Global Trends in Coastal Tourism

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Acronyms

AAA: American Automobile Association

ARC: Airline Reporting Corporation

AWF: Africa Wildlife Fund

ASTA: American Society of Travel Agents

CAFTA: Central American Free Trade Agreement

CAST: Caribbean Alliance for Sustainable Tourism

CELB: Center for Environmental Leadership in Business, a program of Conservation International

CESD: Center on Ecotourism and Sustainable Development

CHA: Caribbean Hotel Association

CI: Conservation International

CLIA: Cruise Lines International Association

CST: Certification for Sustainable Tourism

EMS: Environment Management System

FDI: Foreign Direct Investment

FONATUR: Fundo Nacional de Fomento al Turismo or National Trust Fund for Tourism Development Trust, Mexico

GDP: Gross Domestic Product

GEF: Global Environment Facility

GHI: Green Hotel Initiative

IATAN: International Airlines Travel Agent Network

ICCL: International Council of Cruise Lines

IDB: Inter-American Development Bank

IFC: International Finance Corporation

ILO: International Labor Organization

IMO: International Maritime Organization

ISO: International Organization for Standardization

IUCN: International Union for Conservation of Nature or

IMF: International Monetary Fund

IUCN: International Union for the Conservation of Nature

LDCs: Least Developed Countries

LOHAS: Lifestyles of Health and Sustainability

MIF: Multilateral Investment Fund

MIGA: Multilateral Investment Guarantee Agency

NGO: Non-governmental organization

NTA: National Tour Association

OAS: Organization of American States

PNG: Papua New Guinea

REITs: Real Estate Investment Trusts

ROI: Return on Investment

SARS: Severe Acute Respiratory Syndrome

SMEs: Small and medium enterprises

STSC: Sustainable Tourism Stewardship Council

TIA: Travel Industry Association of America

TIES: The International Ecotourism Society

TNC: The Nature Conservancy

TOI: Tour Operators Initiative for Sustainable Tourism Development

UNCED: United Nations Conference on Environment and Development or Earth
Summit

UNDP: United Nations Development Program

UNESCO: United Nations Educational, Scientific and Cultural Organization

UNEP: United Nations Environmental Programme

UNWTO: United Nations World Tourism Organization

USAID: United States Agency for International Development

USTOA: United States Tour Operators Association

WCPA: World Commission on Protected Areas

WTTC: World Travel and Tourism Council

WWF: World Wildlife Fund or World Wide Fund for Nature

1.0 Executive Summary: Key Findings

The Center for Ecotourism and Sustainable Development (CESD), a policy oriented research institute committed to providing analysis and tools for sustainable tourism development, was commissioned by the Marine Program of World Wildlife Fund (WWF) in Washington, DC to analyze the current trends and to test WWF's working hypothesis about the main drivers behind coastal and marine tourism, and then to propose what interventions would be most useful should WWF develop a new tourism program. This study examines the structure of the tourism industry, the main types of tourism, the impacts (economic, environmental, and social) of marine and coastal tourism and the global trends in tourism development, financing and marketing. It also analyzes coastal and marine tourism in several key regions identified by WWF as being of the highest priority because of the diversity of life they support, the potential destruction they face, and WWF's ability to impact them over the next decade. This report of CESD's findings concludes with recommended interventions that WWF could take as a way to begin addressing the threats that coastal tourism development poses to biodiversity conservation and the well being of destination communities.

Chapter 2 states WWF's working hypothesis, which can be summarized as follows:

WWF's Working Hypothesis

Coastal/marine tourism development is mainly driven by two large-scale sets of primary actors:
    1) Land use development decisions for tourism which are made by governments at the national and/or local level. These are accompanied by investment in infrastructure to support development which is financed through both public institutions and private investors, who can be influenced at the national, regional, and/or global levels;
    2) Real estate development industry which includes principally financial institutions and real estate developers who can operate at any level from local to global and are primarily private sector,
WWF's working hypothesis states that there are also two other secondary players who have some influence:
    3) Tourism operators such as hotel chain and cruise lines;
    4) Tourism consumers and consumer demand.
WWF has posited that these latter two are of lesser importance, and that changing consumer demand "will not be a useful point of intervention."

Chapter 3 outlines the four components of CESD's research: 1) a literature review of secondary sources, 2) interviews with key actors, 3) commissioned regional case studies of the Coral Triangle, East African coast, and Pacific coasts of Costa Rica, Panama and Nicaragua, and 4) a review of WWF's commissioned studies of the Mediterranean and the Mexican and MesoAmerican coastal regions.

The next four chapters provide background and context for this study, through an overview of the tourism industry's main trends, types, structure, and key actors.

Chapter 4 summarizes importance of the tourism industry, its main environmental impacts, and current market trends to 2020. Tourism is the largest business sector of the world economy, accounting for 10% of global GDP, one in twelve jobs globally, and 35% of the world's export services. Since 1985, tourism has been growing an average of 9% per year. If tourism were a country, it would have one of the world's largest GDP's, and would consume resources at the scale of a northern developed country. The industry plays a major role n the economies of 125 of the world's 170 countries, and has become increasingly important for developing countries, accounting for 70% of exports from the Least Developed Countries (LDCs).

The environmental impacts of tourism are tremendous. Each year, the tourism industry consumes nearly as much energy as Japan, produces the same amount of solid waste as France, and consumes as much fresh water as is contained in Lake Superior. The most destructive elements of coastal resort tourism development is land clearance and habitat degradation, while the daily operations of resort facilities consume natural resources and pollute waterways. Among the other impacts, visitors to coastal tourism destinations spur a demand for fresh seafood that can generate tremendous strains on already-stressed fisheries, while unwieldy volumes of cruise passengers can damage coral reefs and other sensitive coastal habitat.

Tourism's environmental footprint is particularly troubling in light of its rapid growth and predictions for continued expansion. There were 650 million international arrivals in 2006, and that figure is expected to grow to 1.6 billion by 2020. Two trends are of particular relevance – the increasing demand by North American and European 'baby boomers' for 'residential tourism' (condos, second homes tied to coastal resorts) and exponential growth of Chinese tourism, with predictions of 100 million annual outbound Chinese tourists, and 950 million domestic tourists by 2020.

Chapter 5 notes that there are a wide variety of terms for various sectors of the tourism industry. It provides definitions of the three types of tourism most relevant to this study: ecotourism, mass tourism (including resort and cruise tourism), and sustainable tourism. It briefly traces the rise and growth of ecotourism from the early 1980s to become one of the fastest growing sectors of the tourism industry.

It notes that ecotourism, which is typically small-scale and low impact and aims to provide tangible benefits to communities and conservation, is not prevalent in coastal regions. Instead, coastal and marine tourism is dominated by mass tourism, involving the movement of large numbers of people on nominally standardized packaged tour holidays.

However, in recent years, the concept of sustainable tourism has evolved. Sustainable tourism implies taking some of the principles and best practices of ecotourism and applying them to mass or conventional tourism businesses. Today some chain hotels and large resorts, golf courses, beaches, and ski resorts and to a more limited extent, some cruise ships, have sought to 'green' their operations. This is a promising trend. The ultimate goal, of course, should be to expand sustainable tourism practices to all tourism businesses, i.e., to make the entire industry is environmentally, socially and economically sustainable. This process is being spurred by a growing 'green' consumer movement includes ecotourism and sustainable tourism.

Chapter 6 examines the complex, multi-layered structure of the tourism industry that funnels travelers around the world. In the departure countries (principally North America and Europe, and increasingly China), tourism operations include travel agencies (retailers), tour operators (wholesalers), airlines, cruise lines, car rental agencies, credit card companies, public relations firms, advertising companies, tourism bureaus, and the media. In the destination or host country, tourism operations include inbound tour operators, ground transporters, guides, accommodation facilities, national tourism bureaus, national and private parks and other recreational sites, cultural and craft centers, and special concessions. Although most businesses are small, there has been an increasing vertical and horizontal consolidation particularly among the five main agents of international tourism – airlines, hotel chains and resorts, cruise ships, travel agents, and tour operators. While under conventional or mass tourism, most of the profits are captured by companies based in developed "sending" countries, ecotourism and sustainable tourism strive to retain more of the profits in the host countries.

Chapter 7 looks at the role of key non-corporate institutions and organizations in international tourism. These include international aid and development agencies, most importantly, the World Bank and International Finance Corporation (IFC), USAID, UN agencies, and Inter-American Development Bank (IDB) and other regional banks. Beginning in the 1950s, international lending agencies were important in financing tourism projects in poor countries in Africa, Asia, and Latin America. However, by the late 1970s, large-scale coastal and other tourism projects had proved an ineffective development tool and so the World Bank (but not the IFC) and IDB officially closed their tourism departments. Since the 1990s, they have again begun lending for tourism projects, often under the rubric of sustainable or ecotourism. While today billions of dollars of international aid is flowing to tourism projects, the international agencies continue to frequently lack clear criteria and are, once again, involved in some large coastal developments.

Over the last two decades, a number of the international environmental organizations -- The Nature Conservancy, Conservation International, Rainforest Alliance, RARE, and IUCN, among others -- have opened tourism programs. These have focused on a variety of activities, including moderating the negative environmental impacts of mass tourism, fostering ecotourism, promoting clear standards through certification programs, and supporting for community and indigenous tourism, guide training, and sustainable practices by outbound tour operators. While WWF has had no global tourism program, individual country and regional offices and specific programs have carried out studies and run a range of tourism-related projects.

The next three chapters look specifically at coastal and marine tourism today, and projected trends over the next several decades.

Chapter 8 reviews the current trends in coastal and marine tourism to 2020 and reviews developments in the three regional studies: East Africa, Central America, and the Coral Triangle. Coastal and marine tourism are among the oldest and largest segments of the tourism industry, and have evolved from a leisure activity of the wealthy in the 19th century to a more 'democratic' activity open to middle and working classes, and facilitated by paid vacations and the growth of affordable types of transportation.

The model of all-inclusive coastal resort hotels dates from the mid-1950s, while travel to developing countries dates to the introduction of jet planes after World War II. As air travel became less expensive, many governments worked with development agencies to fund infrastructure projects that support all-inclusive resorts. It was discovered, however, that the all-inclusive model tends to leave relatively little money in the destinations themselves, and so resort tourism projects fell out of favor as a development tool in the early 1980's. Today, as global urbanization confines people to built-environments, as disposable income grows in China, and as baby boomers retire, ever increasing numbers flock to the world's coastlines for their vacations.

Chapter 9 examines the newest trend in coastal development, "residential tourism" that combines beach resorts with vacation homes and condos. This lucrative development model is spreading quickly as it makes for easier financing and a faster return on investment. The decision-making processes for these development choices are complex and involve a wide number of actors, each with varied interests. These include development companies, banks and other types of lenders, hotel chains, independent entrepreneurs, governments, development agencies, and local communities. Experts interviewed say that consumer demand plays a more important role in tourism development decisions than the original WWF hypothesis suggests.

Chapter 10 reviews the current trends in cruise tourism, which is especially important in the Caribbean, Mexico, and Central America, as well as older destinations in the Americas and Mediterranean; to a lesser extent, it is also expanding into new areas in Asia and East Africa. This model of tourism brings large volumes of tourists to coastal areas and regularly overwhelms the natural and cultural resources of sensitive destinations. Although spending by cruise lines and passengers supports some local businesses and puts some money into the local economy, when compared to lower-impact models of stayover tourism such as ecotourism, the direct, indirect, and opportunity costs of attracting and retaining cruise business appear to outweigh the benefits. In Costa Rica, Honduras, and Belize, for instance, a stayover tourist put between 14 and 23 times more into the local economy than a cruise passenger. This may be due in part to the industry's vertical integration which is designed to channel profits to the corporation at the exclusion of local businesses.

Chapter 11 revisits WWF's Working Hypothesis and concludes that the current realities of coastal and marine tourism development around the globe is more complex and other actors need to be included. It is important to understand the local realities in terms of land ownership and purchase policies and role and level of government responsibility in infrastructure development and land use planning. In addition, international development agencies continue to be important in poorer countries in infrastructure development (airports, roads, etc), land use planning, and hotel financing, while elsewhere private investors and national governments help to finance basic infrastructure. At a global level, the pool of coastal real estate developers is large and continually expanding, with the entry of new investors who have funds to invest from non-tourism businesses (both legal and illegal) that they want to put into resort and vacation home developments.

Another reality of coastal residential tourism development is that it is often more about real estate speculation than long term investment. Many investors plan to get in and out of projects within a few years – the life cycle of coastal tourism resorts is typically 25 years, and often properties ´flip´ or change owners much sooner. This serves to drive many decisions. For instance, the growth of golf courses and marinas is not based solely on market demand for these activities but rather is linked to the fact that they increase the value of land and of both the resort and vacation homes located near by. The speculative nature of much coastal development has implications for the social and environmental impacts of this development. The fact that foreign ownership increasingly dominates coastal regions, that ownership both frequently changes hands and involves multiple layers of investors and managers, and that vacation goers and home buyers are only on site for brief periods, makes for a highly unstable situation, with little commitment to the long term well being of the region. It may be said that there are many owners at a mass tourism destination, but not enough of them truly take ownership.

In addition, the ability of governments to independently make and enforce tourism land use and development policies is oftentimes undermined by weak municipal or national governments, by the multitude of agencies involved in multi-use residential tourism projects, and by illegal business deals and practices. Politically well connected elites often have managed to gain control of prime coastal land (displacing the local owners), while developers are often willing to pay (usually modest) fines for building violations rather than work through cumbersome legal regulations and bureaucratic channels. Corruption and cronyism, although difficult to document, is said to play an important role in coastal and cruise tourism decision making, in both first and third world countries.

Therefore these realities serve to modify the original hypothesis. Creating real challenges are the following factors – the new residential tourism model, the complex nature of the tourism industry and of coastal development in particular, the role of cronyism and corruption; and the speculative nature and short life cycle of many coastal developments. On the other hand, there are some positive trends. The two most important are the rise of a broad new ´green´ movement that is looking for more socially and environmentally responsible types of travel and vacation experiences. And linked to this, the growth of a small but potentially powerful group of innovators, developers and investors who are building more sustainably and creating alternative models that could become the norm in coastal development. Both of these trends offer positive possibilities for WWF interventions. In addition, the continuing role of international development agencies in tourism projects and infrastructure financing, offer another opportunity for WWF to promote to these agencies best practices in coastal and marine tourism.

Chapter 12 endorses a number of WWF tourism initiatives already underway, and proposes six types of interventions that WWF might consider. The six interventions are to: (1) work with the growing group of innovators to facilitate uptake of responsible practices in mass tourism; (2) convert broad concern about global warming into action on and a set of best practices related to coastal tourism (3) use research on market demand for green tourism as leverage to encourage governments, the private sector, and development agencies to pursue responsible tourism development; (4) support certification programs and the launching of a global sustainable tourism accreditation body; (5) work with financial institutions and development agencies to facilitate financing for sustainable coastal and marine tourism developments, and (6) at the national and regional level, work with governments, local communities, and private sector players to build and implement a shared vision for healthy tourism development through, for instance, establishing and enforcing the ground rules under which coastal tourism development occurs and promoting more transparent negotiations between governments and cruise lines. In coastal areas where local people are losing control of their land and resources, WWF can play a role in technical training and capacity building, and in helping to form multi-stakeholder

coalitions to ensure sustainable developments that bring tangible benefits to the host communities.

The study concludes that WWF's Marine Program is well positioned to make effective interventions at the global level, and that there is an urgent need to do so given the large and growing threat that tourism poses to coastal and marine ecosystems.

Following this report on global trends are the appendices with three regional case studies on: 1) East African coast (Kenya, Tanzania/Zanzibar and Mozambique), 2) Pacific coast of Costa Rica, Panama and Nicaragua, and 3) Coral Triangle (Fiji, Philippines, Malaysia, Indonesia, Papua New Guinea, Solomon Islands).

