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**OUTCOME OF THE PRE-UNCTAD XI HIGH-LEVEL INTERNATIONAL MEETING
OF EXPERTS ON SUSTAINABLE TOURISM FOR DEVELOPMENT**

Held at Lisbon, Portugal, from 8 to 11 March 2004

Addendum

Executive summary

More than 60 experts from 44 developing and developed countries, as well as from international organizations and civil society, took part in the Meeting. They adopted the "Lisbon Declaration on Sustainable Tourism for Development" and a set of recommendations to UNCTAD, contained in document TD(XI)/PC/6.

The experts recognized the important opportunities for social and economic advancement opened up by sustainable tourism, which potentially any developing country, including least developed ones, could benefit from.

They recommended that UNCTAD, in cooperation with relevant intergovernmental organizations, should enhance its focus on tourism - primarily through advisory services and human resources development activities - in relevant areas of its work such as investment; multilateral trade negotiations (particularly trade in services); competition law and policy; trade, environment and development; small enterprise development; and information and communication technology.

REPORT OF THE MEETING

Introduction

1. The Pre-UNCTAD XI High-level International Meeting of Experts on Sustainable Tourism for Development was convened by the Secretary-General of UNCTAD to enable the UNCTAD secretariat to benefit from the contributions of governmental and international experts in areas that need further activities in support of developing countries' efforts to take advantage of international tourism. Fostering the UNCTAD secretariat's efforts to facilitate partnerships with relevant international and regional organizations and civil society to that end was also a key issue.
2. More than 60 experts from 44 developing and developed countries, as well as from international organizations and civil society, took part in the event. They adopted the Lisbon Declaration on Sustainable Tourism for Development and a set of recommendations to UNCTAD, contained in document TD(XI)/PC/6.
3. The Declaration and the recommendations were conveyed to the Preparatory Committee for UNCTAD XI by the Permanent Representative of Portugal to the United Nations in Geneva on 23 March 2004.

Sustainable tourism - a sphere of opportunities for developing countries

(Introductory theme)

4. The Meeting was opened by the Portuguese Secretary of State for Foreign Affairs and Development Cooperation. An introductory presentation was made by the Chairman of UNCTAD's Task Force on Sustainable Tourism for Development. It highlighted the legitimacy and relevance of UNCTAD's action in support of tourism development, in the light of four key factors: (i) tourism is an obvious area of focus, as most developing countries derive benefits from international tourism; (ii) developing linkages between tourism and the other sectors of the local economy can lead to poverty reduction, as recently illustrated by the cases of countries progressing toward graduation from least developed country (LDC) status; (iii) leakages from the local economy, an important reality in most developing countries, can be regarded as inevitable at the beginning of any development process and can be expected to decline progressively over time through implementation of appropriate policies; (iv) international support for sustainable tourism development is vital to most developing countries, and in this regard, international organizations, including UNCTAD, can help in strengthening their capacities. Support for trade and investment policies, small enterprise development and the use of electronic commerce to enhance tourism promotion and competitiveness were highlighted as the main areas of UNCTAD's action in the tourism economy, involving essentially advisory services and human resource development activities.

The role of other international organizations in supporting sustainable tourism for development

(Agenda item 1)

5. The representatives of the World Tourism Organization (WTO) highlighted the key elements of complementarity vis-à-vis WTO they expect UNCTAD to develop, in a synergetic perspective. The work of the International Trade Centre UNCTAD/WTO in support of tourism development, as explained by two representatives from that organization, stood out as being particularly relevant to help countries in determining their tourism development strategy in a context of economic re-specialization in the light of international tourism demand. The representative of the World Trade Organization stressed the importance of tourism in commitments of WTO member States under the General Agreement on Trade in Services (GATS). WTO representative insisted on the importance of the relationship between tourism-related commitments in GATS schedules and national tourism development strategies, without which identifying priority elements of negotiations would be difficult, if not impossible. This underlined the importance of UNCTAD's work in assisting developing countries in respect of strategy formulation and prioritization for negotiating positions. Finally, the representative of the International Labour Office emphasized the importance of human resource development in countries' efforts to develop competitive and beneficial local input to tourism activities. This approach to the socio-economic aspects of tourism development was perceived by participants as highly relevant to UNCTAD's aim of achieving sustainable tourism development through a significant local input to the tourism industry.

