

# SWITCH-ASIA BRIEFING



SWITCH-Asia participates in the Second International Conference on Hospitality and Management, Colombo, Sri Lanka, 7-8 October 2014. (Source of all pictures: TIHKM)

## Sustainable tourism in Asia

**“130. We emphasize that well-designed and managed tourism can make a significant contribution to the three dimensions of sustainable development, has close linkages to other sectors, and can create decent jobs and generate trade opportunities (...) 131. We encourage the promotion of investment in sustainable tourism, including eco-tourism and cultural tourism, which may include creating small and medium sized enterprises and facilitating access to finance, including through microcredit initiatives for the poor, indigenous peoples and local communities in areas with high eco-tourism potential (...)”**

(Sustainable Tourism in “The Future We Want” Rio+20 outcome document)<sup>1</sup>

On 7-8 of October 2014, the SWITCH-Asia Network Facility organized a special session on sustainable tourism during the “Second International Conference on Hospitality and Tourism Management” in Colombo, Sri Lanka. Several SWITCH-Asia projects presented their experiences, solutions and recommendations towards a more sustainable tourism sector in Asia. In addition to experts from SWITCH-Asia projects, representatives from the United Nations Environment Programme (UNEP) and the United Nations World Tourism Organisation (UNWTO) participated, introducing the upcoming developments of the Sustainable Tourism Programme under the 10 Year Framework Plan on Sustainable Consumption and Production (SCP). This briefing summarises the key points of the event’s expert presentations, proceedings and discussions and provides an overview of the currently most pressing issues around the topic of sustainable tourism in Asia.

<sup>1)</sup> Source: Sustainable tourism in The Future we Want Rio+20 outcome document. Available at: <http://icr.unwto.org/en/content/rio20-future-we-want>

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## Tourism trends and forecasts for Asia

According to the UNWTO, from 1990 until today, international tourism in numbers of arrivals has increased five-fold to more than one billion leisure travellers per year. This number is predicted to increase to 1.8 billion tourists in 2030. An estimated 5 to 6 billion of intra-national tourist can be added to this figure. Emerging economies, including developing countries, stand to see the highest rate of growth. About one quarter of international tourists travel to and within South-

Southeast and East Asia. For this region the number of travellers is forecasted to increase by half until 2020. In the Asian region tourism has become a very significant contributor to national GDP ranging from an average of 9% to figures well above 20% in individual countries. Cambodia, for example, derives 18 per cent of its GDP from travel and the tourism sector and tourism is considered an important element in the country's poverty reduction strategy.<sup>2</sup>

## Transforming the mass tourism industry

Resulting from accelerated globalisation processes, mass tourism has shaped many tourism destinations in Asia. However, the problems associated with such mass tourism are all too obvious: the destruction of the environment, commercialisation of cultural heritage and unfair working conditions, or even exploitation of local populations. It is a major challenge to transform mass tourism to become more sustainable. In this respect, promoting sustainable tourism requires

addressing the issue of mass tourism, not just focusing on the niche market of high-end eco-tourism. All tourism stakeholders need to act to reduce negative impacts created by mass tourism. Tour operators may support preservation of the local environment and cultures, and benefit local people. In particular, international tour operators are responsible to assist local partners, suppliers and sub-contractors to increase their share in sustainable tourism development.

### SWITCH-ASIA PROJECT CASE STUDY 1



Source: Greening Sri Lankan Hotels project

### Greening Sri Lankan Hotels

The SWITCH-Asia project “Greening Sri Lankan Hotels” was implemented by a consortium led by The Ceylon Chamber of Commerce from November 2009 to October 2013. The project enhanced the environmental performance of small and medium scale Sri Lanka hotels through various measures such as improvement of energy, water and waste management systems, and reducing cost of operations. This in turn improved market acceptance of sustainable Sri Lankan hotels through promoting them as energy conscious, low-carbon hotels. These activities were supported by energy and cleaner production audits in hotels. An online carbon footprint calculator for hotels has been developed and