2.0 WWF Working Hypothesis

The Center for Ecotourism and Sustainable Development (CESD), a policy oriented research institute committed to providing analysis and tools for sustainable tourism development, was commissioned by Bill Eichbaum, Vice President of Marine Programs for the World Wildlife Fund (WWF) to assess the current trends and drivers behind coastal and cruise tourism. This study examined the importance and impacts (economic, environmental, and social) of marine and coastal tourism and the global trends in tourism development, financing and marketing. It also analyzed coastal and marine tourism in several key regions identified by WWF as being of the highest priority because of the diversity of life they support, the potential destruction they face, and WWF's ability to impact them over the next decade.

In carrying out this consultancy, CESD was asked to test WWF's working hypothesis that coastal/marine tourism development is mainly driven by two large-scale sets of primary actors:

1) Land use development decisions for tourism which are made by governments at the national and/or local level. These are accompanied by investment in infrastructure to support development which is financed through both public institutions and private investors, who can be influenced at the national, regional, and/or global levels;

2) Real estate development industry which includes principally financial institutions and real estate developers who can operate at any level from local to global and are primarily private sector,

WWF's working hypothesis states that there are also two other secondary players who have some influence:

3) Tourism operators such as hotel chain and cruise lines;
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3.0 CESD Research

In examining this topic and testing the hypothesis, CESD decided that it would be useful to provide some background information about the tourism industry and also about the different types of tourism that are important in understanding the current trends in coastal tourism. We also decided to include cruise tourism which, in particular regions, is having significant environment, social, and economic impacts on coastal and marine areas. This study involved four types of

research. First, at the global level, we conducted a literature review of articles and studies on coastal and cruise tourism. Second, we undertook a series of interviews (in person and by telephone) with developers, architects, financial experts, tourism professors, and NGO officials, including key WWF staff in Washington, Mexico, Europe, East Africa, and the Coral Triangle. Third, we undertook three regional studies, using tourism experts in East Africa (Fred Nelson), the Coral Triangle (Alice Crabtree), and Central America's Pacific coast in Costa Rica, Nicaragua, and Panama (Erick Vargas). Their reports are attached as appendices for this report, and their findings are integrated in the main body of this report. Fourth, we reviewed other coastal tourism studies commissioned by WWF consultants in Europe and Mexico/MesoAmerica. In addition, CESD attended a WWF conference in La Paz which reported on the preliminary findings of three teams of researchers. We also reviewed a number of WWF studies and documents on topics and projects related to coastal development and tourism.

Sources and an Interview List from the global research is attached to this report, while sources for the regional reports are included in each of these.

In carrying out this research, CESD brings its expertise in ecotourism, sustainable tourism, and mass or conventional tourism. This includes a series of field studies on the impacts of cruise tourism on coastal communities in Belize, Costa Rica and Honduras, a study of consumer demand for sustainable tourism, extensive work on 'green' tourism certification programs, and case studies of tourism policies and the role of ecotourism, including several countries examined in this study: Costa Rica, Tanzania (and Zanzibar), and Kenya.

4.0 Global Tourism Trends

4.1 Importance of Tourism

Tourism is the largest business sector of the world economy, accounting for 10% of global GDP, one in twelve jobs globally, and 35% of the world's export services. Since 1985, tourism has been growing an average of 9% per year.[1] In 2005, receipts from international tourism reached US$ 6.82 trillion, an increase of $49 billion over 2004.[2] If tourism were a country, it would have one of the world's largest GDP's, and would consume resources at the scale of a northern developed country.[3] The United States is the world's biggest generator and beneficiary of tourism, accounting for about 15% of total spending, but tourism plays a major role in the economies of 125 of the world's 170 countries.

Tourism has become increasingly important for developing countries, accounting for 70% of exports from the Least Developed Countries (LDCs). It is the principle foreign exchange earner for 83% of developing countries and in the 40 poorest countries, tourism and oil are the two top foreign exchange earners.[4]

Over the last decade, tourism has been "the only large sector of international trade in services where poor countries have consistently posted a surplus."[5]

4.2 Environmental Impacts

Of particular concern for WWF are the environmental impacts of coastal and marine tourism. Tourism, probably more than any other industry, is dependent on a healthy environment. Yet because tourists naturally seek out beautiful places to spend their holidays, many of the world's most precious landscapes have been or are being targeted for tourism development and use. This can be especially damaging for coastal tourism because visitors come in search of the same conditions which tend to support high levels of biodiversity – warm weather, sunshine, pristine nature, clear air, and clean water. When large numbers of tourists come to high-biodiversity areas, and the associated development is not well managed, there can be extremely negative effects on habitat integrity and drastically increased threat to vulnerable species.

In addition, the tradition patterns for constructing mass tourism infrastructure, including cutting down mangroves, can increase a destination's vulnerability. Without mangroves as a buffer, coastal resorts and other tourism facilities are at the mercy of the more intense and erratic storms which are growing in the wake of climate change. Resorts and golf courses consume large quantities of often scarce fresh water. And all too frequently coastal tourism development erodes or destroys the very attractions that brought visitors there in the first place. In the Adriatic Sea, algae blooms have made the water unappealing to swimmers. Beaches have been closed in Haiti and Costa Rica because of raw sewage from hotels, while the lagoon that separates Cancun's hotel strip from the mainland, once part of the attraction, has suffered from pollution and much of the wildlife there is gone. Some popular tourism destinations like Spain's Costa del Sol became so over-developed that they lost their appeal, and authorities have since been forced to demolish large numbers of empty concrete hotels. Damage from tourism and related development has gotten so bad that Diego Masera, UNEP's director for Latin America and the Caribbean, declared that pollution and exploitation for tourism threaten or have already destroyed 90% of the coral reefs in the Caribbean.[6]

Using consumption averages from various countries, statistics from the United Nations World Tourism Organization (UNWTO), and projections of national tourism in relation of international arrivals, the UNEP proposed some estimates of the order of magnitude of resource consumption from tourism. The UNEP calculated that if the global tourism industry were represented as a country, it would consume resources at the scale of a northern developed country. Each year, international and national tourists use 80% as much primary energy as Japan produces, create the same amount of solid waste as France (35 million tons per year), and consume three times the amount of fresh water contained in Lake Superior.[7]

The most pronounced threat to biodiversity posed by tourism is land clearance and degradation resulting from tourism development.[8] Developers in the hotspots and high-biodiversity wilderness areas are clearing out littoral forest, ripping up mangrove stands, dredging through seagrass beds, and filling in wetlands for tourism infrastructure and developments. From hotel parking lots to golf courses and marinas, thousands of hectares of critical habitat are being altered in ways that no longer support wildlife. Here is just one example from Mexico's rapidly developing Caribbean coast:

Figure 1: Images of Tourism Development

Undeveloped land in the Riviera Maya   *Playa del Carmen, Riviera Maya*

In this case, the picture on the left comes from a website selling land for development near Playa del Carmen,[9] and the image on the right is an aerial shot of Playa del Carmen's increasingly dense tourism development. What isn't shown here is that inland from Playa del Carmen's beachfront is a bustling urban area where tourism industry workers and their families live. When developers and regulators consider new tourism development, they frequently overlook the accompanying need for employee housing, schools, sewage treatment and transportation.

The negative effects of physically altering the landscape can be exacerbated by the daily operating practices of tourism accommodations and attractions.[10] The biggest concerns here are centered around water pollution which tends to result from poor wastewater treatment, solid waste disposal, and

toxic chemical management. Poor run-off control during construction and afterwards can also lead to high sediment concentrations and nitrification in fresh waterways, seagrass beds, and eventually on coral reefs.

High levels of natural resource consumption can also be problematic. As tourists and new residents consume local resources, the water table can be drawn down and this can have negative effects on nearby communications, agriculture, protected areas, and other ecosystems. Water use by resorts for swimming pools, laundry, golf courses, showers, gardens, toilets and kitchens can be staggering. Inefficient small hotels in Belize were found by the Caribbean Alliance for Sustainable Tourism (CAST) to consume 265 gallons per guest per night.[11] An average 18-hole golf course, for example, requires over 130 million gallons of water per year – about the same amount of water as 3200 people in the U.S. or up to 7,000 in Costa Rica.[12] Additionally, visitors from diverse parts of the globe can also mean the introduction of invasive species – frequently posing a serious threat to endemic flora and fauna, particularly to fragile ecosystems like the Galapagos Islands.[13]

Finally, as tourists flock to coastal areas for their holidays, they tend to demand that local seafood be present on the menu, and this is leading to over fishing of already-strained fisheries in Zanzibar and other resort destinations. There is also a loss of by-catch species that are not usually consumed, and reduced numbers of coral grazers can result in algal invasion and lowered coral productivity, as well as increased vulnerability to disease. Local governments are often poorly equipped to monitor and enforce fishing guidelines – especially when demand by tourists for prized varieties of fin fish and shellfish can generate relatively high amounts of foreign currency. Persistent demand makes regulator's jobs even more challenging – and seasonal bans even harder to enforce.

The diagram below, first published in the 1980's,[14] and today appearing in *The Tourism Development Handbook,* illustrates the multiple impacts tourism activities have on the environment, with the outer ring depicting the ultimate impacts.

Figure 2: Multiple Impacts of Tourism Activities
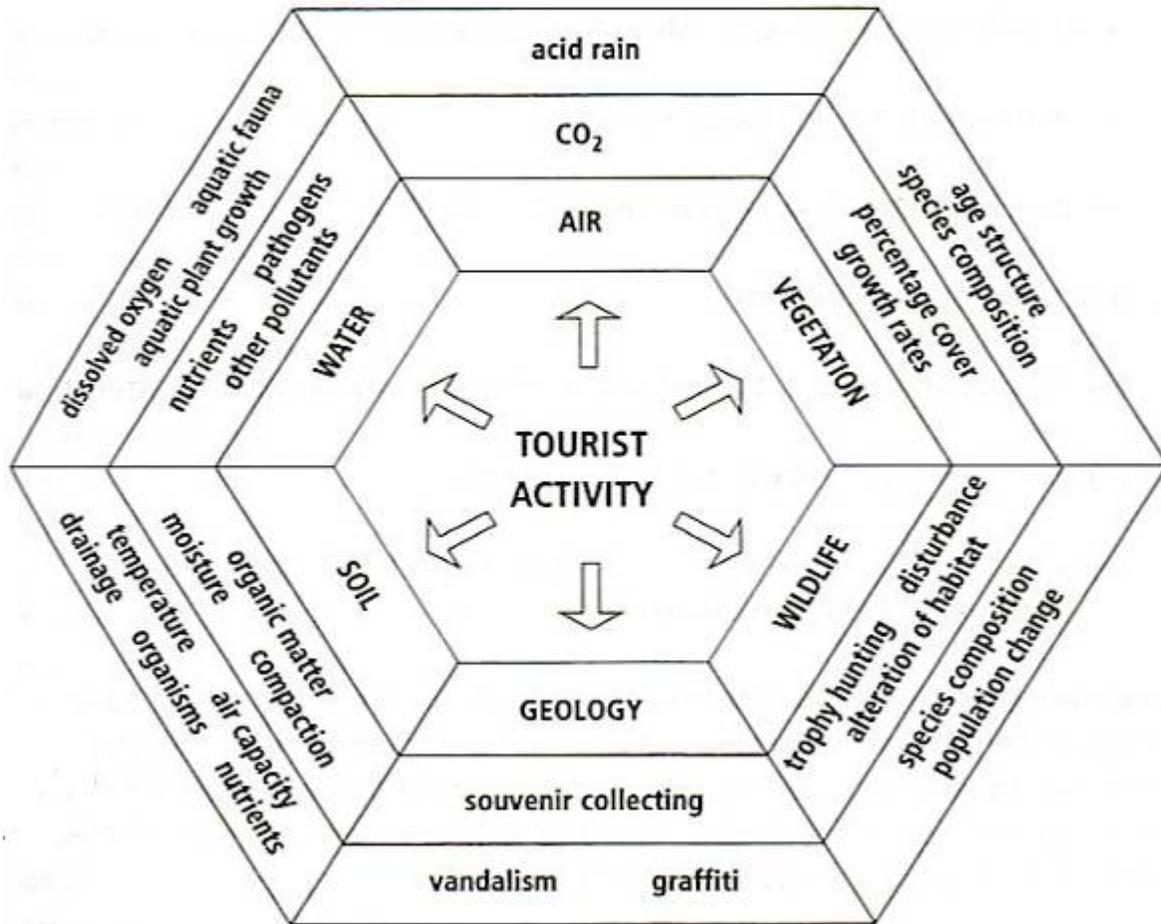
Source: K. Godfrey and J. Clarke, *The Tourism Development Handbook* (London: Thompson Learning, 2000), p. 31.

Another way to catalogue the impacts of tourism on coastal ecosystems is the following table in a book by the German Federal Agency for Nature Conservation. This chart details the different ways tourism impacts as follows:

Figure 3: Tourism's Impacts on Ecosystems

Impacting activity	Impacting factors	Impacted ecosystems
Sunbathing, picnicking etc.	Litter, fecal matter	Sandy beaches, dunes: changes in plant community through eutrophication, fire hazard, threat to animals
	Trampling and breaking plants	Soil erosion, damage to vegetation
	Physical presences noise	Stressing small animal species (sea turtles laying eggs)
Swimming	Water contamination from sun-tan oil, soap	Coastal waters, lagoons: eutrophication
Non-motorized water sports: surfing, sailing, paddling	Physical presence, movement	Coastal waters, sea, beaches: stressing animal species (seals water birds)
Skin diving	Damage to corals	Coral reefs: damage to reefs, shifts in species makeup
	Underwater hunting	Decimation of fish species, shifts in species makeup
	Stirring up of sediment	Decreased photosynthesis due to clouding of water
	Touching and feeding fish	Shifts in species makeup, stressing shy fish species
	Littering	Eutrophication, threat to animals (turtles, dolphins)
Motorized water sports (motor boats, water skiing, jet skis, parasailing)	Noise	Coastal waters, lagoons, river mouths: stress to animal species (water birds, seals, fish)
	Wake waves, vibrations, stirring up of sediment	Injuring/killing animals (turtles, manatees, whales)
	Mechanical effects of propellers	Damage to shore and underwater vegetation
	Contamination by oil and petrol, anti-rot coating	Water contamination (heavy metals), poisoning of animals and plants
	Anchoring	Coral reefs, eelgrass meadows: mechanical damage
Sightseeing (with underwater or glass bottomed boats)	Wake waves, stirring up of sediment, propeller effects, chemical contamination	Coral reefs: *see motor boats*
Fishing, clam diving	Over fishing, over gathering of particularly attractive	Open sea, coastal waters, lagoons, river mouths, beaches:

	species	decimation of species
Nature observation (on foot or in boats)	Physical presence, noise	Sand banks, rock cliffs, wetlands, mangroves: stressing animal species
Walking, bicycling	*See sunbathing, picnicking*	Dunes, rocky cliff, hinterland
Sports (motor-boating, horseback riding, golf)	Noise, wake waves etc *See also motorized sports*	Mechanical damage *See also motorized sports*
Eating, drinking	Over fishing of particularly tasty fishes and seafood	Open sea, coastal waters, seafloor: decimation of fish species, lobsters, clams
Purchase of souvenirs	Corals, shells	Coral reefs, seafloor: decimation of coral and clam species
Cruises	Illegal dumping of waste, sewage, oil and petrol	Open sea: endangerment and poisoning of animals and plankton
	Anchoring (particularly by small yachts)	Coral reefs, eelgrass meadows: mechanical damage
Visits to natural reserves	*See nature tourism*	*See nature tourism*
Impacting infrastructure	**Impacting factors**	Impacting ecosystems
Paths, beach promenades, boardwalks	Area covered over, treading, litter alongside, construction such as concrete poured on rocks and onshore sand-pumping	Beaches, dunes, wetlands: disruption of habitats; shifts in species makeup
Small-boat marinas and harbors for large passenger ships	Bulldozing of shallow coastal segments	Lagoons, estuaries, mangroves, salt meadows: destruction of seafloor flora and fauna, shifts in species makeup
	Blasting of boat passageways	Coral reefs: destruction of habitats
	Harbor expansion for cruise ships	Small oceanic islands (and above-mentioned habitats)
Buildings	Overbuilding, sealing off of ground	Beaches, dunes, rocky coasts: destruction of habitats, disruption of land-sea connections (sea turtle nesting areas)
	Clearing projects	Dunes, hinterland, coastal waters, coral reefs: soil erosion and sedimentation in the sea, destruction of plant communities
	Drainage and landfill in wetlands (also for reducing mosquito population)	Wetlands, mangroves: habitat destruction or severe impairment
	Extraction of building materials (sand, limestone, wood), extraction activity	Sand and pebble beaches, coral reefs, mangroves, forests in hinterland: destruction of

	etc	habitats, increasing erosion, deforestation
Parks, Sporting Facilities	Introduction of alien species	Dunes, hinterland: displacement of endemic species
Parks, sporting facilities	Introduction of alien species	Dunes, hinterland: displacement of endemic species
	High water consumption for lawns, golf courses	Small islands, wetlands, arid hinterland: increasing aridity, salinisation
	Use of fertilizers and pesticides	Wetlands, dunes, coastal waters: eutrophication, water contamination
Energy supply	Electric conduits	Dunes, hinterland: threat to birds
	Diesel generators: noise, exhaust fumes, oil pollution	Beaches, dunes, hinterland: disruptive effect on animals, water and soil contamination
Water supply	High water consumption by tourist and for parks	Small oceanic islands, freshwater wetlands: habitat destruction by aridity or influx of salt water
Garbage disposal	Unregulated garbage removal	Open sea, seafloor, dunes, wetlands
Sewage disposal	Inadequate sewage-treatment facilities	Seafloor, coastal waters, coral reefs, eelgrass meadows, beaches, open sea: clouding of water, algae bloom, oxygen deficit, death of large numbers of organisms
Transportation infrastructure	Building of airports (sealing off of land, landfills)	Small oceanic islands, hinterland, rock coasts, wetlands, mangroves: destruction and cutting off of habitat
	Operation of airports (noise, exhaust fumes, kerosene)	Impairment of habitats by soil and water contamination, stressing animals (especially birds)
	Road building (sealing off of land, landfill)	Hinterland, rock coasts, dunes, wetlands: cutting off of habitats
	Motor-vehicle traffic (noise, exhaust fumes, oil, petrol)	Habitat impairment by soil and water contamination, disturbance of animals
Coastal-protection projects (breakwaters) **pumping sand on shore**	Changes in currents	Sandy beaches: changes in habitats

Source: M.B. Orams, *Biodiversity and Tourism: Conflicts on the World's Seacoasts and Strategies for their Solution* (Bonn: German Federal Agency for Nature Conservation, 1997), pp. 51-.53.

A great deal of the tourism activities and associated impacts outlined above occur in the world's most fragile ecosystems. The map by Conservation International printed below indicates that there are 38 hotspot countries that already experience more than 1 million annual tourism arrivals. And there are 22 hotspot countries where tourist arrivals have more than doubled in the last decade. Clearly, tourism development and related daily activity are having severe, negative impacts at a massive scale on areas of high biodiversity and existing threat.

Figure 4: Map of International Arrivals and Biodiversity Hotspots
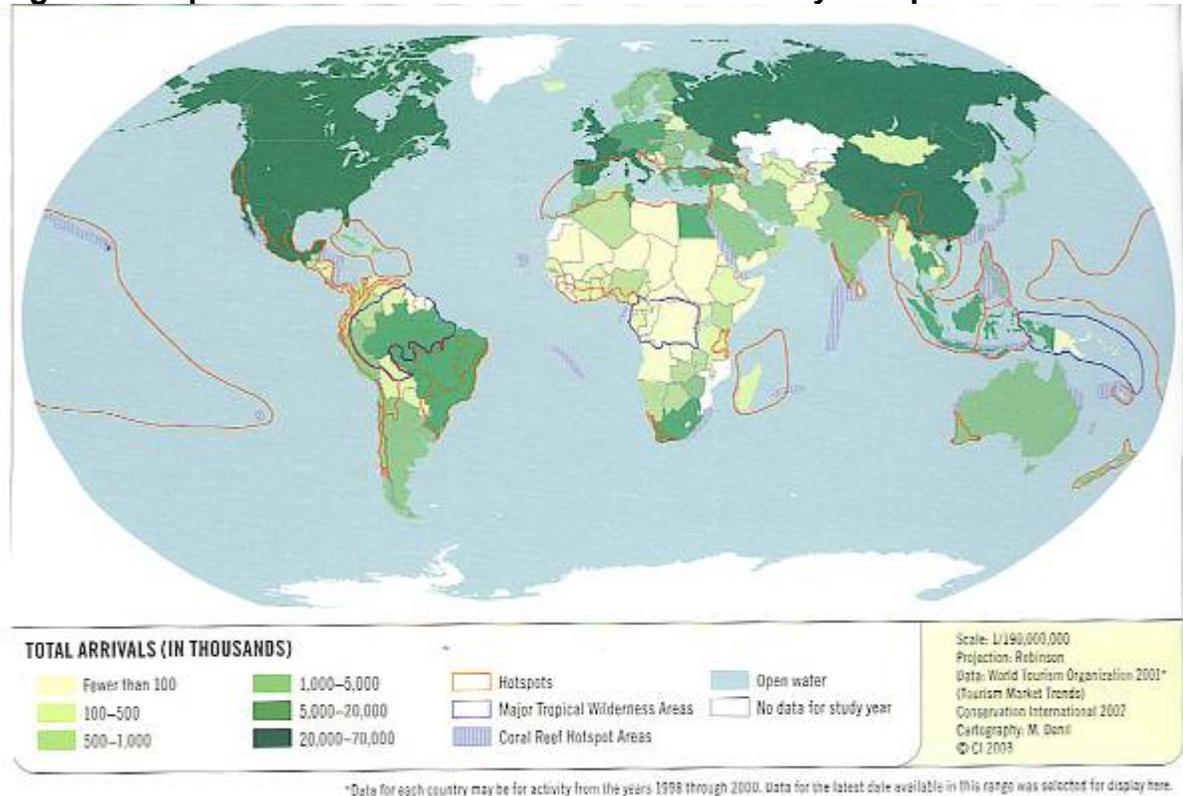
Source: Costas Christ, Oliver Hillel, Seleni Matus, and Jamie Sweeting, Conservation International and UNEP, *Tourism and Biodiversity: Mapping Tourism's Global Footprint* (Washington, DC: Conservation International, 2003), p. 7.

4.3 Market Trends in the New Millennium: 2000-2020

After the tourism boom decade of the 1990s, with average annual global growth of 9%, the new millennium opened to what appeared to be a "perfect storm" of natural and manmade events. In quick succession, these included an economic recession. SARS virus, the 9/11 terrorist attacks and subsequent U.S. led war on terrorism in Afghanistan and Iraq, other terrorist attacks, the Indian Ocean tsunami, Hurricane Katrina and other extreme weathers, and emerging fears of a bird flu epidemic. In 2001 and again in 2003, there was a slump in tourism in

many countries, and globally, international arrivals dropped by 1.2%, to 694 million in 2003.

Hardest hit were regions in eye of the war on terrorism – the Middle East and South Asia and destinations which experienced terrorist attacks, including the U.S., Kenya, Bali, Morocco, Egypt, and Spain. In several instances, tourism destinations were specifically targeted, including the two bombings in Bali, the bombing of an Israeli-owned hotel on the Kenyan coast, and the bombings of hotels and restaurants along the Red Sea coast in Egypt. The 9/11 terrorist attacks caused a decline in the U.S. vacation and leisure travel market, and by the end of 2005, North America was the only sub-region in the world to have recorded a decline in arrivals since 2000.[15] However, by in 2006, international arrivals to the U.S. had regained their pre-9/11 level and travel industry spending in the United States was valued at $700 billion – largely because of the strength of the domestic tourism market.[16]

Tourism's strong recovery from a 'perfect storm' of unfavorable conditions between 2000 and 2004 demonstrates the industry's strength. As can be seen in the graph below, the convergence of these travel-discouraging factors resulted in a mere blip on the steep upward trajectory of global international arrivals.

Figure 5: International Tourism Arrivals to 2020
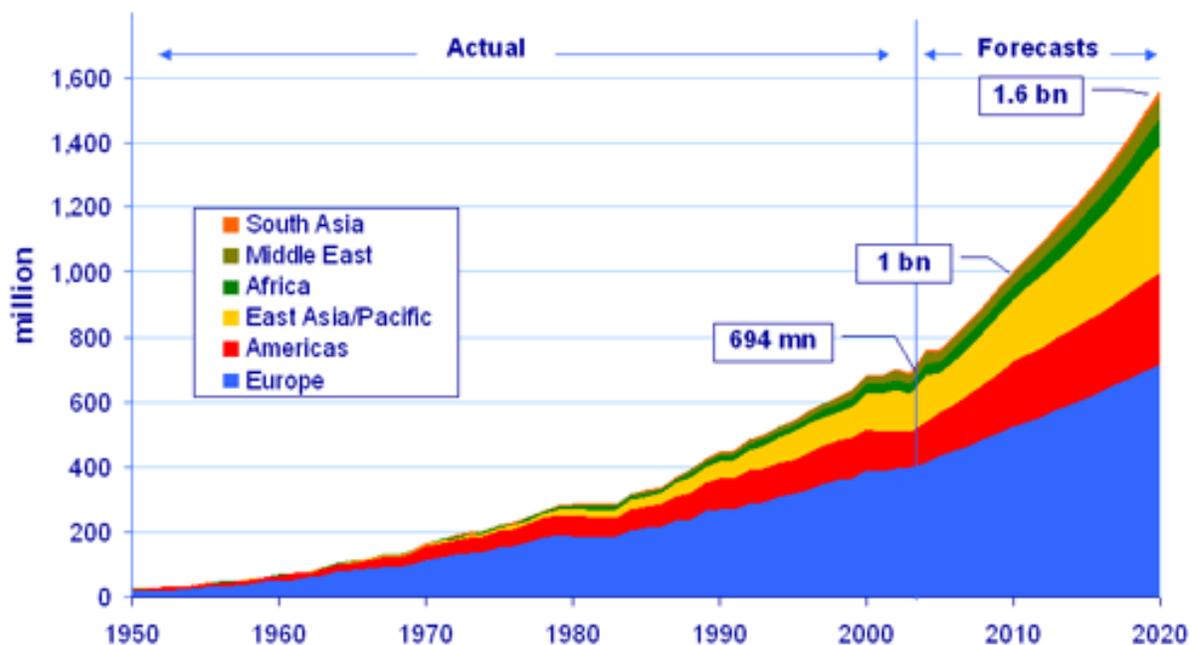
Source: UNWTO, *Global Forecasts and Profiles of Market Segments* (Madrid: World Tourism Organization, 2001). p.3.

The UNWTO forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. Of the worldwide arrivals in 2020, 1.2 billion

are projected to be intraregional and 378 million to be long-haul travelers. The total tourist arrivals by region show that in 2020 the top three receiving regions will be Europe (717 million tourist arrivals), East Asia and the Pacific (397 million) and the Americas (282 million), followed by Africa, the Middle East and South Asia.

Although Europe and North America remain the top destinations in international travel, representing about 65% of all international tourist arrivals, these more mature regions are anticipated to show lower than average growth rates. Europe will maintain the highest share of world arrivals, although there will be a decline from 60% in 1995 to 46% in 2020. East Asia and the Pacific, Asia, the Middle East and Africa, on the other hand are forecast to record growth rates of over 5% per year, compared to the world average of 4.1%. In addition, the more resource-intensive type of travel, long-haul, is predicted to grow even faster worldwide, at 5.4% per year over the period 1995-2020, while intra-regional travel is projected to grow at 3.8%.[17]

Figure 6: Table of International Arrivals Forecasts

	Base Year 1995	Forecasts 2010	Forecasts 2020	Market share (%) 1995	Market share (%) 2020	Average annual growth rate (%) 1995-2020
		(Million)				
World	565	1006	1561	100	100	4.1
Africa	20	47	77	3.6	5.0	5.5
Americas	110	190	282	19.3	18.1	3.8
East Asia and the Pacific	81	195	397	14.4	25.4	6.5
Europe	336	527	717	59.8	45.9	3.1
Middle East	14	36	69	2.2	4.4	6.7
South Asia	4	11	19	0.7	1.2	6.2

Source: UNWTO, *Global Forecasts and Profiles of Market Segments* (Madrid: World Tourism Organization, 2001), p.4.

Within this picture, two other tourism trends are particularly important: the role of 'baby boomers' in the U.S. and other developed countries, and the emergence of China as a major actor in tourism. More than ever before, the baby boomer generation (those born between 1946 and 1964)[18] is traveling, investing, and living overseas. According to the AARP, two times more baby boomers are traveling than 20 years ago. Some four million (non-military) Americans are living overseas, and 442,000 of these are receiving their social security checks abroad.[19] Several countries in Central America, including Costa Rica, Panama

and Belize, have special laws given tax and import duty breaks to attract foreign retirees who chose to live there. Baby boomers will be a particularly potent factor as second home sales continue to increase in parallel with the number of retirees from America and Europe. The retiring baby boomers are driving an explosion of new condominium and vacation home construction in Mexico and Central America, as well as parts of the Mediterranean. The ecological and cultural footprint of vacation homes and expatriate communities can overwhelm local resources and populations.

Meanwhile, on the other side of the globe, China is on the cusp of becoming the world's powerhouse in tourism, as more foreigners vacation in China and more Chinese travel at home and abroad. Today both international and domestic tourism in China is experiencing exceptional growth, with over 20 million international arrivals in 2005 and over 950 million domestic tourists.[20] The tourism industry makes up 7% of China's GDP today, and is expected to reach 11% by 2020. The UNWTO predicts that by 2020, China will become both the world's largest tourism destination and the largest country for outbound travelers as well.[21] The rapid development of China's domestic tourism can be attributed to an increase in four major factors: (1) disposable income, (2) public holidays, (3) motivations for travel and (4) travel products and services to facilitate domestic travel. Meanwhile, China's growing middle class is no longer staying within its national borders: outbound travelers from China reached an estimated 35 million in 2006, a 13% increase over 2005, and by 2020, it is estimated that Chinese traveling outside the country will reach 100 million.[22]

Concern, even alarm, has also grown that without sufficient management and controls, the shear number of vacationers will overwhelm China's natural and cultural attractions, from the Wolong Giant Panda Nature Reserve to the Great Wall of China. In response, a number of ecotourism projects have begun in China,[23] particularly in and around protected areas and culturally rich areas such as Tibet.[24] In 2006, China's first "planned ecotourism destination" was completed by an international team of architects and builders, in consultation with a rural community. The Crosswaters Ecolodge in the Nankun Mountain Reserve in South China is constructed from bamboo, the region's traditional building material, with a respect for local cultural and spiritual *feng shui* values and beliefs.[25] Today, a growing number of tour operators are promoting ecotourism holidays in China.[26] Given China's significant concentrations of biodiversity and cultural heritage, and in consideration of the serious threat posed by massive numbers of domestic travelers within the country, as well as those going from China to sensitive destinations in the region, this country should be considered a high priority for tourism-related interventions.

