



EU-LAC Foundation
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Towards sustainable tourism policies in Europe, Latin America, and the Caribbean



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Introduction:

This document summarizes the main findings generated in a bi-regional dialogue between the European Union (EU) and Latin America and the Caribbean (LAC) regions of perspectives, knowledge, practices, instruments, and effective policies to tackle the effects of the pandemic in the tourism sector. The aim of the initiative ***“Good practices and recommendations to mitigate the impact of the COVID-19 pandemic and sustainably transform tourism in Latin America and the Caribbean and the European Union”*** – a cycle of five digital and hybrid events held from September to December 2021, was to address challenges and opportunities associated with the recovery of the tourism sector and discuss with governmental and non-governmental experts from both regions recommendations and good practices to enable governments to develop tourism policies for a resilient tourism sector, by strengthening the capacities of all parties involved, thus building a tourism sector that is beneficial for society – economically, culturally, and environmentally sustainable and inclusive – and contributing to the implementation of the Paris Agreement and the 2030 Agenda.

Main Messages:



Tourism is a trigger and catalyst for changes in technology and vice versa – digitalisation plays an important role in supporting the tourism sector to modernise, innovate, create more sustainable touristic packages, and promote greater inclusion. Digital investments are key to keep pace with the technical progress which will be continuous and increasingly pronounced throughout the entire value chain.



Governments should make sure that the tourism sector is included appropriately in prevention and recovery plans for future epidemics and pandemics. Health, environment, training, and social development policies cannot be siloed; the more policy measures establish linkages between these areas, the more resilient and attractive the destinations will be. It is essential for the tourism industry to ensure universal social protection and sustainable fiscal protection, thereby contributing to the development of more cohesive societies.



Financial resilience depends on the awareness, shared perspectives and principles, and collaboration of all stakeholders – banks, governments, businesses, organisations, communities, and specialised research institutes. Resilience strategies should entail the strengthening competitiveness of micro, small and medium-sized enterprises (MSMEs), the creation of formal employment, investments in education and training, carbon-neutrality, and crisis management plans to better respond to future shocks. Certifications, accreditations, and compliance with quality standards should be the new normal.



Programmes to stimulate recovery of the tourism sector should focus on more sustainable rebuilding of tourism destinations and value chains. Blue and green investments aimed at the protection and regeneration of natural resources as well as climate change adaptation and mitigation, can attract a new generation of travellers and improve the quality of life of local communities.



Investments in human capital are a strategic and indispensable factor for the success of touristic entrepreneurs. Policies and programmes addressing the regularisation and formalisation of jobs, with wages and social security which allow workers to sustain a decent life, as well as schemes promoting gender equity, training, the inclusion of youth and partnerships with local communities, should become relevant quality criteria of sustainable tourism.



The best way to innovate in the currently predominant tourism models is to imagine new ones, focused on people, their needs, their culture, and their strengths, as well as their (often fragile) ecosystems. This will lead to increased differentiation between destinations, less overcrowding, more respect, less damage, and more enjoyment of destinations, as they become more sustainable and resilient.



General Context

In 2020, the COVID-19 pandemic put on hold the world's tourism sector. While the COVID-19 pandemic has affected all economic and social sectors around the world, the tourism sector has been particularly impacted due to its intrinsic dependence on people's mobility. Tourism businesses and venues suspended their operations, partially or in full, and for a very prolonged period in some cases. As borders closed, the biggest economic crisis since 1950 began. The link is clear: tourism is a key economic driver and source of employment, accounting for more than 20 percent of the gross domestic product (GDP) of some of the world's strongest economies (United Nations, 2020).

In 2020, a 73 percent drop in international arrivals and a 64 percent reduction in international tourism revenue were recorded. The sector's contribution to global GDP fell by 49.1 percent in 2020. Some 62 million people lost their jobs in the tourism sector (United Nations World Tourism Organization [UNWTO], 2021). Government-imposed restrictions to control the virus severely limited this mobility, with borders remaining closed to non-essential travel in many countries for several months in 2020 and 2021. According to UNWTO (2021), 2020 was the worst year on record for international tourism since 1950, ending the 10-year period of sustained growth that followed the 2009 financial crisis.⁴ According to UNWTO (2021), an estimated 45 percent of hotel and restaurant industry workers lost their jobs during the second quarter of 2020.