continues to support hotels in calculating energy and cost savings potentials (see [http://greeningsrilankahotels.org/index.php?page\\_cat=carboncalc](http://greeningsrilankahotels.org/index.php?page_cat=carboncalc)). Further, trainings on ISO 50001 Energy Management Systems were conducted in the participating hotels. Resulting technical upgrades include installations of new central chilled-water AC plants, energy efficient lighting, biogas plants, biomass boilers and wastewater treatment plants. Outreach and promotion activities were as much part of the project as technical improvements in hotel operations. The project has significantly increased awareness among the Sri Lankan hotel industry stakeholders about the issues of sustainability and shared their approach in major international tourism conferences. In 2012, the Greening Hotels Awards were initiated, organised in collaboration with the Ceylon Chamber of Commerce CSR Awards. These annual awards are being continued after the end of the project activities. Publications, such as the good environmental practice guidelines for Sri Lankan Hotels or check lists for energy conservation measures will continue to provide guidance to hotels in the future. The project also engaged in tourism policy development through ongoing engagement with the Sri Lanka Tourism Development Authority and by drafting a Green Accreditation Scheme for Sri Lankan Hotels. For more information, please visit the project website:

<http://greeningsrilankahotels.org/>

Hotels and resorts need to improve their facilities in terms of reducing energy and water consumption, and improve their solid waste management and wastewater treatment facilities. National and in particular local governments can shape the type of tourism in their country through adequate policies and through sustainability oriented management of important tourism sites. In Sri Lanka where the mass tourism industry is growing at a fast rate, annual visitor numbers are expected to increase to 2.5 million by 2016 compared to 620,000 in 2010<sup>3</sup>, both government and industry are taking steps to ensure environmental impacts of mass tourism are mitigated. The SWITCH-Asia project “Greening Sri Lankan Hotels” provided an important contribution regarding capacity building, awareness raising and implementation tools for sustainability to many stakeholders in Sri Lanka’s hotel sector.

## Sustainable tourism policy initiatives in Asia

Governments have a key influence on the development of their national tourism sectors through setting policy frameworks. For instance, in Bhutan the government’s tourism policy emphasises a “high value – low impact” type of tourism. To implement this overarching policy, a number of tools including a tariff structure, mandatory involvement of local tour operators and strong environmental protection policies have been put in place. During the last two decades, Vietnam’s tourism sector has strongly grown, with an impressive rate of 12% p.a. Today, Vietnam’s tourism development is facing challenges, especially concerning the competitiveness of destinations and sustainability. Hence a responsible tourism policy is being discussed to be codified in the Vietnam Tourism Law and the legal documents guiding this law’s implementation. The Myanmar Responsible Tourism Policy was launched in September 2012, during the celebrations of the UN World Tourism Day in Naypyitaw. As Myanmar is just opening up for strong development of the tourism sector, sustainable tourist solutions shall be implemented from the outset. A master plan for tourism along the guidelines of a “Responsible Tourism Policy” will show how Myanmar will respond to the challenges brought about by emerging mass tourism. The challenge for governments is to align their sustainable tourism policies with industry stakeholders in the tourism industry. In the case of Bhutan, the SWITCH-Asia project “Low-carbon Tourism in Bhutan” supports the Association of Bhutanese Tour Operators to realise the policy objectives of “high value – low impact” tourism in their particular tourism operations (see [www.bhutanlowcarbon.org/](http://www.bhutanlowcarbon.org/)).

### SWITCH-ASIA PROJECT CASE STUDY 2



Promoting traditional handicrafts using sustainable local materials  
(Source: Low-Carbon Tourism Bhutan project)

### Low-carbon Tourism in Bhutan

In January 2012, a SWITCH-Asia “Tourism in Bhutan project: An Integrated Approach to sustainable Production, Consumption and Livelihood Development” was initiated. The Association of Bhutanese Tour Operators implements the activities and involves a wide range of stakeholders along the whole value chain of the tourism sector – tour operators, transport services, accommodation and catering, handicrafts and retailers. The objective of the project is to reduce GHG emissions and waste from tourism operations while increasing the earnings from the tourism sector and improve income opportunities for rural communities. To achieve these objectives the project established an Environmental Information System for the tourism industry. The project carried out the first environmental survey of the tourism industry in Bhutan that collected data from almost 710 entities across the country. These comprehensive environmental data of the tourism industry will be crucial to sustainable tourism monitoring and planning. The data will provide the benchmarks and standards required to certify low carbon products and services that would help for promotion and marketing.

Furthermore, the project designed low-carbon tourism products and packages, promotes low-carbon & SCP measures in tourism operations and policy interventions to institutionalise these new approaches. The project’s capacity building activities already involve more than 500 Bhutanese tour operators and more than 1,250 companies have been actively involved in the awareness raising activities. An example of a capacity building activity includes weavers of rural suppliers to the handicrafts industry, who were trained in dyeing yarn using local sustainable resources rather than imported chemical dyes. These changes in the handicraft industry have not only environmental benefits, but will help not only fetch better prices, but also encourage savings through use of easily available local materials.