The numbers behind tourism today can already be staggering – like the $700 billion contribution tourism makes to the U.S. economy, the 650 million in international arrivals in 2006, or the 950 million domestic tourists in China in 2004 – but these and similar figures are expected to continue to grow rapidly over the

next dozen years. If the ecological and social footprint of such a massive industry is not mitigated by forward thinking governments, conservation organizations, and developers, the results will be devastating.

5.0 Types of Tourism and Definitions

There are a wide variety of terms describing different sectors of the tourism industry. Some describe the type of activity – nature, cultural, historic, adventure, wildlife, agro- tourism. Others describe the location – beach, urban, rural – while still others describe the type of accommodation – cruise, resort. And there are also a category of terms that seek to describe the impacts (environment, social, economic) of the tourism on host communities and conservation – ecotourism, geotourism, responsible tourism, pro-poor tourism, and sustainable tourism. There are lengthy treatises, endless discussions, and a range of organizations devoted to deciphering these distinctions and promoting various types of tourism.

5.1 Beach Resort, Cruise, Ecotourism, Sustainable Tourism

In terms of analyzing the trends and proposing alternatives for coastal and marine tourism, it seems most important to understand the definitions of four types of tourism: beach resort tourism, cruise tourism, ecotourism, and sustainable tourism. These four types are most relevant in assessing current trends and alternative options for both coastal and marine tourism. Beach resort and cruise tourism are described below at length. Both are types of mass tourism that involve providing leisure activities to large numbers of people. In the 1950s and early 1960s, for instance, a combination of faster, long-range aircraft and U.S. statehood, helped to transform tourism in Hawaii from a scattering of lodges and hotels catering to wealthy world travelers into a mass tourism market, characterized by an expanding number of lower-priced, high-density hotels and resorts, plus retail and entertainment clusters, tours, and attractions.[27] Since the 1970s, the concepts first of ecotourism and later of sustainable tourism have developed in an effort to counter mass tourism and offer models that are lower impact and provide tangible benefits to host communities and conservation, while offering a superior experience for the traveler. Both ecotourism and sustainable tourism are linked to the concept of sustainable development, as articulated in the 1987 Bruntland Report, *Our Common Future*,[28] which says sustainable development is that which "meets the needs of the present without compromising the ability of the future generations to meet their own needs."

Figure 7: Tourism Definitions

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Definitions

- **TOURISM: Travel undertaken for pleasure.**

- **MASS TOURISM: Providing leisure activities to large numbers of people at the same time. Coastal resorts and cruises are popular forms of mass tourism.**

- **NATURE TOURISM: Travel to unspoiled places to experience and enjoy nature.**

- **ECOTOURISM: "Responsible travel to natural areas which conserves the environment and improves the welfare of local people."**
  -- The International Ecotourism Society (TIES)

- **SUSTAINABLE TOURISM: Tourism that "meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future."**
  -- Agenda 21 for Travel & Tourism Industry

- **SUSTAINABLE DEVELOPMENT: "Meets the needs of the present without compromising the ability of the future generations to meet their own needs."**
  – The Bruntland Report, *Our Common Future*, 1987

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Source: Martha Honey, CESD.

5.2 History and Importance of Ecotourism and Sustainable Tourism

Before turning to a fuller analysis of both coastal and cruise tourism, it is useful to describe in a bit more detail the history and significance of ecotourism and sustainable tourism because they contain the principles and good practices that, ideally, should be used for coastal and marine tourism. Ecotourism first entered the lexicon in the late 1970s and early 1980s. The concept evolved out of the new global environmental movement that took root in the 1970s, as a reaction to the environmental and social damage caused by mass tourism. Broadly stated, the roots of ecotourism can be traced to four sources: (1) scientific, conservation, and nongovernmental organization (NGO) circles; (2) multilateral aid institutions; (3) developing countries; and (4) the travel industry and traveling public. Almost simultaneously but for different reasons, the principles and practices of ecotourism began taking shape within these four areas, and by the early 1990s, the concept had coalesced into a hot new genre of environmentally and socially responsible travel. Beginning in the early 1990s and growing into the new millennium, ecotourism became a hot new topic in the travel and environmental press and gradually even in the mainstream media. In 2002, the United Nations declared the International Year of Ecotourism – a signal that this innovative concept had, by the new millennium, put down deep roots and taken on global significance.

The definition of ecotourism has, however, often been vague. The travel industry typically classifies ecotourism with nature, wildlife, or adventure tourism; it is frequently referred to as "responsible," "green," or "low-impact" tourism.[29] By 2000, new terms such as "pro-poor tourism" and "geotourism" were complicating the picture and confusing the public.[30] While all these terms have nuances of differences, they are fundamentally based on the same core principles as ecotourism. The most widely used definition was coined by The International Ecotourism Society (TIES) in 1990: "Responsible travel to natural areas that conserves the environment and improves the welfare of local people."[31] While succinct, it omits some elements that are today considered important parts of ecotourism. A more comprehensive definition contains the following seven principles:

1. Involves travel to natural areas
2. Minimizes impacts
3. Helps educate and facilitates interaction between the traveler and the host community
4. Builds environmental awareness
5. Provides direct financial benefits for conservation
6. Provides financial benefits and empowerment for local people
7. Respects local culture, human rights, and democratic movements.[32]

Within the tourism industry, it is difficult to calculate the size of the ecotourism sector. Unfortunately, there has been little systematic effort to gather data worldwide specifically on ecotourism as a category distinct from nature, wildlife, and adventure tourism. However, there are a range of estimates. During the 1990s, the annual growth in demand for ecotourism was said to be from 20% to 34%,[33] while in 2004, the UNWTO estimated that ecotourism and nature tourism were growing three times faster than the tourism industry as a whole.[34] In 2005, The Tourism Network also rated ecotourism as one of the fastest growing sectors in the tourism industry, with an annual growth rate of 5% worldwide, representing 6% of the world gross domestic product and, 11.4% of all consumer spending.[35] Similarly, the LOHAS (Lifestyles of Health and Sustainability) has estimated that ecotourism is part of a $77 billion market in the U.S. and a $540 billion market worldwide, showing that the market for ecotourism is substantial.[36]

In a 1999 speech, Hector Ceballos-Lascurain, Mexican architect and ecotourism expert summed up the enormous growth in ecotourism over the previous two decades: "Ecotourism is no longer a mere concept or a subject of wishful thinking. On the contrary, ecotourism has become a global reality… There seem to be very few countries in the world in which some type of ecotourism development or discussion is not presently taking place."[37] Today, ecotourism, or at least a revamped version of nature and wildlife tourism, is at the core of many Third World nations' economic development strategies and

conservation efforts. Nearly every developing country is now promoting some brand of ecotourism. And the allure of pristine nature and exotic culture are major marketing tools for tourism departments in many developing countries, as the chart below illustrates.

Figure 8: Nature Sells

National Tourism Slogans Sell Image of Natural and Cultural Beauty

- **Belize:** "Mother Nature's Best Kept Secret"

- **Costa Rica:** "No artificial ingredients"

- **Ecuador:** "Life at its purest"

- **Guatemala:** "… Soul of the Earth"

- **Indonesia:** "Ultimate in Diversity"

- **Panama:** "…the path less traveled"

- **Peru:** "Land of the Inkas"

- **Tanzania:** "The Land of Kilimanjaro and Zanzibar"

- **Thailand:** "Low Emmission Tourism Thai"
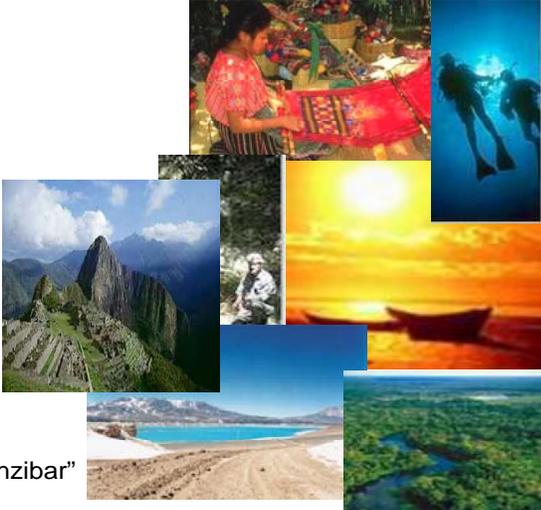
Source: David Krantz, CESD

In addition, over the last two decades, major international conservation organizations have initiated ecotourism-linked departments, programs, studies, and field projects, and many are conducting nature tours, adventure tours, or ecotours for their members. International lending and aid agencies, under the banner of sustainable rural development, local income generation, biodiversity, institutional capacity building, poverty alleviation, and infrastructure development, pump billions of dollars into projects with tourism components. According to a 2005 analysis, 12 international donors agencies, including the World Bank, U.S. Agency for International Development (USAID), UN Development Program, and Inter-American Development Bank, were giving almost $10 billion to some 370 tourism related projects.[38] In addition, the major travel industry organizations have set up programs, developed definitions and guidelines, and held dozens of conferences on ecotourism.[39]

Over the last decade or so, the term "sustainable tourism" has emerged from within the field of ecotourism. Basically sustainable tourism involves applying the principles and good practices of ecotourism and sustainable development to sectors of the mass tourism market. There are today a number of mass tourism players, including hotel chains, golf courses, ski resorts, airlines, car rental companies, and beaches that are trying in a variety of ways to "green" their operations.[40] As discussed later, there are growing number of certification programs designed to measure both ecotourism and sustainable tourism businesses, destinations, and activities. In distinguishing between the two concepts, ecotourism is more rigorous and has the goal of being a positive good, of enhancing and improving the environment and the host community where it operates. Sustainable tourism can be said to have a more modest goal; its aim is to do no harm, to be a net neutral on the environment and the community where it operates.[41]

As detailed below, sustainable tourism is especially important along coasts where, largely because of the price of land, mass tourism development is typically the norm. While there are some fine examples of coastal ecolodges in all the regions examined for this study, in general, much coastal tourism is on a larger scale and caters to more of a mass tourism market. In East Africa, for instance, growth prospects for coastal tourism in the region are strong, but environmentally sensitive and locally beneficial ecotourism products are relatively undeveloped in the coastal market. Instead, ecotourism is concentrated inland, around the national parks and private reserves, where East Africa's wildlife safari market is characterized by smaller scale ecotourism lodges, tented camps, private ranches, and small group tour operators. The same is true in Costa Rica where ecotourism is concentrated around the national parks and private reserves, most of which are not along the coasts. So the challenge is how to "green" these larger businesses so that they become sustainable over time. As Fred Nelson writes in the East Africa report, "Sustainable tourism requires striking a balance and developing models of tourism development that create strong local and national conservation incentives, while creating disincentives for the types of over-development that can 'kill the golden goose'."

As the diagram below illustrates, *all* ecotourism is sustainable tourism. At present, sustainable tourism includes parts of the urban, coastal and cruise tourism sectors. Other parts of the nature-based, urban, coastal, and cruise tourism are not sustainable. Ideally, the entire tourism industry would eventually become sustainable, i.e., it would incorporate vigorous environmental, social and economic standards to ensure that it, as the Bruntland Report states, meets the "needs of the present without compromising the ability of future generations to meet their own needs."

Figure 9: Diagram of Different Types of Tourism
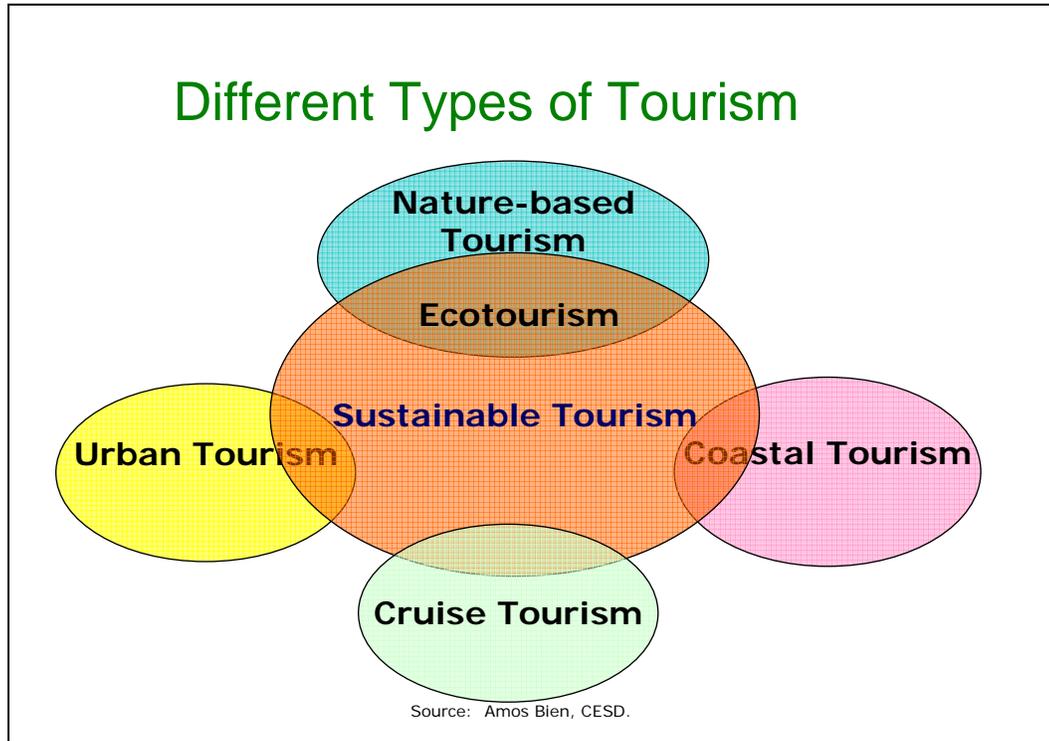
Source: Amos Bien, CESD, San Jose, Costa Rica, 2005.

5.3 Consumer Demand for Ecotourism and Sustainable Tourism

By the opening of the new millennium, ecotourism was no longer a 'specialty' industry with little global impact. It had become a significant economic activity, especially in developing countries, and was being used as a tool for conservation and community development. A 2005 analysis of dozens of recent surveys by the Center on Ecotourism and Sustainable Development found that more than two thirds of U.S. and Australian travelers, and 90% of British tourists, consider active protection of the environment, including the support of local communities, to be part of a hotel's responsibility. Further, more than 75% of U.S. travelers and 87% of British travelers felt that it is important for their visits to not damage the environment; over one third of both British and U.S. travelers said they were willing to pay more for travel companies committed to environmental protection. And, by 2001, half of all British tour operators said that their companies had developed some type of responsible tourism policy.[42]

In addition, the principles and good practices of ecotourism were beginning to impact – and change – the broader, mainstream tourism industry. Green hotels, sustainable ski slopes, Blue Flag beaches and "committed to green" golf courses were signs that tourism as we had known it was beginning to change. By 2006, it seemed clear that ecotourism was being propelled forward by a rejuvenated and rapidly rising environmental consciousness. As *Condé Nast Traveler* wrote in announcing the winners of its 2006 Green List of outstanding ecotourism businesses, "The Green movement has arrived. Want proof? Americans buy organic, locally grown produce. We drive hybrids. We spend $10 to watch not a Hollywood superhero but a politician with a PowerPoint presentation [i.e., Al Gore's "An Inconvenient Truth"]. And travelers are increasingly looking for options that keep the earth and its occupants in mind: More than 75 percent of *Condé Nast Traveler* readers recently surveyed deemed it important for hotels near impoverished areas to help local people obtain education, clean water, food, and health care."[43]

Indeed, many observers see a new green revolution in the making. While in the 1970s, the global environmental revolution led to the birth of scores of NGOs, most focused on influencing government policies, the green revolution at the opening of this millennium is driven once again by NGOs as well as by consumers, particularly the Baby Boomers. And while there is some focus on governments, a central theme is voluntary corporate social responsibility by the industry. The new environmentalism is being driven as well by genuine end-of-the-world-as-we-know-it fears of global warming. One response has been a dramatic upswing in volunteer carbon offset programs for airline travel, as well as efforts to get the major airlines to offer such programs to their passengers.