Strengthening institutional capacities to support sustainable tourism for development

(Agenda item 2)

Tourism in the framework of investment-related policies

6. Current global and regional foreign direct investment (FDI) trends, FDI by sector, FDI in the tourism industry, and the findings of the latest UNCTAD survey of investment promotion agencies showed that tourism and telecommunications are expected to be the most important sources of new FDI in 2003-2005, while investment in IT, financial services, energy and mechanical equipment are to decline. Investment in agriculture, fishing and forestry, electronic equipment, metal products, textiles and clothing are also expected to increase. Most FDI is expected to come from the United States, the United Kingdom and Germany. During the presentations, world tourism performance was reviewed, and FDI determinants (host and home country) were highlighted, as were challenges for LDCs in the tourism industry.

7. Technical assistance activities of UNCTAD's Advisory Services on Investment and Training (ASIT) were also presented.

8. Finally it was underlined that, for successful development of the tourism industry, public/private synergies are required and foreign investment participation is very much needed.

9. The issue of land ownership was raised in the interactive discussion, as well as social corporate responsibility and ethical standards.

The Moroccan experience

10. Morocco's experience with tourism as a development driver demonstrated the importance of the socio-economic progress that tourism can bring about in developing countries.

11. The new policy vision for 2010 and the "Plan Azur" were emphasized, along with the regulatory framework, human resources development and public/private partnership.

12. Discussions focused on the "Plan Azur" as a major policy framework for developing sustainable tourism in Morocco.

Tourism in the framework of national trade policies and multilateral trade negotiations

13. The foundations for sustainable tourism are already in place in most developing countries as a result of the autonomous liberalization of the tourism sector itself and the progressive liberalization of many other services sectors. The viability of tourism, i.e. its economic, social, cultural and environmental sustainability, is at the heart of domestic policies and development concerns of developing countries.

14. Air transport services (ATS) are the major factor underpinning international tourism in the vast majority of developing countries. As a result of the ongoing crisis of ATS, African destinations and many distant islands have been marginalized from international routes.

15. The evolution of the GATS disciplines, and the consistency of future commitments of developed countries with the economic, social and environmental sustainability of tourism in developing countries in the ongoing services negotiations, should mark a turning point favouring more profitable tourism for all WTO members, particularly the most vulnerable small developing countries.

16. To ensure increasing trade benefits and development gains for developing countries in the area of trade in tourism services and air transport, UNCTAD should continue to strengthen capacities of Governments of developing countries in the following areas: (a) integration of tourism in the context of the national trade policy framework; (b) implementation of disciplines to prevent anti-competitive conduct, including in air transport and travel distribution systems, and to safeguard trade in tourism services from competitive exclusions, abuse of dominant position and misleading or discriminatory use of information.

Tourism in the framework of competition policy

17. The interface between competition policy, tourism and development was discussed. The presentation asked the following questions: (i) how can liberalization and market reforms in tourism generate growth and poverty reduction? (ii) What are the anti-competitive practices in tourism-related activities, particularly those relating to cross-border activities, that hamper the development of tourism? (iii) What are the pro-competitive solutions that policy makers can formulate to deal with these problems? And how can UNCTAD and other international

organizations assist developing countries to formulate appropriate strategies that maximize the benefits of growth and poverty reduction through the development of a sustainable tourism strategy?

18. It was reported that sales and marketing, pricing, distribution networks and air transport in tourism are subject to anti-competitive agreements, collusive conduct and other unfair trade practices utilized by dominant players in the tourism sector.

19. Country presentations by Botswana and Malawi showed that creating a favourable environment for FDI in tourism, as well as opening markets in air transport, telecommunication and distribution networks for tourist operators, are necessary measures but not sufficient for realizing the full potential of this sector. Several exogenous/autonomous factors, including a low level of essential facilities or poor infrastructure, a low level of skilled labour, and lack of local subcontracting firms can hamper the development of tourism.

20. The secretariat presented a framework for assessing country needs in terms of (i) the enabling environment, (ii) the operating capacity and (iii) the public value added which an appropriate strategy can create in the development of sustainable tourism.

Tourism and environment-related standards

21. Sustainable tourism must take account of three fundamental aspects linked to sustainable development: (a) economic aspects; (b) social aspects; and (c) environmental aspects. The establishment of an environment policy is essential in developing natural resources in the best possible way and in promoting improved environmental quality.