In terms of outreach, so far more than 30,000 domestic consumers and close to 18,000 tourists have been reached through various media – publications, website, and social media. For more information please visit: [www.bhutanlowcarbon.org/](http://www.bhutanlowcarbon.org/)

3) Sustainable Tourism in Sri Lanka: Policy Perspectives and Employment Opportunities. Presentation by Dr. Nalaka Godahewa, Chairman, Sri Lanka Tourism Development Authority: [http://www.ilo.org/colombo/info/WCMS\\_150740/lang-en/index.htm](http://www.ilo.org/colombo/info/WCMS_150740/lang-en/index.htm)



## Eco-innovation and appropriate technology solutions for holiday resorts

Innovative life-cycle based solutions can be implemented in hotels and resort facilities, which significantly reduce the environmental impact of these facilities. UNEP's 2011 Green Economy Report reveals that under a 'business-as-usual' scenario, projected tourism growth rates to 2050 will result in increases in energy consumption by 154 per cent, greenhouse gas emissions by 131 per cent, water consumption by 152 per cent, and solid waste disposal by 251 per cent<sup>4</sup>. Through appropriate low-cost technology solutions, these impacts can be significantly reduced. The SWITCH-Asia projects "Zero-carbon Resorts – Philippines and Thailand" are a case in point.

Energy consumption from food preparation processes is one of the hot spots in tourism facilities identified by the UN-WTO. These impacts can be reduced by setting up recycling systems, using kitchen waste and leftover food to generate

biogas, which is fed back into the kitchen, thereby reducing the consumption of natural gas – and the costs associated with it. Another area where many savings can be achieved is through solar thermal applications for water heating. This mature low-cost technology can in many Asian tourism destinations completely cover the hot water demand of tourism facilities. Water savings can be achieved through simple upgrades of hotel rooms such as water saving showerheads or new toilet flushing systems.

The "3 R Approach" for enhancing efficiency and eco-innovation is an approach developed and used by the Zero Carbon Resorts project in the Philippines and now is being up-scaled to the tourism sector in Thailand. It is also applicable as a practical method for most other resort and hotel facilities across Asia.

### SWITCH-ASIA PROJECT CASE STUDY 3



Source: Renewable Energy Sri Lanka project

### Renewable energy in Sri Lanka's Tourism Sector

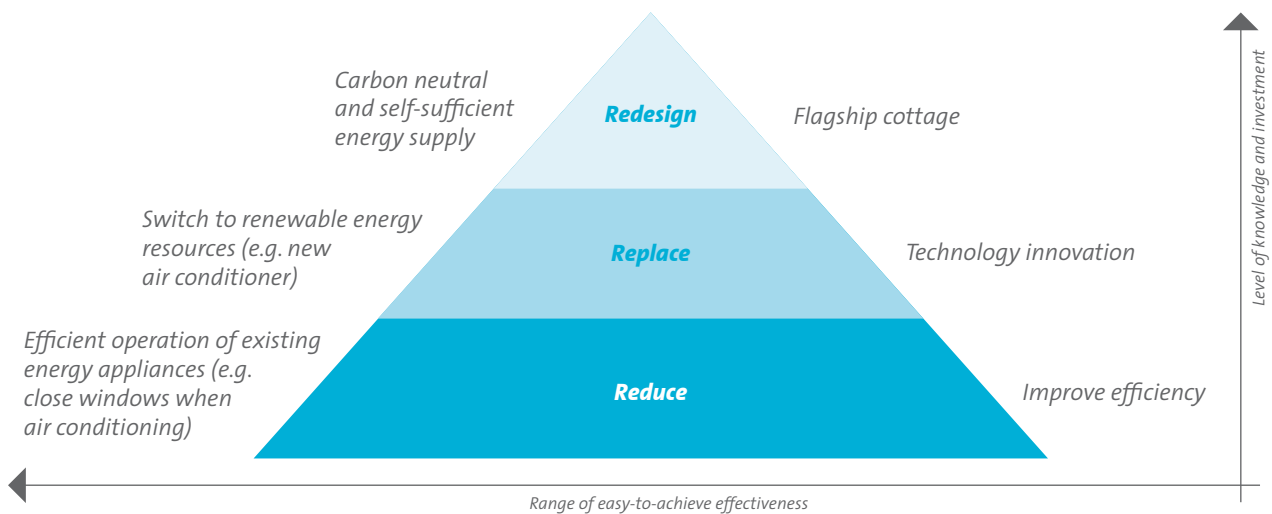
The SWITCH-Asia Sri Lankan Renewable Energy project is a partnership between 'People in Need' and its local partner organisation 'Janathakshan' that started in 2014. The project focuses on the up-scaling of biogas technologies for sustainable development, responsible tourism, economic growth contributing to poverty reduction and climate change mitigation in Sri Lanka. The multi-stakeholder approach includes awareness workshops for provincial stakeholders and promotes the use of biogas as a renewable, clean energy source for public authorities, households and tourism SMEs.