The crisis caused by the pandemic has had historic repercussions in different dimensions, affecting the global economy and disrupting specific sectors and related livelihoods, with unprecedented consequences for national incomes and the quality of life of millions of people. The results have been a contraction in growth, reversing the gains in poverty reduction and human development achieved over the past two decades.

To save the tourism sector, all actors – governments, financial institutions, businesses, employees and consumer associations, local communities, academic experts – should become part of multisector-partnerships to accelerate the shift to a tourism that is environmentally sustainable, financially robust, and socially responsible. To face the future with greater certainty, the sector needs new and innovative tourism models, which begin with the community, and which are inclusive and equitable, respectful of the environment and of people. Recovery efforts also need to take a gender perspective to

address the following crucial issues that affect women working in this industry. First, the limited access to social benefits due to the lack of formal employment contracts; second, the limited access to long-term contracts due to the industry's seasonal dynamics; third, below-minimum wages paid, especially in micro, small and medium-sized enterprises (MSMEs) linked to this sector; and fourth, the burden of care responsibilities borne by women, which makes it difficult for them to offer the availability required by the industry.

Findings and areas of interest

The tourism sector is gradually recovering, in part thanks to the resilience of entrepreneurs and employees, governments' and financial institutions' support to the sector and the work and advice of experts and associations. These groups are working together to find alternatives, strategies and, above all, new models that can sustainably transform the sector. To support those efforts from a bi-regional perspective, the EU-LAC Foundation and UNDP joint forces through their initiative *“Good practices and recommendations to mitigate the impact of the COVID-19 pandemic and sustainably transform tourism in Latin America and the Caribbean and the European Union”* – a cycle of five digital and hybrid events held from September to December 2021, to promote the exchange of ideas, solutions, tools, and good practices, to propose concrete actions and create collaborative partnerships between regions. The cycle of events functioned as a space for reflection, it facilitated dialogue between different representatives of the tourism sector, political leaders, and consultants. This space conceived some important findings, good practices, and inputs for the development of public policies, for promoting cooperation programmes and private ventures, to achieve resilient and sustainable tourism in Latin America, the Caribbean, and the European Union. Alongside additional interviews and consultations with experts on the subject, the findings are the following:

I. Digital and inclusive innovations for sustainable tourism

The digitalisation of the tourism sector is an urgent priority. It will enable the sector to adapt to the digital era and use digital tools for the inclusion of all people. Digitalisation is also a tool for making tourism more resilient and sustainable, allowing destinations to modernise, innovate and help generate more responsible travellers who participate positively in the host communities. Moreover, it is necessary to move from a competitive model to a collaborative one, in which regions, destinations and businesses work together to share solutions, tools, technology, good practices and vital improvements in management to achieve more sustainable and resilient tourism, offering more well-designed and valued experiences.

II. Health resilience for sustainable tourism and opportunities for the future

Health safety must be intrinsic to the tourism sector. The new models that value health safety will endure. Tourism has always needed to ensure safety, but it is now clear that health safety is a key component of that, and that health will always be a relevant issue for any activity. The regions must therefore adapt to these changes and focus on tourism that provides protection and safety, including in terms of health, for the host communities and travellers. Moreover, this is a key moment for establishments to reach out to communities and seek more inclusive, sustainable, and socially responsible models.

III. Financial resilience and sustainability for tourism entrepreneurs

A return to pre-pandemic ‘normality’ is impossible. Instead, it will be necessary to adapt and seek to achieve financial resilience in tourism. This is one of the main challenges as the number of MSMEs in the tourism sector is very high. These MSMEs were among the groups most affected by the pandemic. The EU and Latin America and the Caribbean regions must therefore support each other, innovate, and create local, national, regional, and global ecosystems to achieve financially resilient tourism, which provides support to businesses and helps them strengthen their financial position.

IV. Nature-based solutions and investments for sustainable tourism

For some areas in Latin America and the Caribbean, tourism is a crucial sector, as it is the main source of investment and foreign exchange. Tourism in this region is highly dependent on its natural capital, which is being affected by different pressures, generating a significant degree of vulnerability for the sector and the communities that depend on it. These pressures include climate change and unsustainable environmental management practices. More green and blue investments are therefore needed to protect the natural capital, in addition to climate change resilience policies that are compatible with the ecosystems on which tourism depends and that promote environmental education and the participation of communities in general. These actions are important to generate tourism resilience but also present an alternative model of sustainable tourism that is already being put into practice, demonstrating its impact and good economic sense.