22. In this context the presentation on tourism and environment-related standards emphasized the aspects relating to ecotourism as a factor for development, and the establishment of certification as an essential instrument in sustainable tourism.

23. The scope of ecotourism is limited as the major tour operators need other concepts and other monitoring instruments in order to ensure respect for the environment.

24. Certification, a political and technical option, must contribute to preservation and maintenance of the environment. Its use must take into account economic and social factors in beneficiary countries so as to avoid harming certain tourist sectors.

25. For certification systems not to constitute an obstacle to the development of tourism, less restrictive certification criteria than those currently applied must be established. Several countries involved in the certification process are encountering difficulties. This is true in the Dominican Republic, whose representative expressed the view that there was a need to establish a regional consensus based on local and regional resources before moving to certification country by country.

26. In countries in which tourism is not the principal economic activity (such as Trinidad and Tobago, where tourism represents only 3 per cent of GDP), establishment of a certification system is less problematic.

Development of human resources and strengthening of institutional and training capacities for tourism

27. Taking into account natural and cultural resources and economic viability are essential to the development of tourism. In this process economic and social development must be accompanied by human resources development.

28. UNCTAD, through its TrainForTrade programme, is contributing to strengthening training capacities (individual training and training of trainers). Complementarity of experience and sharing expertise among countries are significant elements in this programme.

29. Use of a standard methodology allowing the establishment of training support, with broader validity and increased autonomy, is one instrument used by the TrainForTrade programme for strengthening training capacities.

30. With regard to activities under the TrainForTrade programme in the area of sustainable tourism, the first stage is to define a course (part of a broader programme of capacity-strengthening) taking into account those elements which are specific to the sector and the challenges faced by the country, so as to be able to benefit from tourism as a factor for economic and social development.

31. This course is aimed at a mixed target audience, ranging from government officials from various ministries connected with tourism to regional and local authorities and non-governmental organizations (NGOs) as well as public and private sector professional associations directly or indirectly linked to tourism.

32. The information provided by Benin was closely followed by participants. The Government of Benin, aware of the critical problem of poverty and taking into account tourist potential, decided to establish a national tourist promotion policy to provide leverage for development. The regional TrainForTrade pilot project (Benin, Mali and Burkina Faso) for the strengthening of training capacities in the sphere of international trade was successfully implemented. The project permitted the development of human resources in various areas of international trade. Based on this the representative of Benin recalled the interest on the part of his Government in applying such an initiative to sustainable tourism.

Encouraging local entrepreneurial content in the tourism economy

(Agenda item 3)

Encouraging the development of small and medium-sized enterprises in the tourism sector

33. In common with all economic activities, tourism requires several actors in order to develop. The three major groups of actors playing a key role in the development of tourism are: (a) governments; (b) national institutions linked to the promotion and marketing of tourism; and (c) local private small and medium-sized enterprises.

34. Small and medium-sized enterprises constitute the majority of tourism enterprises. They are an essential pillar in the implementation of tourism activities in receiving countries. For continuity to be assured, it is important for them to continue to increase their potential to offer competitive and reliable products and services. To this end they must develop, inter alia, capacities in management, the use of information and communication technology, the quality and range of products, human resources training, and exchanges with foreign enterprises.

35. National institutions linked to promotion and marketing have an important role to play in establishing sustainable tourism. They must be capable of providing innovative services to small and medium-sized enterprises.

36. Governments have direct responsibility for defining and for the overall planning of tourism, management of natural and cultural resources and development of dialogue between public and private sectors in the field.

37. UNCTAD can supply advisory and technical cooperation services for the establishment of small and medium-sized enterprises taking sustainable development into account.

Encouraging the tourism-agriculture link

38. The case of the Virgin Islands may appear paradoxical: before the arrival of tourism the territory had an agricultural sector able to feed the population (employing around 2,000 persons), but the decline in production since then (now no more than 100 work in the sector) means that today almost all foodstuffs (other than local fishing products) must be imported both for the population and for the tourism industry. The situation harms the overall development of the country, and the decline in agricultural activities is viewed as one of the negative impacts of the arrival of tourism.