Between 25-50 hotels are targeted to have biogas units installed by the end of the project in 2016. The project also engages in local policy development, advocating for compulsory biogas units in holiday apartment complexes in Kandy, a popular tourism destination located in the central province of Sri Lanka. Local policy developments will include top-down measures such as fines of 7,500LKR (about 60 Euro) for hotels that do not separate and recycle garbage, to be implemented as of July 2015. These policies are not a specific result from the previous phase of the project; however, the SWITCH-Asia project does support the compulsory use of biogas in hotel facilities.

The project will also provide a financial support tool to SMEs, for example, the establishment of a loan scheme with a local bank. 60-70% of project workshop participants are already aware of the importance of sustainable investment. However, financial roadblocks and the pressure to attract more tourists among competitive tourist destinations trump the intention to implement sustainability actions. Interest rates of several existing loan schemes are still high for small and medium sized hotels, therefore working with financing institutions to have a lower interest rate for sustainable activities is an imperative to channel green finance towards solutions like biogas.

More information about the project is available here:  
[www.switch-asia.eu/projects/sri-lanka-renewable-energy](http://www.switch-asia.eu/projects/sri-lanka-renewable-energy)

### 3 "R" approach for enhancing efficiency and eco-innovation in the tourism sector



#### SWITCH-ASIA PROJECT CASE STUDY 4



#### Zero Carbon Resorts (Philippines and Thailand)

The SWITCH-Asia Zero Carbon Resorts project enabled small and medium-sized enterprises (SMEs) in the tourism sector, such as hotels and resorts in Palawan and other parts of the Philippines, to provide their energy services in an efficient, cost-effective, and environmentally sound way through training courses and direct consultations with the companies. As part of a sustainability oriented "redesign" of model resorts, a carbon neutral cottage was designed and constructed, showcasing sustainable building concepts and energy systems using appropriate technology solutions including solar thermal for water heating, solar PV for electricity generation, use of local resources for building design, efficient lighting technologies and rainwater harvesting. Through such eco-innovations, substantial environmental impact reductions were achieved including reduction of resource use and waste outputs such as:

- Water use by 58% or about half a million cbm
- Fuel use by 56 % or 1.8 million litres
- 60% reduction in waste water discharge
- 1/3rd reduction in solid waste generation

The project also engaged with local policymakers. Palawan has a unique strategic environmental plan (SEP) and each new resort, guesthouse or hotel, needs official authorisation from the Palawan Council of Development, a partner in the project, who incorporated the project results into this clearance system. Furthermore, indicators for energy and resource efficiency have been integrated into the monitoring system of the SEP for hotels, resorts or other tourism projects. These achievements were recognised by international awards. For instance, in 2014, 3 out of 5 awardees of the ASEAN Green Hotel Award from the Philippines were hotels or resorts cooperating with this project.

According to Mr. Butch TAN, Owner of Puerto Pension and Daluyon Resort, Member of Frontier Group, "We joined the Zero Carbon Resorts project in the quest for a sustainable environment, by lowering our carbon footprint without compromising the comfort and satisfaction of our guests. I am very grateful to the project for sharing its expertise and knowledge on the technical aspects of going green, and on how to make our business more profitable by simply going green. We've already saved nearly 40% of our operational cost by implementing the practical solutions learned from the technical guidance and various training sessions. I encourage other resorts to follow, not only for a better environment, but also for better business returns."