V. Employment resilience and social protection for sustainable tourism

Given that this sector is among those that generate the fewest formal jobs, access to social protection should be a universal right for all employees. It is essential for the tourism industry to ensure universal social protection, sustainable fiscal protection, and the development of more cohesive societies. Public policies should be constructed with the involvement of all stakeholders in the sector and should include awareness-raising and professional training for all those involved in the activity, to make tourism an accessible and inclusive activity.

Conclusions

To conclude, the document prepared by UNDP and the EU-LAC Foundation shares and discusses experiences, good practices, and tools that the governments of countries in the EU and LAC regions that are tourist destinations can use to overcome this crisis and prepare for possible future issues. The COVID-19 pandemic significantly affected tourism, revealing the sector's lack of resilience, and exposing many problems created by the industry, which at that time had not been addressed. Since then, however, it has been possible to take action to develop more sustainable, inclusive, and resilient tourism. The work led by UNDP and the EU-LAC Foundation created spaces, with the participation of tourism sector experts to provide governments with instruments to develop more comprehensive bi-regional tourism policies. Using these findings, 31 short-and long-term actions were developed to address the issues identified during the pandemic. This initiative gives weight to and reflects the commitment of all stakeholders involved in tourism. It also reflects the efforts of UNDP and the EU-LAC Foundation to strengthen cooperation between the European Union and Latin America and the Caribbean, for the development of sustainable, inclusive, and resilient tourism that seeks to meet the goals of the 2030 Agenda.

Digitalization

SHORT TERM

- Action 1.** Conduct effective data analysis aimed at developing sustainable tourism.
- Action 2.** Back digital investments in the tourism sector.
- Action 3.** Invest in tourism pre-experiences.
- Action 4.** Promote inclusion and accessibility in the tourism sector.
- Action 5.** Emphasize inclusive community development through sustainable tourism.

LONG TERM

- Action 6.** Develop investment policies for the digitalization of tourism micro, small and medium-sized enterprises (MSMEs).
- Action 7.** Adopt innovative technologies to achieve sustainability.

Health resilience

SHORT TERM

Action 8. Make the tourism sector a priority when destinations and regions are affected by emergencies.

Action 9. Restore consumer confidence through health and safety protocols.

LONG TERM

Action 10. Develop policies, plans or strategies for protection and health care in tourism.

Action 11. Ensure that tourism participates and invests in the health sector.

Action 12. Implement 'destination management' to create links between tourists and residents.

Financial resilience

SHORT TERM

Action 13. Offer support, programmes and/or financing to subsidize tourism businesses' operations.

Action 14. Create synergies and strengthen partnerships to jointly address the pandemic.

LONG TERM

Action 15. Reorient development projects while preserving natural capital.

Action 16. Create partnerships between the EU and Latin America and the Caribbean to generate resilient and sustainable tourism.

Sustainable tourism development and nature protection

SHORT TERM

Action 17. Reorient development projects while preserving natural capital.

Action 18. Create partnerships between the EU and Latin America and the Caribbean to generate resilient and sustainable tourism.

Action 19. Plan for resilient tourism ecosystems in tourism development policies to be prepared for possible crises.

Action 20. Promote investment in natural capital to end/minimize the impact on climate change.

Action 21. Create sustainable climate change policies that include the active participation of communities.

LONG TERM

Action 22. Strengthen and enhance each part of the tourism value chain.

Action 23. Diversify the ecological and sustainable tourism offer.

Action 24. Develop a next steps policy to meet the 2030 Agenda and chart a course to the 2050 Agenda.

Employment resilience

SHORT TERM

Action 25. Develop policies, programmes and legislation to ensure workers' rights.

Action 26. Empower women and young people in the tourism sector through professional growth, gender equity and equal pay.

Action 27. Invest in the professionalization of human capital.

Action 28. Support communities through fair trade.

LONG TERM

Action 29. Take an approach to increase sustainability between Europe and Latin America and the Caribbean, with policies that are not economic, but social.

Action 30. Develop plans and programmes that motivate businesses to create decent jobs and that support entrepreneurship, creativity, and innovation.

Action 31. Develop policies for inclusive, accessible, sustainable, and resilient tourism.



UNDP and EU-LAC Foundation prepared a more detailed report about the initiative, which was financed with the support of the European Union and the Federal Republic of Germany



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