The growth of the new green consumer movement that includes ecotourism was documented as early as 2002. According to the State Department report, "Trends in the U.S. ecotourism industry indicate growing numbers of educated ecotourists with average or above average annual family incomes, increases in the number of nature education and conservation programs, and increasing concern among the population about the degradation of resources due to poor management or overuse of ecotourism destination."[44]

By 2007, ecotourism was indeed chic. Take, for instance, the *Knoxville News Sentinel*'s feature run on December 31, 2006. It begins, "Ecotourism – once a tiny niche in the travel industry – has grown into a worldwide multi-million dollar business." After ticking off a list of benefits that come from tourism done right, the writer proposes: "With 2007 approaching in a few hours, perhaps it's wise to make New Year's resolution to uphold guidelines for responsible travel. Whether a destination is in the United States or abroad, the environment and cultural heritage need protection from harmful outside elements."[45]

The growth of the green hotels and green certification programs is just one of the signs of the rise and mainstreaming of environmentalism and of the growth

of sustainable tourism that applies the good practices of ecotourism to larger and more mainstream sectors of the tourism industry. In 2007, for instance the American Hotel & Lodging Association, the hotel industry's leading trade organization, announced that its next annual conference would focus on "educating the industry's leaders on best practices and the importance of environmentally-friendly green hotels." As the conference chair, Jim Burba, put it, "While a small number of people in the hotel industry have been promoting the logic and merits of 'green'/sustainable/ development and operations for decades, the interest in the past few years has shot up like rocket." He added, "Green is now being embraced by developers and owners and is being discussed in the boardrooms of the largest companies in the travel industry."[46]

6.0 Structure of the Tourism Industry

The tourism industry that funnels travelers to coastal and marine destinations around the world is a complex, multi-layered maze. In the country of departure, it includes travel agencies (retailers), tour operators (wholesalers), airlines, cruise lines, car rental agencies, credit card companies, public relations firms, advertising companies, tourism bureaus, and the media. In the destination or host country, it includes inbound tour operators, ground transporters, guides, accommodation facilities, national tourism bureaus, national and private parks and other recreational sites, cultural and craft centers, and special concessions such as providers of balloon, camel, and boat rides. The international travel industry is supported by government policies and regulations, infrastructure projects, and, frequently, direct subsidies, as well as by a wide array of commercial banks and international financial and aid institutions. Ecotourism and sustainable tourism receives support from conservation organizations and other NGOs, most of which are based in the United States and other developed countries but operate primarily in developing countries. One of the tenants of ecotourism and sustainable tourism is to strive to put a larger portion of the tourism dollars into host countries and communities through, for instance, hiring and buying locally and strengthening the capacity of locals to own tourism businesses. However, given the realities of overseas travel, "much of the trip cost, and thus the economic benefit," writes ecotourism expert Kreg Lindberg, "remains with outbound operators and source country airlines. To some extent this simply is due to the nature of the tourism industry; substantial funds are spent on marketing, commissions, and transport before tourists even reach the destination."[47]

Multinational institutions such as the World Bank, the International Monetary Fund (IMF), and the U.S. Agency for International Development (USAID) have facilitated the spread of tourism into new destinations. The American international travel industry, and especially the private airline companies, has always depended heavily on government subsidies and support. After World War II, the U.S. government used its surplus of military aircraft to

subsidize the aerospace industry. It created financial institutions, such as the Export-Import Bank of the United States that gave low-interest loans to corporations for purchase of U.S.-made aircraft and equipment. U.S. assistance programs constructed and enlarged airports overseas, improved long-haul navigation, and financed development of long-range and wide-body aircraft. More recently, federal funds and powerful financial institutions also have underwritten research, development, and application of computer technology for the booking of airline reservations, hotel rooms, and car rentals. This, coupled with airline deregulation policies, has enabled the integration and consolidation of the travel industry. Pan American World Airways (which was founded in 1927 and went out of business in 1991[48]) was among the first to develop an integrated global reservation system. British Airways, working with Holiday Inn, and other airlines quickly followed the Pan Am model.

Since the 1980s, in particular, the tourism industry has been affected by economic globalization and promotion of free trade. A proliferating number of U.S. backed international trade agreements are seeking removal of barriers, including investment regulations, labor standards, and environmental protection. Most recently, Costa Rica held a highly politicized public referendum which narrowly approved CAFTA, the free trade agreement for Central America. Interestingly, Guanacaste, the area of the country with the most foreign direct investment (FDI) through mass tourism, voted "no" – an indication that Costa Ricans in that region have found that the realities and promises of free trade have not been met.

Non-tourism companies in industrialized countries have also assumed a significant role in the industry as it has globalized. Major banks, along with firms specializing in brewing, food processing, gambling, media, telecommunications, shipping and real estate, have bought shares in airlines and hotel chains. ITT Corporation, for instance, bought 100% of the Sheraton hotel chain in 1968. Midland Bank bought 78% of the Thomas Cook Group's shareholdings, and the Rothschild Group purchased a sizable slice of Club Mediterranee (Club Med). As Thanh-Dam Truong wrote in 1990,

> The general trend in integration in international tourism is that firms from industrialized countries tend to dominate the market through control of knowledge about the market, control of the means of distribution (travel agents, banks, department stores, business travel centers, etc.), and control over the advertising industry which, to a large extent, shapes and determines demand. This entails a division of labor according to which Third World countries, with few exceptions, merely provide the social infrastructure and facilities with little or no control over the process of production and distribution of the tourist-related services at an international level.[49]

This trend has continued. As Andrey Shlevkov, an official with the UNWTO, stated in a 2004 speech, "There is a clear trend for globalization, concentration and consolidation in the world tourism industry competing hard for tourist euros and dollars. Just four global distribution systems dominate electronic reservations, while five global air alliances control 60% of international air traffic. In major European generating countries, a handful of tour operators dominate a lion's share of the market, and their clout may sometimes contribute to making or breaking a destination."[50]

The five main economic agents in international tourism – airlines, hotels, cruise lines, tour operators, and travel agents—have all become increasingly integrated in terms of their services, financing, management, research, and development. Take, for instance, the American Express Company, whose tourism-related activities were traditionally confined to banking, that is, the sale of traveler's checks. In the 1960s, American Express moved beyond traveler's checks, buying shares in tour operations, tourism financing companies, and computerized reservation systems. In 1971, it bought into CITEL, an electronic reservation system for hotel rooms, allowing it to provide reservation services for a half million rooms and some 5,000 car rental agencies in fifty countries. Today, American Express is the largest travel agency in the United States with offices in every important city around the globe and revenues of $29.1 billion in 2004. Worldwide spending on American Express cards in 2004 reached an all-time high of $416 billion, an 18% increase from the previous year.[51]

American Express now handles many other travel related services, including hotel reservations and airline, cruise, and ground travel, traveler's checks and credit cards, financial and small business advice, computer services, guidebooks, passport-processing assistance, and real estate services. American Express has been an industry trendsetter in modernizing, consolidating, and integrating various branches of the travel industry. At the same time, AmEx has taken some steps to build its "green" profile. In the mid 1990s, American Express offered environmental grants to conservation projects and introduced recycling and energy-saving procedures. The company renewed its support for conservation in 2006 with the launch of American Express Partners in Preservation, a $10 million, five-year commitment, through partnerships with the World Monument Fund and the National Trust for Historic Preservation, to ensure the preservation of cultural heritage sites around the world threatened by neglect, vandalism, armed conflict, or natural disaster.[52] American Express is also partnered with the Caribbean Alliance for Sustainable Tourism (CAST) and the Caribbean Hotel Association (CHA), to annually recognize one large and one small (less than 75 rooms) hotel with the American Express Caribbean Environmental Awards. Hotels are awarded for having "demonstrated significant reductions of waste streams through innovative means, increased employee awareness and motivation, guest involvement in conservation programs, and contributions to the development of adjacent communities."[53]

The following are the major industry sectors in the international tourism industry that help shape coastal and marine tourism.

6.1 Airlines

The biggest-ticket item in an overseas holiday has traditionally gone to the airlines. Although the percentage varies with distance, size of group, carrier, and season, 61% of total U.S. travel agency sales went for airline tickets in 1995, with 14% going to cruise lines, 10% to hotels, 7% for car rentals, and 8% for other sales.[54] However, by 2005, the percentage of travel agent sales going for airline tickets had fallen to about 25%, according to the American Society of Travel Agents (ASTA).[55] The main reason has been the rapid growth of the Internet: Americans using the Internet to plan or book travel jumped 25% just between 2001 and 2002, and by 2002, airline tickets accounted for 77% of all online purchases.[56] According to hospitality marketing expert Peter Yesawich, in 2006, 56% of leisure travelers say they go to the Internet exclusively to plan a vacation and 51% of travelers who book a hotel or airfare will check the price online beforehand.[57] Despite this shift from travel agents to the Internet, airline tickets remained the largest component of most international travel.

With decolonization beginning in the late 1950s, a national airline became an important symbol of political and economic independence. However, these new national airlines— sometimes with a fleet of only two or three planes—were involved in a David and Goliath contest. Many bought jet aircraft, navigation equipment, and services from the Boeing Company and other U.S. corporations. These deals were frequently financed by the U.S. Export-Import Bank, which both made direct loans to foreign carriers and guaranteed loans made by commercial lenders. Other foreign airlines leased their planes and/or had management contracts with international commercial carriers such as Pan American, Compagnie Nationale Air France, and British Airways. As these nascent companies struggled to get a toehold in the international market, the big airlines from developed countries were acquiring wide-body aircraft with increased carrying capacity and decreased operating costs. They were also rapidly linking up with international hotel chains, travel agencies, tour operators, and car rental agencies for sales and promotional purposes and to offer discount tour packages. Inclusive tour packages offered by First World airline and air charter companies also undercut the market for the new national airlines.[58] Whereas the national airlines offered travelers from overseas a bit of the flavor of the destination, thus becoming part of the holiday experience, today's big carriers provide increasingly homogenized and nondescript service.

In the 1990s, as economic liberalization and deregulation took hold, international carriers, with hefty marketing budgets, name recognition, and hookups with other sectors of the tourism industry, entered the most lucrative foreign markets in developing countries. During this decade, Costa Rica's

flagship airline, LASCA, a small but well-run operation, was gradually sold to foreign conglomerates. In the Caribbean, BWIA International Airways and Air Jamaica were privatized in 1995, Air Aruba ceased functioning in 2000, while Bahamasair and LIAT (based in Antigua) developed code-shares with other airlines.[59] Without protective trade barriers to keep out competition and control fares, computer systems and other technological innovations, and integration with hotel chains, car rental agents, and tour operators, many small national airlines could not compete and were sold to foreign carriers.

In 1997, six of the top international carriers, led by USAir and United, formed the Star Alliance, which they called "the first truly global airline network in the world." The carriers agreed to meld their frequent flyer mileage programs, ground services, and airport lounge services and to simplify ticketing and link schedules "to provide seamless service on every continent."[60] By 2006, Star Alliance included 18 airlines serving 842 destinations in 152 countries and offering travelers a choice of 15 different frequent flyer programs in which to earn mileage points.[61] A few national carriers were part of the Alliance, but this did not necessarily stem financial troubles: in 2006, Varig, once considered Latin America's premier airline, declared bankruptcy and was put up for sale.[62] Meanwhile, American and United airlines have gained "an insurmountable edge over their Latin counterparts" because of their "vast international networks" and their "virtual lock on travel within North America," the destination of 75% of Latin Americans traveling outside the region. This, combined with high operating costs, forced more Latin American airlines to privatize, merge, or close.[63] This phenomenon is not limited to U.S. and Latin American airlines; in Europe, the integration of Swiss International into the German-owned Lufthansa was announced in 2005, and the same year in Asia, China Eastern Airlines announced that it will consolidate with Yunnan Airlines and China Northwest Airlines. So even if conscientious ecotravelers or tour operators try to patronize a national or regional airline, they may find that in reality, many so-called national airlines are owned by larger foreign corporations.

With the rise of environmentalism and ecotourism, a number of the international carriers have given a nod to conservation by adopting some "green" practices, often in the form of fuel efficiency, which also saves on the corporate bottom line. One of the newer airline startups in the U.S., JetBlue, took steps to reduce consumption and decrease emissions by acquiring planes that burn up to 50% less fuel than older models. Japan Airlines established a set of Environmental Action Guidelines and by 2004, it had a recycling program (for aluminum cans, tickets, uniforms, and cargo packing sheets); was purchasing more fuel-efficient airplanes, had reduced use of hazardous chemical, and had wastewater treatment systems.[64] Of the international carriers, British Airways has long been hailed as the environmental leader. Together with the World Travel & Tourism Council (WTTC), British Airways ran the annual "Tourism for Tomorrow Awards" between 1992 and 2003, and has since continued as a sponsor. The

airline company, itself, has made efforts at improving fuel efficiency, noise pollution, local air quality, and waste reduction.[65]

Aircraft manufacturers, governments, and various agencies have also responded to rising fuel prices and environmental awareness by implementing new technologies, policies, and international agreements. General Electric has been developing a new aircraft engine, the GEnx, which is designed to deliver 15% better fuel consumption and reduce emissions to 94% below 2008 regulatory limits – while launching a huge advertising campaign hailing its 'green' practices.[66] Manufacturers such as Boeing and Airbus continue to design newer and more fuel-efficient aircraft, such as the Boeing 787 Dreamliner and the Airbus A320. The International Air Transportation Association (IATA), whose mission it is to "represent, lead and serve the airline industry,"[67] is comprised of approximately 265 of the world's largest airlines or 94% of all international scheduled air traffic. In order to reduce fuel consumption, which is the second largest cost item after employee wages, IATA has published a fuel and emissions checklist of industry "best practices", created training programs, and worked on initiatives to reduce flight time, improve airport traffic flows, and adopt more efficient operating procedures, designed to help airlines reduce fuel consumption on the scale that saved several billion dollars per year.[68] In 2005, the Federal Aviation Administration (FAA) in the U.S. implemented a new procedure allowing more planes to fly preferred altitudes and routes, thereby saving an estimated $5.3 billion in fuel costs over the next decade.[69] In 2004, the European Parliament approved a set of four regulations that comprise the Single European Sky initiative, designed to optimize flight paths, reduce flight times, improve fuel efficiency, and improve air traffic management. [70]

Despite these environmental initiatives, there has been growing awareness of the impact of air transportation on climate change. Air transport is estimated to be the fastest growing source of greenhouse gases, contributing between four to ten% of carbon dioxide emissions by all types of transport.[71] Although the world's aircraft fleet has improved its fuel efficiency by 70% in the past 40 years, global air traffic has quadrupled since 1970, from 350 billion passenger miles a year to 1,500 billion passenger miles a year.[72] This led some to question whether long haul ecotourism is just too costly for the planet. As writer Joanna Walter commented at the time of the 2002 World Ecotourism Summit, "Travel industry leaders will argue the toss on whether 'eco' and 'tourism' can ever live happily together, but there will be shockingly little debate on whether there is any point in having the greenest of green eco-resorts in deepest Peru if all the wealthy, sandalled 'ecotourists' each burn six tonnes of carbon dioxide getting there and back."[73]

This is, however, hardly the solution, given that ecotourism is an increasingly important development tool for poor countries and communities as well as for biodiversity conservation. Global warming needs to be addressed on a wide range of levels, including traveling "smarter" –by, when possible, bus and

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train rather than car and planes, -- and working in a variety of ways to reduce greenhouse gas emissions. By 2005, a growing number of carbon-offset programs were offering airline passengers and companies ways to calculate the amount and cost of greenhouse gas emissions produced during a flight and "offset" the emission by contributing to renewable or alternative energy projects. British Airways began a program to encourage its customers to "neutralize" their travel emissions by contributing to Carbon Care which funds sustainable energy projects around the world.[74] In 2006, Virgin Airlines CEO Sir Richard Branson captured headlines with his announcement to commit $3 billion over the next 10 years to combat global warming. Branson pledged "to invest 100% of all future proceeds to the Virgin Group from … both our trains and airline businesses, into tackling global warming."[75] Later that same year, Nature Air, a regional airline based in Costa Rica, announced that the company itself would contribute to carbon-offset programs for all its flights, thus becoming the "world's first and only emission-neutral airline."[76] Other companies began to join the carbon-offset bandwagon. Online travel sites Expedia and Travelocity developed programs to encourage travelers to purchase carbon offsets as they bought their tickets.[77] And shoe mogul Nike set out to reduce its offset its CO_2 footprint. Through its "Eco-Class Program," Nike teamed up with Delta Airlines and Hertz to offset airplane and auto emissions from business trips by Nike's employees.[78]

6.2 Hotel Chains and Resorts

International hotel chains and resorts are significant components of coastal tourism in many countries. Growth is the cornerstone of any branded chain's strategy. The more flags can be planted around a country and around the world, the more a hotel chain can benefit from key customer agreements with large multinationals or tour operators to guarantee a steady flow of business. The more widespread a chain's properties, the more completely the group can serve large corporate customers by guaranteeing the same standard of accommodation (and security) anywhere their hotels may be located.