Because of this successes these experiences are currently being replicated in Thailand: [www.switch-asia.eu/projects/zcr-for-sustainable-tourism/](http://www.switch-asia.eu/projects/zcr-for-sustainable-tourism/)

For more information about the project, please visit the project website: [www.zerocarbonresorts.eu](http://www.zerocarbonresorts.eu)

# Green investments in sustainable tourism facilities

Investment is a crucial factor for any country's tourism sector. According to the World Travel and Tourism Council, in 2011 travel and tourism drove about US\$650 billion in capital investment, or 4.5 percent of the global total<sup>5</sup>. Currently, only a small fraction of this investment can be classified as green. UNEP estimates that if about US\$250 billion of this investment could be "greened" and invested in energy and water efficiency, emissions mitigation and solid waste management, the global tourism sector could grow steadily in the coming decades while saving significant amounts of resources and enhancing its sustainability.

However, for many hotel operators the lack of access to finance and the limited availability of skilled labour have been mentioned as major barriers towards improved sustainability of their operations. Investment in products and infrastructure is essential for tourism destinations and businesses. Investments into environmental technologies and related facilities will amortise via savings of water, energy and in waste management. Investment in sustainable tourism often needs heart decisions, as the business case and consequently potential savings might not be clear at the outset.

Investments into capacity building are essential. Improving sustainability in many cases not only needs technicians with additional skills to maintain for example renewable energy installations, but also extra work for staff beyond conventional customer service. A change in mind-sets of people working in the industry, which requires awareness raising and training for better services is a precondition.

Governments can play a supportive role in facilitating investments. As tourism is coupled with significant cash flows to the destination countries, resulting in sizeable additional government income from direct taxes and indirect effects, enabling such investment in sustainability is a business case for governments. Therefore, a share of revenues from tourism should be channeled back into the tourism and infrastructure sectors, for instance advanced waste water treatment, proper waste management and recycling systems or renewable energy supply.

UNEP and the UNWTO focus on the issue of investments and funding of sustainable tourism under the Sustainable Tourism Programme of the 10 YFP. Only a small share of official development assistance (ODA) currently flows into the tourism sector, additional resources and more attention by the development sector could make contributions to supporting community-based tourism solutions and poverty reduction simultaneously.

## 10 YEAR FRAMEWORK PROGRAMMES (YFP): SUSTAINABLE TOURISM – A LIFE CYCLE APPROACH TO TOURISM

*Under the 10 YFP, Sustainable Tourism has been launched as one of the seven areas of programme development in November 2014. Owing to its multi-dimensional nature, its close linkages to other sectors, and its ability to create decent jobs and generate trade opportunities towards a greener growth, sustainable tourism has much to offer. To catalyse the changes in tourism operations, the Programme promotes transformation for sustainability through efficiency, innovation and adaptability. The Programme will support evidence-based decision-making; adopt a life cycle approach for continuous improvement, emphasise collaboration among stakeholders and results-based project implementation. The four main objectives of the Sustainable Tourism Programme are:*

1. *Integrating sustainable consumption and production (SCP) patterns in tourism related policies and frameworks*
2. *Collaboration among stakeholders for the improvement of the tourism sector's SCP performance*
3. *Fostering the application of guidelines, instruments and technical solutions to prevent and mitigate tourism impacts and to mainstream SCP patterns among tourism stakeholders*
4. *Enhancing sustainable tourism investment and financing*

*The UN World Tourism Organisation (UNWTO) leads the Sustainable Tourism Programme, with the Governments of France, Korea and Morocco serving as Co-Leads.*

*For more information about the 10 YFP Sustainable Tourism Programme, please visit: [www.unep.org/10yfp/Programmes/ProgrammeConsultationandCurrent-Status/Sustainabletourismincludingecotourism/tab-id/106269/Default.aspx](http://www.unep.org/10yfp/Programmes/ProgrammeConsultationandCurrent-Status/Sustainabletourismincludingecotourism/tab-id/106269/Default.aspx)*



# Community-based tourism: Linking ecosystem protection, local cultures and historical heritage

One of the important issues that need to be addressed is the balance of tourism services to the expectations from visitors and local communities on local people's culture, natural assets and local historical heritage.