39. The development of sustainable tourism must take into account the significance of local production activities, in particular, agriculture. There are clear social benefits: sense of cooperation, cultural value linked to local supply, sense of ownership and motivation in production. The prerequisites for success of such an initiative are regular output, guaranteed product quality, capacity for quantitative and qualitative adjustments by local producers, and, if necessary, capacity to diversify food production.

40. A national regulatory framework must be envisaged within which can be established a policy of producing outputs from the land that contribute to sustainable tourism. There is also a need to ensure involvement by the ministries with responsibility in the sector, promote awareness-raising activities among farmers and hoteliers, develop quality control activities and implement technical support services and information programmes for the younger generations.

National development experience in tourism sector enterprises

41. The experience reported by Gambia, Cape Verde and the Fiji Islands emphasizes the contribution of government action in establishing a strong private sector.

42. In Gambia, tourism will not develop without strong institutional support and without actors having access to training activities, resulting in a transfer of skills. In Cape Verde, climatic conditions and inadequate air links between the islands necessitate greater integration of local communities in production activities and the development of local cultural resources (crafts, music, etc.). In the Fiji Islands, notwithstanding the favourable climate and excellent services, there is a need to increase interest in cultural heritage and participation in activities undertaken by regional tourism organizations.

**Promoting the use of information and communication
technology in sustainable tourism for development**

(Agenda item 4)

ICT for Tourism: the E-Tourism initiative of UNCTAD

43. The impact, still limited in developing countries, that ICT have had on the tourism market worldwide was discussed. It was pointed out that, on the demand side, Internet can nowadays offer potential tourists immediate access to information worldwide, while on the supply side, developing countries often lack the means to promote their own tourism image or brand in accordance with their own development strategies. ICT and Internet represent one of the most effective tools for remedying this imbalance, allowing countries to take ownership of their tourism promotion, and partnerships should be developed to technically implement, operate and sustain this fragmented, heterogeneous and cross-cutting sector.

44. Within this framework, UNCTAD presented the E-tourism initiative, to be launched at UNCTAD XI. It is a specific application of ICT in the area of the tourism industry aimed at reinforcing the capacity of developing countries to become active participants in the world economy and increasing their visibility in the global marketplace.

45. Concrete examples from countries that have adopted national or local e-tourism strategies were showcased. Country presentations pointed out the tremendous impact of the Internet on this industry (number of visitors, exchange of revenues) and the help it can provide for the inclusion of SMEs in the global market as a tool to allow them to directly target niche-market customer segments and thereby increase their revenues. ICT have been presented as a means to strengthen economic activity in marginalized rural areas through the introduction of tourism and marketing activities. Partnerships and cooperation in this regard have also been presented as a key issue in developing promotion, communication, information and exchange of experiences between all actors. More broadly, cooperation at the subregional and regional levels is particularly useful for developing such tourism portals and promoting shared tourist destinations.

46. Experience related by Thailand and Portugal underlines the importance of ICT in the development of tourism. ICT have been a government priority in Thailand since 1999, forming part of a more general move towards electronic government and what is known as the “electronic citizen”. Web sites provide a wide range of reliable information. The “European Network of Village Tourism”, in Portugal, seeks to promote the involvement of rural areas in tourist activities as a tool for economic development.

**Presentation of representatives of civil society
from developed and developing countries**

(Agenda item 5)

Tourism, territories and sustainable development

47. Tourism may be considered in two ways: conventional tourism and fair tourism. Conventional tourism is defined by intermediaries who shape demand, define and create products, and make profits which generally offer little benefit to the territories possessing the resources. In fair tourism, the territory defines its offerings in partnership with local actors and uses the profits for its own development.

48. Local actors assume a preponderant role in the development of sustainable tourism. This cooperation, based on partnership, necessitates the strengthening of local human resources - including women, young people, associations - and the establishment of local and international partnerships. It imposes a culture of responsibility, an ongoing assessment of achievement, and a responsible and diversified economy favouring economic activities with low resource use and respectful of people.

49. Sustainable fair tourism is a tool for the development of territories and local communities. In this manner territories become entities that help to enhance the value of different local competences.

**Development of small-sized enterprises (Redtours) with support from the
International Labour Organization**

50. Redtours is an initiative by three South American countries - Bolivia, Peru and Ecuador - in receipt of support from the International Labour Organization (ILO). Its principal objective is to offer services to micro and small family and community enterprises by facilitating access to new markets and improving competitiveness. This approach takes into consideration the economic, social, cultural and environmental aspects of the local communities.