Hotel chains typically use one of five different forms of investment in developing countries, most of which minimize their risks and maximize their ability to muscle aside small, locally owned hotels, lodges, and resorts. The types of investment used by multinationals are (1) ownership or equity investment; (2) management contracts; (3) hotel leasing agreements, whereby the multinational pays the hotel owner a percentage of the profits; (4) franchise agreements, whereby the owner uses the multinational's corporate name, services, and trademarks for a fee while maintaining certain operating standards; and (5) technical service agreements, whereby the multinational provides the local hotel with a consultant for management, marketing, and technology.

Most of the large chains no longer seek to own property, preferring "lighter" structures which require less financial commitment and reduce risk for

the operator. The use of leases, management contracts, and franchises also allows for a more rapid rate of expansion. Most common are the management contracts which allow for control of property with a minimum of financing and risk. Developing countries have long paid a premium for such contracts. Whereas hotel management fees in industrialized countries range from 6 to 15% and average 12%, in developing countries they average 17% and can be as much as 23%. In addition, the international firm extracts additional fees for advertising and sales services, computerized reservation facilities, and routine inspections and consultations.

While affiliation with an international chain may be costly, it is frequently viewed as imperative in giving local investors a competitive edge over locally owned hotels -- particularly in marketing, reservations, technology, training, and service standards, as well as bulk access to goods at lower marginal costs. By increasing its geographical coverage, a hotel chain can help maintain a steady flow of business while guaranteeing customers the same standard of accommodation and security around the world. Whereas only about 2% of the hotels in Western Europe are linked to multinational corporations through management contracts, in developing countries the proportion has approached, or well exceeded, 50%: 75% in the Middle East, 72% in Africa, 60% in Asia, and 47% in Latin America.[79]

Beginning in the 1990s, several prominent hotel chains — InterContinental Hotels and Resorts, Holiday Inn Worldwide, and Fairmont Hotels & Resorts — began taking steps to "green" parts of their operations. Typically, this involved reducing water and energy consumption, measures that were good for the environment while also saving money. In 1992, Hilton International and other hotel groups founded the International Hotels Environment Initiative (IHEI) "to increase general environmental awareness and to establish valid guidelines within the global hotel industry." IHEI, which grew to represent over 68 brands, 11,200 hotels on five continents, was absorbed by the London-based International Tourism Partnership, the tourism program of The Prince of Wales International Business Leaders Forum.[80] Similarly, the Green Hotel Initiative (GHI) is a program developed by Ceres, a US-based network of investment funds, environmental organizations and other public interest groups. The GHI is designed to increase and demonstrate market demand for environmentally responsible hotel services, focusing on educating the purchasers of hotel services, creating vehicles for these purchasers to express their demands, and providing mechanisms for hotels to communicate their environmental performance.[81]

In response to consumer demand for environmentally sensitive products and services, many conventional hotels, ranging from independent properties to major chains, had by the mid-1990s begun reuse and recycling programs, had installed energy-efficient lighting and water consumption control devices, and were using heat pumps. One industry survey found that travelers were more

likely to chose a hotel if it had: recycling bins for guest use (67.5% of those surveyed said yes); energy efficient lighting (69.4%); turned off lights in unoccupied guest rooms (65.6%); changed sheets only on request (58.9%); and used in-room displays printed on recycled paper (65.1%).[82] According to a study analyzing surveys conducted since 2002, more than two-thirds of U.S. and Australian travelers, and 90% of British tourists, consider active protection of the environment, including support for local communities, to be part of a hotel's responsibility. One 2002 survey found that U.S. travelers said they are more likely to patronize hotels with a "responsible environmental attitude." However, only 14% of U.S. travelers actually ask hotels if they have an environmental policy.[83] What this survey reveals is that while there is broad consumer support for sound environmental and social practices, travelers do not actively enquire at hotels to make sure they are in place.

In the absence of clear standards, mass tourism resorts have been using the "eco" label, some with little or no substance. In the early 1990s, for instance, there was the advertisement for The Enchanted Garden in a special ecotourism magazine published for travel agents. The photo featured a towel-draped female tourist lying on a massage table in the middle of a palm-shrouded garden. She was being rubbed down by a uniformed Jamaican woman, and the caption read, "As Nature Intended . . ." But the Enchanted Garden is no eco-resort; it's a 112-room luxury spa complex managed by DHC Hotels & Resorts, a major international hotel chain. Typical of such places, most bookings are made in the United States, most profits flow back to the corporate headquarters, and Jamaicans receive scant benefits other than menial hotel jobs.[84]

Eco-labels, backed by measurable criteria, are one way to help counter this type of false advertising. Over the last 15 years, a number of voluntary tourism certification programs have been launched designed to measure the environmental, social and economic impacts of hotels. Today there are some 60 to 80 tourism certification programs, most for hotels and most located in Europe. However, there are a growing number of programs in Latin America and elsewhere, some of which target larger hotels.[85] These voluntary programs are helping to improve standards, provide consumer choice, and combat greenwashing.

Certification is, in fact, an old and well entrenched concept within the tourism industry. Beginning in 1900, Michelin,[86] the French tire company published its first guidebook measuring and rating hotels and restaurants. Shortly afterwards, the American Automobile Association[87] (Triple A or AAA), made up of U.S. automobile clubs, also began producing motorist handbooks that ranked businesses using one to five stars. Today most countries use a variant of this 5-star quality and safety rating system for accommodations. Much newer are the 'green' tourism certification programs designed to measure sustainability, most of which were launched in the wake of the UN's 1992 Rio Earth Summit and there are today a variety of different types of "green" certification programs within the tourism industry. Most common for large resorts and hotel chains are programs using an environment management system (EMS), including ISO 14001 (International Organization for Standardization).[88] The advantage of ISO 14001 is that it is internationally recognized, can operate globally and across tourism sectors, and has standards tailored to the needs of the individual business. The drawbacks are, however, considerable: it is costly (setting up an EMS can cost $20,000 to $40,000 for a medium-sized company, and far more for a large hotel) and it is complicated and heavily engineering oriented, with the focus on internal operating systems, not a company's social and economic impacts on the surrounding area. Given these limitations, a number of the newer "green" certification programs include performance criteria to measure the impacts of a hotel or other businesses and involve far less cost to implement.

Today, Green Globe 21 is the only significant international certification program that covers the whole industry, and the whole globe. It has representatives in 30 countries and works with consumers, companies and communities. Unfortunately Green Globe has made little headway so far. There are only around 70 accommodation establishments, including a number of coastal and island resorts, that have earned certification. For the most part, they are independently owned and managed properties, rather than part of branded chains.

6.3 Cruise Ships

Cruise ship vacations are the fastest growing sector of the leisure travel industry – with ship size and numbers, passengers, ports, and profits all on the rise. Since 1970, the number of people taking cruises has jumped over 24-fold. An estimated 500,000 people took a cruise in 1970, whereas more than 12 million people went on a cruise vacation in 2006, and industry estimates are that another half million more will cruise in 2007.[89] The number of cruise passengers has more than doubled since 1990.

Cruise ship numbers and size have increased dramatically. Nearly 40 new ships were built in the 1980s, and another 80 new ships debuted during the

1990s. By the end of 2007, 88 new ships will have been introduced since 2000, for a total of over 200 large cruise ships currently in service.[90] Ships size has increased from 500 – 800 passengers in the 1970s to newer ships, dubbed "floating cities", which accommodate 2600 to 3800, with crews of 1000 or more.[91] The biggest cruise ship ever is Royal Caribbean's recently-launched Freedom of the Seas, with a gross tonnage of 160,000, room for 3,634 paying passengers, plus an additional 1,500 crew[92].

Nearly 90% of cruise ships ply the waters in just six regions: the Caribbean (50%), Mediterranean (15%), Alaska (6.7%), Mexican Riviera (6.6%), Western and Northern Europe (5%), and the Pacific/Asia (5%).[93] Following the 9/11 terrorist attacks, cruise lines pulled some ships out of the Mediterranean, and redeployed them in the Caribbean. Capitalizing on the region's image as a safe, terror-free, travel destination, the cruise lines offered discounts to attract a wider clientele, opened new departure ports in the United States, and expanded the ports-of-call in Mexico and the Caribbean. In 2002, as much of the tourism industry was reeling from 9/11, the SARS virus, and economic recession, the cruise industry recorded record profits of $14.3 billion; in 2004, they reached $16.5 billion.[94] Most of this was reaped by the three mega-lines – Carnival, Royal Caribbean, and Star Cruises (Norwegian Cruise Line) – which control 90% of the North American market and account for almost 75% of total capacity deployed in the Caribbean.[95]

The Cruise Lines International Association (CLIA), founded by the major companies in 1976, works closely with travel agents to promote cruises as less expensive and more glamorous alternatives to land-based Caribbean hotels. Cruise line sales have become a bread-and-butter business for U.S. travel agents, generating earnings of close to $600 million in commissions each year. Airlines also earn more than $650 million in ticket sales to cruise passengers flying to major cruise ports such as Miami and Ft. Lauderdale in Florida. But almost all the money is spent either before the cruise begins or on board; as discussed below, cruise passengers buy relatively little onshore, and port taxes and other cruise line fees are low. In 1998, ASTA President Joe Galloway announced that agency cruise sales totaled an estimated $8 billion and was expected to grow to $54 billion by 2003.[96] For travel agents, cruises represent 29% of domestic sales and 22% of international sales, although more than half of the respondents said their estimates included some other components, such as air and hotel, according to *Travel Weekly*'s 2005 Travel Industry Survey.[97] Cruise Lines International Association (CLIA) has 19 member cruise lines that represent over 95% of the North American cruise industry. With 90% of cruise business is generated through travel agents, CLIA claims that its primary objective is to assist its nearly 17,000 member agencies in capitalizing on the booming and profitable cruise market.[98]

Cruise tourism, probably more than any other sector of the mass tourism industry, is anathema to the concepts and practices of sustainable tourism.

These high-volume, prepaid, packaged holidays -- with their celebration of sun-and-fun, over consumption, self-indulgence, and brief ports-of-call to allow tourists to buy local souvenirs or duty-free First World luxuries -- are the polar opposite of the small-scale, locally owned, culturally sensitive, environmentally low-impact, and educational precepts of ecotourism. While ecotourism seeks to deepen the traveler's understanding of the world, cruise tourism builds on fantasy, on board and off. Take, for instance, Royal Caribbean's port-of-call in Haiti, the Caribbean's poorest, most war torn country. Several times a month, Royal Caribbean ships drop off thousands of passengers at "a stunning stretch of white sand between turquoise water and lush rolling hills" where they frolic on the beach, ride on Jet Skis, shop at a tourist craft market, and eat food prepared on board the ship. The cruise's itinerary used to list the location as "Hispaniola," until Haitian officials complained. But passengers still don't see the reality of Haiti: "rail-thin children, the mounds of garbage and open sewage dumps or the heavily armed peacekeeping troops struggling to keep a lid on the sprawling urban slums." And at least some passengers don't want a reality tour: "I don't want to see poverty," one told the *New York Times*. "I'm on vacation. I don't want to think that these people don't have enough to eat."[99]

6.4 Outbound Travel Agents

Although the functions of tour operators and travel agents often blur and overlap, travel agents are generally retailers who sell airline tickets and pre-packaged trips put together by tour operators and wholesalers. These packages are featured in brochures and distributed through the national network of travel agencies.[100] The bulk of the retail trade consists of package tours. A package usually includes airfare, ground and domestic air transportation, accommodations, some or all meals, transfers from airports to hotels, visa and other fees and taxes, park entrance fees, and excursions such as white-water rafting, mountain climbing, and balloon rides—in short, all but incidentals, souvenirs, and tips. A package has a fixed departure date, length, itinerary, cost, and minimum (and often maximum) number of tourists. Generally, the travel agent earns between 8 and 12% of the cost of any package tour, though this has been decreasing in recent years.[101] In addition, large travel agencies and tour operators can make significant commissions from airlines and hotels by selling large blocks of tickets.[102]

In 1998, an estimated 75 to 80% of U.S. air travel and 95% of cruises were booked through travel agents.[103] However, this trend has clearly changed with the boom of the Internet in recent years. By 2006, the tenth "anniversary" of the Internet revolution, travelers were booking 70% of their airline tickets and 50% of hotel reservations on line.[104] By way of the Internet, travelers now have

access to a wealth of information about the hotels, restaurants, transportation, lodges, tour guiding services, and customs of the countries that they visit. While their control of such information used to give a clear advantage to travel agents selling packaged tours, travelers increasingly see travel agents as an unnecessary vacation expense. Therefore, many travel agents have had to shift their focus to offer more value-added services, such as health and safety insurance, specialty tours and specific destinations to supplement their inventory of packaged tours.[105] In response to travelers' demands for outdoor, nature-based holidays, some mass market travel agents have started to sell ecotours or conventional tours that include "eco-experiences"— a cruise that includes a day's hike in a rainforest and incorporates the lingo of "green" travel—and others are selling packages from a select few ecotourism wholesalers. For instance, Belize, which between 2000 and 2005 became the fastest growing cruise destination in the Caribbean, offered passengers a wide variety of nature and cultural/archeological tours rather than the usual fare of duty free shopping. Cruise passengers have responded, with 85% disembarking in Belize, the highest rate in the Caribbean. Unfortunately, Belize's motto – "Nature's Best Kept Secret" – and its strategic vision of promoting "responsible tourism" that encourages "a strong 'eco-ethic'" no longer seemed appropriate as cruise passenger outnumbered stayover ecotourists nearly four to one.[106]

There are about 20,000 authorized travel agencies in the United States and a potentially large, but unrecorded, number of home-based agents.[107] They vary widely in quality due to weak training and licensing procedures. The only regulatory bodies are the Airline Reporting Corporation (ARC) and the International Airlines Travel Agent Network (IATAN) through which travel agencies are licensed to write airline tickets. There are several professional organizations and associations for travel agents. The largest and most influential is ASTA (American Society of Travel Agents), founded in 1931 and headquartered in Virginia, with members in 140 countries.[108] The Institute of Certified Travel Agents, for example, offers a two- to three-year professional travel counselor degree, however, only a small percentage of agents are certified through this program. In reality, most travel agencies cater to the mass tourism market and lack the time, expertise, and training to sell ecotourism packages, which have been largely handled, as described below, by tour operators. In a 1997 *Washington Post* survey of DC area travel agents and their specialists, only one such agency specializing in ecotourism was found, Green Earth Travel.[109]

