition between the different modes of transport. Eliminating technical and institutional transport barriers between the Member States and creating a true common transport market will favour sustainable tourism transport. The Trans-European transport network (TEN-T) infrastructure for the different modes of transport and its traffic management systems also facilitate tourism and will do so in accordance with sustainability requirements.

Community achievements and measures in the field of energy favour sustainable tourism development. The White Paper Energy for the future - renewable sources of energy sets out the objectives and the related timetable of actions with regard to types of energy that are highly important for the tourism sector, in the form of an Action Plan. Key actions in the White Paper's '*Campaign for take-off*' explicitly refer to tourism-related applications.

- Wise use, management, promotion and enhancement of natural resources and of heritage: protected areas and natural and cultural heritage

To respect bio-diversity, cultural values and cultural heritage the Commission encourages and promotes the assessment of the tourism carrying capacity of ecosystems, habitats and sites, the exchange of best practice among public and private tourism interests and the development of international guidelines for sustainable tourism. It has published guidance on the issue of developing sustainable tourism within protected areas and on the basis of heritage. The objectives and measures set out in the European Community Bio-diversity Strategy are directly relevant for sustainable tourism, including required special conservation and protection measures and particular attention to the tourism impact on Europe's Nature 2000 sites.

Many Community-funded measures and projects provide good practice on how sustainable tourism can create opportunities to make good use of heritage and to enhance the great potential of cultural heritage-based tourism for sustainable economic development and job creation. The Culture 2000 programme, which aims at promoting a common cultural area characterised by both cultural diversity and a common cultural heritage, and several other European programmes with a cultural dimension, can help explore these opportunities.

- Environment policy

The Community environment policy has a major relevance for the sustainability of European tourism. Besides the measures, instruments and tools mentioned with regard to the wise use and management of biological diversity and natural heritage (see above), and to environmental information, management and assessment (see below), issues such as water, waste water and waste management directly affect the tourism sector.

The 1976 Bathing Water Directive has set binding standards for bathing waters throughout the European Union, which are currently subject to a revision under a new directive. The annual Bathing Water Report and Tourist Atlas show the quality of bathing waters. Safe water to swim or play in is an important factor in tourists' choice of a destination, for which clean water is an important argument to attract visitors.

Regarding waste water and waste, the Community measures for prevention and those dealing with treatment, reuse, recycling, disposal or incineration are of direct interest and crucial for the tourism value chain and for sustainable tourist destinations. Preventing and combating local environmental noise is also an issue of major importance for the environmentally-sustainable management of tourist destinations.

- Financial support for sustainable tourism development: the funds in favour of economic and social cohesion

The Structural Funds and their Community initiatives, in particular Interreg and LEADER+, the Phare programme, and Community support for pre-accession measures for agriculture and rural development (SAPARD), all provide good possibilities for supporting tourism-related measures. The Commission publication on "Making the best use of the Structural Funds in the sector of Commerce and Tourism" further promotes this role. Renovation and development of villages and protection and conservation of the rural heritage, and encouragement for tourism activities, are measures eligible under Article 33 of the current Council Regulation on EAGGF support for rural development, outside objective 1 regions from EAGGF Guarantee.

The Cohesion Fund and the Instrument for Structural Policies for Pre-accession, respectively finance major environment and transport infrastructure projects that contribute to achieving the objectives of the Community's environment policy and the Trans-European Transport Network and can be of large-scale importance for further tourism development in Europe.

– Implementing new technologies

The Commission has highlighted the steps to be taken to ensure that European enterprises can take maximum benefit from e-economy, including those in the tourism sector, for which the potential impact of ICTs is high. The Commission eEurope 2005 Action Plan: An information society for all invites the private sector to work with the Commission and Member States to achieve the eEurope objectives. Explicitly referring to tourism, the plan announces that the Commission, in co-operation with Member States, the private sector and regional authorities, will define e-services to promote Europe and to offer user-friendly public information.

Furthermore, the Priority thematic area of research “Information Society technologies” under the sixth framework programme of the European Community for research, technological development and demonstration activities contributing to the creation of the European Research Area and to innovation (2002-2006) provides good opportunities for supporting tourism-related projects.

– High-quality information, management tools, observation and measurement

Better-quality and easily-accessible information on the environment and on practical matters helps shape opinions and thus individual tourists' decisions that support sustainability. The extension of the Community eco-label scheme to services started with the sub-sector of tourist accommodation, the first service sector for which ecological criteria were developed. Likewise, a wide uptake of the Community Eco-Management and Audit Scheme (EMAS) by the tourism sector to evaluate, report and improve environmental performance, together with rigorous and independently-verified environmental or sustainable development performance reports, is to be favoured.

Community legislation requires an Environmental Impact Assessment for certain tourism and leisure installation projects and for plans and programmes which set up the framework for development consent. Integrated Product Policy contributes to the minimising of the environmental impact of products through all phases of their life cycle. Tourism stakeholders can benefit from information on industry and product policy areas that are already being developed and tested, such as eco-industries, and from the possibilities offered by Community law to public purchasers who wish to integrate environmental considerations into public procurement procedures.

An important tool to ensure sustainability during the whole life cycle is the use of an 'Early warning system for the identification of declining tourist destinations and of preventive best practices', on which the Commission has issued a specific publication. Current Commission work on harmonised criteria for good accessibility of tourist sites and infrastructures for disabled people is expected to result in information that will help observing and measuring this aspect of the sustainability of European tourism.

The logical point to look for in reliable tourism-related indicators is the identification of key impact areas of tourism that can be measured directly as outputs from the conduct of tourism businesses and visitors at destinations. Eurostat is launching preparatory work to draw up a methodological manual on the measurement of sustainable development in tourism.