*Community-based tourism as a community development tool strengthens the ability of rural communities to manage tourism resources while ensuring the local community's participation, diversify the local economy, preserve culture and heritage and conserve the environment. As tourism is a cross-sectoral industry, community-based tourism solutions include home-stays, guiding, transportation, catering, and retail services offered by the local community. Committees are often formed to work with the local tourism industry to regulate standards and encourage sustainable practices.*

Buddhist Tshechu Festival in Bhutan  
(Source: Low-carbon tourism Bhutan project)



**Local people's culture**

**Natural assets**  
(biodiversity, clean water and air)



Mangrove forests in the Philippines  
(Source: SWITCH-Asia Network Facility)

Local Hindu heritage and architecture in Bali, Indonesia  
(Source: SWITCH-Asia Network Facility)



**Local historical heritage**

Today, this balance is severely disturbed at many destinations and first protests against further touristic development is voiced from local people in highly developed destinations, for example Mallorca, Barcelona or Bali. In many other locations tourism has caused change or loss of local identity and values, brought about by several closely related influences, such as commodification of traditional ethnic rites and festivals, and standardisation in the process of satisfying tourists' desires for familiar facilities, food and services. Angkor Wat in Cambodia, an important source of foreign revenue for the country, serves as an example. It received 2.5 million visitors in 2011, and according to the Cambodian Ministry of Tourism,

that number is projected to grow to 6 million annually by 2020. An appropriate management system is as important as enhancing awareness of the visiting tourists to prevent further damage to the historical site.

In Thailand, to prevent the change or loss of indigenous identity and values, creative tourism has been put forward as an option that stresses on value creation for tourism resources on the basis of "Thainess", such as the way of life, local wisdom, art and culture, and history. Co-creation processes actively involving local people in the design and management of tourism destination can ensure that tourism will benefit local communities.

## Outlook for sustainable tourism in Asia

Tourism will continue to play a major role for both Asia's and Europe's economies. Together both regions already account for almost three quarters of total international tourism arrivals. According to the UNWTO, Asia's annual arrivals are expected to increase from about 200 million in 2010 to about 535 million by 2030, for Europe the trend over the same period is a growth from 475 to 744 million. Given this development, closer cooperation between both regions for sustainable tourism solutions seems natural.

Over the next decades many more bottom-up solutions for sustainable tourism will emerge in Asian countries. The SWITCH-Asia programme will continue to support on-the-ground projects to implement sustainable tourism projects and facilitate scaling-up of best practices to change the mass tourism industry. Also, UNEP and the UNWTO will, under the programme for Sustainable Tourism of the 10-YFP, initiate specific activities in Asian countries. On a global level, sustainable tourism will be featured in the Sustainable Development Goals, including the development of specific tourism policies until 2030 that contribute to create green jobs, promote local cultures and products.

## CONCLUSIONS & RECOMMENDATIONS

The current unsustainability of mass tourism destinations appears to be a most urgent issue. While it might not be possible to transform these destinations towards sustainable tourist destinations within a short time, it is possible to start reducing significantly their negative environmental and social impacts while finding new ways to create green jobs. Upgrading hotel facilities to reduce energy and water consumption as well as the implementation of appropriate waste management are necessary.

The promotion of life-cycle based solutions of eco-innovation, appropriate technologies and investments in low-carbon tourist facilities have been tested and successfully implemented by SWITCH-Asia projects. The lessons learnt show that these approaches can easily be scaled-up to make mainstream tourism facilities much more sustainable.

As in other industry and service sectors, voluntary measures will only have very limited impacts on improving the sustainability performance. Therefore, sustainable tourism requires a policy guidance from governments through macro-level tourism policies. It is necessary to in-

clude sustainable or responsible tourism concepts in the tourism development strategies and its roadmaps from the outset. These national tourism frameworks can be complemented by designating specific pilot areas for sustainable tourism, including community-based solutions for sustainable tourism which benefit local communities and protect local cultural heritage.

Access to finance to implement sustainability solutions in tourism SMEs was identified as a major barrier. Here, governments can create a conducive policy environment and, with that, incentives to banks offering new financing schemes. This way banks can further take initiative to reduce administrative fees and offer favourable interest rates for SMEs and green tourism projects. In addition, in-kind support such as technical, marketing or business administration assistance, could also help SMEs.

Finally, we here reiterate also the importance of awareness raising and behavioural changes of the tourists. Without sustainably minded tourists who are willing to make personal efforts, the tourism destinations alone will not be able to achieve the transition to SCP.

For more information about the work of the SWITCH-Asia Network Facility on SCP policies, please contact: [network.facility@scp-centre.org](mailto:network.facility@scp-centre.org)

For more information about the SWITCH-Asia Programme, see the website: [www.switch-asia.eu](http://www.switch-asia.eu)