6.5 Outbound and Inbound Tour Operators

Tour operators are classified as wholesalers, although they sell both to travel agents and directly to the public. Those sending tourists abroad sell their own exclusive package tours and/or resell packages put together by tour operators in the host countries. Known as outbound tour operators or outfitters, they package the trips, oversee the creation of itineraries, select and contract with inbound tour

operators in the host countries, arrange airline tickets, and arrange travel and liability insurance. They sell tour packages to the general public through travel agents or special interest organizations such as environmental groups, alumni associations, and museums. Some operators market directly through magazine or newspaper advertisements or through catalogs, brochures, videotapes, CD-ROMs, and the Internet. Tour operators charge a markup of 15 to 40%, depending on how customized the tour is. Since competition is very stiff, many tour operators try to entice travel agents to carry their packages by offering higher commissions, incentive programs, glossy advertising, news articles, contests, and free or reduced-rate trips.[110]

Standards, however, are lacking; there is no accrediting body or licensing procedure for tour operators, and because little capital is required to get started, virtually anyone can hang out a shingle. The United States Tour Operators Association (USTOA), with membership restricted to well-established operators, requires the posting of a $1,000,000 bond, which is applied to a consumer protection plan for tourists and travel agents using these companies. However, the USTOA evaluates tour operators primarily on the basis of their financial worthiness and references obtained from reputable travel industry organization or other members, and not specifically on whether they are promoting high-quality or socially and environmentally responsible travel.[111]

In 2001, the UNWTO carried out an insightful comparative study of tour operators in the main ecotourism generating markets in Europe and North America – France, Germany, Spain, Italy, U.K., Canada, and the U.S. The researchers interviewed tour operators in these seven countries to determine current volume and market share for ecotourism, products and price-range, distribution channels, market trends, destinations, and specific travel behavior and characteristics. The study concluded, "Tour operators specializing in ecotourism base their activities on a strong commitment to nature conservation and support of communities at the destinations. They also try to communicate this to customers through their marketing and promotional activities." Interestingly, the results showed that tour operators, especially those in Europe, were "quite reluctant to use the word 'ecotourism' in their marketing literature and their brochures." They preferred terms such as sustainable, responsible, environmental, and ethical tourism. Further, "Through they do not use the term ecotourism, a growing number of tour operators use some elements and translate it in their own policy." For instance, 77% of the U.S. ecotour operators surveyed said they encourage contributions to conservation organizations, and two-third of the British ecotour operators in the survey contribute to conservation organizations or local communities.

The study also found that ecotour operators "are small companies with smaller advertising budgets" who rely on word of mouth referrals and targeted promotion channels such as affinity groups (universities, conservation organizations, etc.) and specialized travel shows and magazines. Internet

bookings were "increasing tremendously" while travel agents were considered a "less successful way of selling." They reported that while ecotourism is currently "a small niche market" they expect it to continue to grow in the future. The German Travel Agency and Tour Operator Association (DRV) reported at least 122 tour operators, or six to eight% of all operators, specializing in ecotourism, in Spain, five to six% of outbound operators specialize in nature or eco-tours, and in the U.S., of the 1200 tour operators listed by the National Tour Association (NTA), 62 or 5% offered ecotours. The study further found, "In principle specialist tour operators offer destinations all over the world" although each country preferred particular geographical regions.[112] Islands were popular eco-holiday choices, long distance travel was growing fast, and only a few places were considered "pure ecotourism destinations."[113]

Outbound operators usually subcontract with inbound operators in host countries, who meet the travelers at the airport (or port or border); provide transportation throughout the trip; select local businesses to patronize; hire staff; and arrange accommodations (lodges, tented camps, inns, etc.), visits to parks, and specialty activities. As geography professor and ecotourism specialist Bryan Higgins put it, inbound operators are the essential link, making "upstream connections to industrialized countries" and "downstream economic ties to 'local' businesses within a particular country."[114] These firms are located in key urban centers, usually the capital city or the gateway town to the main tourism attractions. With the exception of Cuba, where inbound tour companies are run by the government, in most countries nowadays they are private or in the process of being privatized. They range from multinational companies, such as Abercrombie & Kent, The Accor Group, and First Choice Holidays, that also own lodges and vehicles, to low-budget mom-and-pop shops with little more than a desk, a telephone, and a couple of employees.

Outbound tour operators and nonprofit organizations contract with inbound tour and ground operators in the host country, and it is these companies that are the most important component in ensuring high-quality ecotourism. Inbound operators are responsible for arranging all details of the trip, including assembling a network of lodges close to or within the nature viewing areas.

Many inbound operators involved in ecotourism are, like their counterparts in the United States, owned by their founders, who are either nationals or longtime foreign residents who keep most of the profits within the country. Costa Rica, more than most host countries, has a wide range of high-quality inbound operators. Virtually all handle some nature tourism, but about a dozen are known for specializing almost exclusively in ecotourism. In September 2006, the Costa Rican government launched a "green" certification program for inbound tour operators and certified eight operators. One of those certified, Horizontes Nature Tours, received top ranking – five green leaves – under the rigorous Certification for Sustainable Tourism (CST) program.[115]

Costa Rica's certification program for tour operators is one of the few in the world. Given the lack of sustainability standards and regulation in many places, outbound operators have difficulty assessing ground operators, especially if these firms are skillfully marketed. Although some of the best outbound and inbound operators consciously place long-term benefits ahead of short-term profits, many do not. There is a need for more regulation and independent evaluation of international tour operators, as well as local service providers, lodges and other in-country businesses to ensure adherence to the principles of ecotourism. In the case of the international operators, the World Tourism Organization is working to promote better international standards and practices for tour operators. Some donor agencies, including the European Union, World Bank, and Britain's Department of International Development (DFID), through its pro-poor tourism initiative, are focusing on capacity building for tour operators in developing country destinations.[116]

In 2000, a group of tour operators in Europe formed the Tour Operators Initiative for Sustainable Tourism Development (TOI), a voluntary alliance open to all tour operators. It was created based on the idea that while most tour operators recognize that a clean and safe environment is critical to their success, few have the management tools or experience to be able to design and conduct tours that minimize their negative environmental, social, and economic impacts. By 2006, TOI had twenty members, most based in Europe but including as well operators in Brazil, Pakistan, the U.S. and Morocco. TOI's mission is twofold: to advance the sustainable development and management of tourism; and to encourage tour operators to make a corporate commitment to sustainable development. TOI members formed working groups in four key areas of action: sustainability reporting, cooperation with destinations, supply chain management and communication. The initiative, supported by several WWF offices in Europe and Germany and begun with backing from the United Nations Environmental Programme (UNEP), has received support from the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the UNWTO. Together with Conservation International in 2004, they have produced a manual of guidelines for developing a sustainable supply chain, and in 2005, the TOI developed a management guide for tour operators for integrating sustainability into business.[117] In 2006, TOI moved from UNEP to be housed in the UNWTO headquarters in Madrid.

Another initiative, the Adventure Collection, brought together leading U.S. and Canadian tour operators in the adventure travel industry with the view to collaborating in better marketing and branding their upscale tours and developing stronger and more uniform standards. Created in 2000, the Adventure Collection had by 2006 eleven member companies,[118] together offering over 500 trips, ranging from wildlife safaris, to bicycle tours, rafting, fly-fishing, heli-skiing, and cultural exploration. In 2005, it boasted combined revenue of $270.4 million, an increase of 23.1% over 2004.[119] The members established five "Strategic Principles of Responsible Travel" which include supporting specific projects,

accountability in their offices and in the communities where their trips take place, responsible travel education guidelines, and a systematic review of their corporate performance regarding responsible travel.[120]

7.0 Non-Corporate Actors in the Tourism Industry

7.1 International Aid and Development Agencies

By the turn of the millennium, the World Bank, Inter-American Development Bank (IDB), Asian Development Bank, African Development Bank, Caribbean Development Bank, Organization of American States (OAS), U.S. Agency for International Development (USAID), various UN agencies, and other international assistance agencies were supporting a variety of tourism programs and projects, many under the umbrella of ecotourism or sustainable tourism. According to a 2005 analysis, 12 international donor agencies, including the World Bank, USAID, UN Development Program, and Inter-American Development Bank (IDB), were giving almost $10 billion to some 370 tourism related projects.[121] The study found that 25% of the project funds originated from the UNDP/GEF, 22% from the World Bank, 12% from USAID, and 10% from the IDB.[122] Over these decades, the trendsetter for the multilateral institutions was the International Bank for Reconstruction and Development, or the World Bank.

- **The World Bank Group**

By 2005, the World Bank, which was created following World War II, had extended $407.4 billion in loans to governments and public sector agencies for over 6,000 economic and development projects in its 184 member countries.[123] Although tourism represents a small part of its overall portfolio, during the 1970s, the World Bank became a major source of public finance for tourism-related projects. The Bank's first tourism-related loan was made in 1967[124] by the International Finance Corporation (IFC), the arm of the World Bank Group that both invests in and lends for private sector projects, rather than lending to governments. It was for a hotel in Kenya that was partly owned by the Inter-Continental Hotel Corporation, which was then a subsidiary of the now defunct Pan American Airways. More recently, the Multilateral Investment Guarantee Agency (MIGA), a third arm of the World Bank Group, has entered the picture, issuing investment guarantees for tourism projects around the world and providing advice on investment promotion.[125] Today, the three components in the World Bank Group – the Bank, IFC, and MIGA -- have a portfolio of 114 tourism projects, including both free-standing tourism projects and projects with tourism components, with lending at a level of about US$ 3 billion.[126]

But this wasn't always the picture. It is important in examining coastal and marine tourism to realize that, in the late 1970s, the World Bank closed its tourism department. This happened largely because developing countries came to realize that the pattern of large scale foreign owned hotels and resorts was not bringing financial benefits and was causing a range of social and environmental problems. Between 1969 and 1979, the World Bank's Tourism Projects Department invested in conventional tourism as a strategy for encouraging foreign investment and earning foreign exchange, often in regions deemed to have few other economic options. Tourism, as an export industry, was promoted as a source of growth and economic diversification and as a means of redistributing wealth from rich nations to poor. During this period, the World Bank loaned about $450 million directly to governments for twenty-four tourism projects -- referred to as "tourist plants" -- in eighteen developing countries.[127] These loans, for infrastructure, training, and lines of credit for hotel development, helped create what are today internationally recognized destinations such as Bali (Indonesia), Zihuatanejo (Mexico), and Puerto Plata (the Dominican Republic). However, according to officials, as competition for Bank funding grew, there were increasing concerns that the Bank should be investing in low-cost housing and other poverty reduction programs, and not in luxury hotels and large infrastructure projects to support international tourism and the private sector. These concerns, coupled with a string of financially and environmentally disastrous projects in such countries as Egypt, South Korea, and Morocco, ***led the World Bank to close its Tourism Projects Department in 1979.***[128]

By the 1980s, failed tourism projects were not all that sullied the World Bank's reputation. The bank was under attack around the globe for its environmentally destructive big dams and other megaprojects that uprooted hundreds of thousands of people as well as for a pattern of lending that seemed in some instances to favor repressive regimes. Beginning in the 1980s, the bank linked its loans to crippling structural adjustment policies that forced poor countries to cut spending and social programs, privatize, and open their economies to foreign investment and trade. This also drew increasingly critical attention to bank practices. As Third World nations' foreign debt continued to climb, the bank looked for new directions. By the mid-1980s, the institution was once again contemplating tourism as part of its export promotion and debt repayment strategy. As Clark University professor Cynthia Enloe wrote in 1990, "The international politics of debt and the international pursuit of pleasure have become tightly knotted together."[54]

By the late 1980s, the Bank's rhetoric at least shifted to include sustainable development and environmental protection. In 1986, the Bank issued its first official statement regarding protection of wildlands defined as natural habitats relatively untouched by human activities within development plans. Its guidelines, initiated more as an encouragement than as a "will-do" policy, state that the World Bank "promotes and supports" protection of wildlands and improved land use in its projects, which increasingly included tourism. They

emphasize the need "to include local people in the planning and benefits" of wildland management projects and note that "rural development investments that provide farmers and villagers in the vicinity [of wildland management areas with] an alternative to further encroachment" can also help protect parks and reserves.[129]

In 1990, the World Bank, together with two United Nations agencies (UNEP and the United Nations Development Program, or UNDP)[130] set up the Global Environment Facility (GEF), first as a pilot project and then, in 1994, as a permanent mechanism. The GEF's purpose is to facilitate and fund the integration of environmental concerns into development projects and to help implement the global environmental conventions agreed to at the 1992 United Nations Conference on Environment and Development (UNCED), known as the Earth Summit. One of the GEF's four focal areas is protecting biodiversity through, among other means, development of environmentally sustainable nature-based tourism and participatory schemes for sustainable natural resource management, including ….local communities, indigenous groups, and other sectors of society.[131]

Following the 1992 Earth Summit, the World Bank heightened its emphasis on environmentally sustainable development. A 1995 press release titled "Greening of the World Bank" noted that since the Earth Summit, the Bank had become "the world's leading financier of environmental projects in the developing world."[132] For instance, the GEF (Global Environment Facility) and USAID committed $4 million to set up a trust fund for conservation of the Bwindi Impenetrable Forest Gorilla Reserve, a biologically important tropical forest in Uganda, which contains about half (some 300) of the remaining population of mountain gorillas. In addition, Uganda National Parks and a consortium made up of the Africa Wildlife Fund (AWF), WWF, and other international NGOs developed ecologically sound tourism, which, by the mid-1990s, was permitting twelve tourists at a time to visit the two groups of gorillas that have become accustomed to the presence of people.

By the mid-1990s, the World Bank was once again contemplating tourism in a limited way as part of its programs focusing on growth and export development. Although the Bank did not reconstitute a centralized, specialized tourism unit, during the 1990s, it undertook a large number of tourism studies and invested in a variety of multimillion-dollar tourism-linked loans under categories such as infrastructure, environment and biodiversity, rural development, and technical assistance. In Africa, for instance, these included planning for tourism development (Madagascar, Mauritius, Mozambique and Senegal), infrastructure and management reform in national parks and protected areas (Tanzania, Kenya, Zambia) and support for community-based and small enterprise development.