51. The Redtours initiative strategy comprises action at three levels: (a) the first level targets microenterprises and community enterprises in terms of training, product quality and information; (b) the second (intermediary) level addresses groups (communities and municipalities) with a view to improving their capacities in terms of institutions and cooperation; and (c) the third level addresses the public and political macrostructure. In particular this involves strengthening community organizations in representation and negotiation at the national level, and establishing a certification service for community products.

Agrotourism experience in Cape Verde

52. Tourism in Cape Verde suffers from two major defects: (a) a concentration of destinations (50 per cent of tourists arrive at and stay on the island of Sal) and (b) a concentration of countries of origin (70 per cent of tourists are from Italy, Portugal and Germany). This asymmetry is not conducive to the development of other areas of the islands which also have tourist potential.

53. To remedy these shortcomings, there is a need for a comprehensive tourist development policy, including the development of rural tourism and agrotourism. For this it is important to take account of structural defects - inadequate water and electricity supplies - as well as shortcomings linked to development - treatment of sewage, and tourist signs. The development of rural tourism could contribute to the creation of small-scale enterprises. Quinta da Montanha is an example of a small or medium-sized enterprise in a rural area offering employment opportunities and representing added value for the inhabitants of the village.

UNCTAD activities on sustainable tourism for development

(Agenda item 6)

54. UNCTAD activities in sustainable tourism for development stem from mandates granted by the member countries at UNCTAD X, held in Bangkok in 2001. These activities cover investment policies for tourism, tourism in the context of national trade policies and multilateral negotiations, competition policy and the development of tourism, support for the development of enterprises linked to tourism, and the development of capacities and training and of information and communication technologies for the development of tourism. Activities are coordinated with initiatives by other competent agencies.

55. The statements by the participants clearly brought out their need for training and human resources development, as well as support from UNCTAD for the establishment of national policies on sustainable tourism taking into account their own experience. The question of funding for the implementation of these activities was also raised.

56. It thus transpires that for most experts the commitment of their country to development through sustainable tourism is a reality requiring strong support in terms of advisory services, funding and follow-up by United Nations agencies and, in particular, by UNCTAD. The partnership between the various United Nations agencies in the field of sustainable tourism, recommended by the experts meeting at Lisbon, should result in greater efficiency and give member States new opportunities for the development of sustainable tourism while respecting the social, economic and cultural characteristics of their country.

Annex

ATTENDANCE

1. The following States members of UNCTAD were represented at the Meeting:

Algeria	Jamaica
Angola	Kenya
Bahamas	Lao People's Democratic Republic
Bangladesh	Latvia
Benin	Lesotho
Bhutan	Madagascar
Botswana	Malawi
Brazil	Mali
Burundi	Mozambique
Cambodia	Nepal
Cameroon	Panama
Cape Verde	Portugal
China	Sao Tome and Principe
Dominican Republic	Seychelles
Equatorial Guinea	Slovakia
Ethiopia	South Africa
Fiji	Suriname
France	Thailand
Gambia	Trinidad and Tobago
Guinea	Uganda
Guyana	Zambia
Italy	

2. The following specialized agencies and related organizations were represented at the Meeting:

International Labour Organization
World Tourism Organization
World Trade Organization

3. The following United Nations organization was represented:

International Trade Centre UNCTAD/WTO

4. The following special invitees attended the Meeting:

Ms. Blanca Ballester, Chief of International Cooperation, General Secretariat for Tourism, Department of Cooperation and Coordination in the Field of Tourism

Mr. Fouad Chraïbi, General Manager, Tourisconseil

Mr. Harold Goodwin, University Lecturer, International Centre for Responsible Tourism, London, United Kingdom

Mr. Alain Laurent, Co-Manager, Beira CFP, Group T2D2, France

Mr. Alvaro Montenegro, Director, Federation of Chambers and Associations of Trade and Industry of Venezuela, Caracas

Ms. Eva Ortet, Private sector, Quinta da Montanha, Cape Verde

Mr. Trung Luong Pham, Vice-Director, Institute for Tourism Development Research; Senior Officer, Viet Nam National Administration of Tourism, Hanoi

Mr. Andrade Santos, President of the Évora Tourist Board, Portugal