In addition, the IFC's Tourism Unit, which was never closed, began adding more variety to its portfolio beyond large city hotels, although it has funded only a

handful of ecotourism projects.[133] The World Bank's IFC invests in tourism and other private sector projects both as a shareholder and as a lender. From its founding in 1956, through 2005, the IFC has committed more than $49 billion of its own funds and arranged $24 billion in syndications for 3,319 companies in 140 developing countries. With lending totaling $4.8 billion in 2004 and $5.4 billion in 2005, the IFC is the largest source of financing for private sector projects in developing countries. Like the World Bank, the IFC has had its share of socially and environmentally destructive megatourism ventures, in places such as Cancún, Mexico. However, unlike the Bank which closed its Tourism Projects Department in 1979 and only resumed tourism lending in the 1990s under the rubric of sustainable or eco- tourism, the IFC never stopped funding tourism projects. In fact, its portfolio has been growing: until 1987, IFC's Tourism Unit financed one to three new projects per year, while between 1990 and 1994, it averaged thirteen to sixteen new tourism projects annually. As of June 2002, the IFC held $461 million in the tourism sector, with investments in scores of developing countries in Asia, Latin America, and most importantly, Africa.[134] Most IFC tourism loans have been for hotels, often city center hotels. The IFC, together with the World Bank, works closely with the World Bank's Multilateral Investment Guarantee Agency (MIGA), established in 1988, which sells insurance against risks such as war or nationalization to private operators, including those in the tourism business in developing countries. In 1994, MIGA invested in its first ecotourism project, the Rain Forest Aerial Tram in Costa Rica, which quickly became a highly popular attraction.[135]

The IFC has been "greening" its programs and its procedures and now fully recognizes ecotourism on the agency's agenda. However, its overall lending for tourism remains relatively modest. Over the long term, about 3% to 4% of IFC loans have been for tourism projects. Most of the IFC projects listed as involving "ecotourism" focus on infrastructure development, particularly construction of accommodations, in areas that are tied to preserving ecologically sensitive land. Like the World Bank, the IFC conducts environmental impact and safeguard studies for its projects, including those in national parks and other fragile areas. Together with the private sector, nongovernmental organizations, and other bilateral donors, the IFC has created a department for environmentally driven private sector projects and set up, a $25 to $30 million fund to support biodiversity, conservation, and sustainable use "through a convergence of private profit and conservation objectives."[136]

The IFC requires a bankable business plan and often a recognized operator as partner; too often in the past this has resulted in financing only large, well-established, usually foreign-owned, tourism projects. IFC officials indicate that tourism projects are time-consuming to design, implement and coordinate; that finding suitable local investors with an established track record is difficult; and that most ecotourism projects fall below its investment threshold. Typically, the IFC finances projects ranging from $5 million to $150 million, while support for preparing small projects is provided through regional Project Development

Facilities (PDFs).[137] In the case of nature-based tourism projects, IFC's investments have tended to be with well-established eco-friendly operators (Abercrombie and Kent, Conservation Corporation of Africa, etc.) and many small sized projects fall below IFC's radar screen.

In 1996, however, the IFC and the GEF set up a pilot $4.3 million pilot project, the Small and Medium Scale Enterprise (SME) Program to assist "enterprises in preserving biodiversity and reducing greenhouse gases."[138] It has since grown substantially and lists ecolodges as one of its project areas. In recent years, IFC support for smaller businesses (up to U.S. $1 million has been growing rapidly and it has also financed "linkage" projects, that is, loans for outsourcing of services. For instance, the IFC helped the Mandarin Oriental in Peru to develop a relationship with a fish supplier for the hotel. In Tanzania, the World Bank, in partnership with IFC, launched a Private Sector Development project that includes assistance for SMEs (small and medium enterprises) and micro enterprises, including those in tourism. Many of the leading tour operators have formed alliances with Tanzanian firms to represent them for ground services – a trend that is fast developing in many destinations as there is recognition of the gap between the international outbound tour operators and local suppliers.[139] In another initiative, in 2003, the IFC commissioned a study on the environmental, social, and economic sustainability of nature-based lodges and ecolodges, and the key factors leading to their success. This study was the beginnings of an effort to set some standards and develop clearer policies for IFC lending in the field of ecotourism.[140]

- **U.S. Agency for International Development (USAID)**

USAID, the U.S. government's main tool for providing bilateral development assistance to poor countries, has since the 1980s been actively involved in nature tourism and ecotourism activities to help meet a shifting set of policy objectives. Initially ecotourism fit within two of the agency's four broad objectives—promoting national economic growth and conserving biodiversity— and this facilitated the inclusion of ecotourism in many projects. In 1985, USAID began its support for ecotourism activities (loosely defined by the agency as nature-based tourism) by funding some twenty conservation and development projects in developing countries carried out by WWF's two main regional divisions, the World Wide Fund for Nature headquartered in Europe and the World Wildlife Fund in the United States and Canada.[141] In 1989, the agency initiated its Parks in Peril project to improve management as well as recreational and educational use of twenty parks in Latin America and the Caribbean;[142] and in 1992, it began funneling assistance for biodiversity projects in Asia and the Pacific region through a consortium of U.S. conservation NGOs. As a 1992 USAID study summarized, "USAID's central environmental objective is to promote environmentally and socially sound, long-term economic growth. . . . At the same time, AID has placed high priority on stimulating private investment, free markets and free enterprise. Many officials within AID view nature-based

tourism as well-suited for simultaneously meeting both objectives. As a result, there has been an increasing level of activity related to ecotourism within the agency."[143]

By the mid-1990s, USAID had 105 projects with ecotourism components, totaling more than $2 billion in funding. Of these, 52 involved the private sector, 37 involved community participation, 46 involved government capacity building, and 47 involved nongovernmental capacity building.[144] They were in countries such as Belize, Costa Rica, Ecuador, Nepal, Kenya, Zaire, Madagascar, Jamaica, and Thailand. In 1993, USAID and World Wildlife Fund helped newly independent Namibia to enact legislation that allowed communities to register as conservancies and adopt game management practices. This has fostered an increase in previously depleted wildlife numbers, and many communities can now derive income from handicraft sales, trophy hunting contracts, and game meat distributions. More than 80 communal area conservancies are up and running or in various stages of formation, and wildlife tourism has now become Namibia's third highest contributor to GDP.[145]

In the first five years of the new millennium, USAID has implemented 98 projects in 72 countries "that specifically relate to the tourism sector or employ tourism as a component to achieve other, broader objectives" of natural resources management, biodiversity conservation, and economic development.[146] Some USAID projects are being implemented "through a cluster-based competitiveness approach" under which USAID targets several industries within a country, "with tourism increasingly selected as an area of focus."[147] USAID's first large-scale cluster-based competitiveness project began in Lebanon in 1998, focused on agriculture and tourism.

In some areas, USAID has focused on transnational natural resource management, recognizing the importance of ecosystem-wide conservation. For example, USAID is working on a program to promote regional conservation approaches between the Democratic Republic of the Congo, Rwanda and Uganda to protect mountain gorilla populations. USAID funding has contributed to the establishment of the Tayna Gorilla Reserve in eastern Democratic Republic of the Congo, which has become a tourist destination managed by local communities. USAID has also been instrumental in incorporating its goals of gender equity, education, and health in its tourism projects. A USAID project in Tanzania has trained village women to establish their own enterprises and increase handicraft sales to tourists. In Botswana, conservation-based education has been implemented in primary schools, and in Madagascar's Andasibe-Matadia National Park, tourism revenues have enabled schools and health clinics to be constructed on the park's periphery.[148] Many of these USAID-funded tourism projects have emphasized local empowerment, capacity-building, and the integration of tourism development into broader development objectives. Through its integrated destination management projects, USAID aims to incorporate natural resource considerations, community involvement, land-use

planning, and product diversification to improve the competitiveness of local tourism initiatives, maximize community benefit, and minimize environmental degradation.[149]

In 2006, the Bush administration merged USAID within the State Department, a move widely viewed as diminishing the Agency's independence and importance. A 2005 While Paper described the Agency's main goals as supporting geo-strategic interests, strengthening fragile states, and providing humanitarian relief, with almost no focus on environmental issues except for water. In 2006, a new Sustainable Tourism Global Development Alliance strategy was launched which set out a new model that is less dependant on USAID funding and leadership and looks instead for partnering with key tourism agencies and organizations and the private sector.[150]

- **Inter-American Development Bank (IDB) and Multilateral Investment Fund (MIF)**

The Inter-American Development Bank (IDB), established in 1959, is the main source of multilateral financing and technical cooperation for economic, social and institutional development in Latin America and the Caribbean. In 1971, the IDB began providing financing for infrastructure, hotels, and cultural attractions, including for mega-developments such as Cancun and the Bay of Huatulco in Mexico, and the Cuzco area in Peru. In 1977, the IDB adopted its first tourism policies, and also began financing national credit institutions in Latin America, thereby permitting local banks to finance smaller tourism infrastructure development. However at the end of the decade, *the IDB, like the World Bank, halted funding for tourism because of growing concerns that mass tourism projects were not a good development tool.*[151]

In the 1990s, the IDB resumed funding for tourism, typically under the umbrella of sustainable tourism or ecotourism. In 1994, it revamped its tourism lending policies, prioritizing investments, according to an internal analysis, that "equally favor the local population and tourist population, value the natural and cultural patrimony, improve the institutional capacity for the planning of tourism development, support small and medium size enterprises to increase their competitiveness, and enable the local population to participate in the process of tourism development."[152] This 2006 internal document states that the IDB's lending policies in the field of tourism emphasize privatization, environmental protection, and social impacts. Since the 1970s, the IDB has approved 29 tourism loans totaling over $1.5 billion in total aid, with 43% of all money going to Brazil, and 30% to Mexico. In 2005, IDB's loans for tourism totaled $284 million, of which $251 million was going to Brazil. A range of smaller tourism-related grants have been awarded to other countries for technical assistance and regional studies. [153]

Like the World Bank, the IDB does not have a tourism unit. Instead tourism projects are handled by various regions and departments, and coordinated informally through a sporadically functioning tourism working group.[154] In recent years, the IDB's private sector wing, the Multilateral Investment Fund (MIF), has moved most aggressively and innovatively into tourism projects. The MIF has undertaken a 'cluster strategy', which a MIF report describes as "pertinent because it allows projects to share the same goal and similar technical approaches making it possible to manage and supervise them as a group."[155] The document states that its cluster entitled "Sustainable Tourism as a Development Strategy" focuses "on those destinations where there is already a critical mass of tourism businesses that require external assistance to organize themselves and carry out joint action with the goal of increasing income, employment and economic development in the region." It adds, "The purpose of this cluster is to finance projects supporting the sustainable development of tourism by improving marketing functioning and the capacities and competitiveness of the SMEs [small and medium-size enterprises]".[156] By 2006, the MIF was funding 14 different projects, including a four country, multi-year certification project spearheaded by the Rainforest Alliance; the development of a national "green" certification program in Brazil; rural tourism in Colombia and Costa Rica; and improving small tourism business competitiveness in Belize.

- **United Nations Agencies**

In addition to these major lending institutions, a range of UN agencies have been involved in tourism. These include the United Nation Development Program (UNDP) whose Small Grants Program has actively supported community-based and indigenous ecotourism projects in a number of countries and UNESCO which, together with the UN Foundation, has promoted tourism as a tool for conservation of World Heritage Sites. The two most active UN agencies are the UNEP and the UNWTO, both of which have sustainable tourism department.

- **UNEP**

The United Nations Environment Programme (UNEP), headquartered in Nairobi, has a Sustainable Tourism Department which is based in Paris. Over the past two decades, the UNEP developed a sustainable tourism strategy aimed at safeguarding the environment, benefiting host communities, and protecting cultures. In 1983, when the destructive effects of conventional tourism were becoming apparent but before ecotourism had become a global force, UNEP and the UNWTO signed a joint declaration on tourism and the environment. It stated, in part, "The protection, enhancement, and improvement of the various components of man's environment are among the fundamental conditions for the harmonious development of tourism. Similarly, rational management of tourism may contribute to a large extent to protecting and developing the physical

environment and the cultural heritage, as well as to improving the quality of man's life."[157] The 1992 Earth Summit's "action plan" for the environment, Agenda 21, further reinforced UNEP's mission of collaborating with industry. By the mid-1990s, UNEP's Tourism Sector declared that its mandate was working directly with the big players in the tourism industry as well as governments, with the aim of implementing voluntary "green" reforms.[158]

The primary objectives of UNEP's current tourism strategy are to integrate sustainability in tourism development policies, to promote sustainable production and consumption patterns in the tourism industry, and to create and encourage demand for sustainable tourism services. UNEP's main tools and activities include providing advisory services to assist national tourism and environmental agencies, capacity building, field projects, management tools for protected and fragile areas, communication and information, technical and scientific support, and partnerships with other international organizations, development agencies and NGOs. UNEP officials work with the major tourism industry associations, regularly attend international ecotourism conferences, and sit on committees that give ecotourism awards to "green" projects and corporations.[159]

- **UNWTO**

The UN's World Tourism Organization (UNWTO), based in Madrid, has a Sustainable Development of Tourism Department which is active in publications, conferences, and various projects around the world. UNWTO, whose members include government tourism ministries, private enterprises, academic institutions, and NGOs,[160] acts as a center for compiling industry statistics and market trends and studying and monitoring the industry. The United States, Australia, and several other countries with large tourism industries do not belong the UNWTO. The U.S. resigned as a member of the UNWTO in the mid-1990s when it drastically cut its tourism agency within the Department of Commerce as part of a Republican-led congressional campaign to downsize government. Together with the UNEP[161], the UNWTO sponsored the UN's 2002 International Year of Ecotourism.

7.2 The Conservation NGOs

Today, almost all of the major international conservation organizations, including the World Wildlife Fund (WWF), IUCN, National Geographic, World Resources Institute (WRI), The Nature Conservancy (TNC), Conservation International (CI), African Wildlife Foundation (AWF), Environmental Defense, RARE Center for Tropical Conservation, Audubon Society, and Rainforest Alliance, among others, are involved in sustainable tourism and ecotourism at some level, from issuing sets of principles and policy statements to establishing departments, providing technical assistance and public education, to incorporating tourism into their projects in developing countries, to creating and running ecolodges, and

conducting travel programs. They have received hundreds of millions of dollars in funding from the USAID, IDB, World Bank, and UN agencies[162], among others, as well as from Ford, Packard, Moore, Rockefeller and other philanthropic foundations to implement scores of programs, projects, and studies in Africa, Latin America, the Caribbean, and Asia aimed at protecting threatened ecosystems and conserving biodiversity. Ecotourism is being hailed as a means of "giving nature value" and achieving sustainable development.[163] Many in these NGOs view ecotourism as a one of a variety of "enterprise-based approaches to conservation"[164] that champions the marketplace and the private sector and reorients the role of government to providing infrastructure, investment, and a regulatory framework. A recent trend is to develop programs to strengthen and support financially strapped national park systems in Mozambique, Zambia, Gabon, and other developing countries.[165]

Some of these organizations have carved out particular niches. Rainforest Alliance specializes in voluntary, 'green' certification and its Sustainable Tourism Program, based in Costa Rica, has taken the lead in helping to prepare small businesses for certification, to development new certification programs, and to promote creation of a Sustainable Tourism Stewardship Council (STSC), which will be a global accreditation body. National Geographic has coined the term "geotourism" (very similar in meaning to ecotourism, but with the National Geo 'brand) and has a small but active department connected with *National Geographic Traveler* magazine that conducts surveys, creates maps, and works to get governments to sign on as geotourism destinations. The International Ecotourism Society (TIES), founded in 1990, is a sort of industry trade association with members in some 100 countries, and it specializes in publications, courses, conferences, and some projects on ecotourism.

- **WWF**

As early as 1985, USAID began providing assistance to WWF's Wildlife and Human Needs Program, which included some twenty pilot projects in developing countries aimed at combining conservation and development.[166] One of the initial successes was the Annapurna Conservation Area Project in Nepal, which began to curb the adverse environmental effects of trekkers and to increase local income from ecotourism. By the mid-1990s, the Annapurna project trained 700 local people to work in lodges used by ecotourists, built a visitors' education center, and instituted a conservation fee of $12 per person, which was generating more than one million dollars annually for local conservation and development activities, including tree planting and trail maintenance.[167]

Although WWF does not have a separate ecotourism department, the organization undertook the first comprehensive analysis of ecotourism in a two-volume study of five Latin American and Caribbean countries,[168] and many WWF projects around the world include ecotourism components. WWF has, for

instance, a variety of ecotourism-linked projects in the tiny Central American country of Belize (population 200,000), an important ecotourism destination that has 36% of its land under some form of protection and the second largest barrier reef in the world. WWF helped institute a $3.75 conservation fee, which is added to the airport departure tax charged to all foreign tourists and placed in a fund that can be used for activities related to biodiversity, cultural heritage preservation, and community-based ecotourism ventures. Viewed as a model for other developing countries, the fund is administered by the Protected Area Conservation Trust (PACT), made up of government officials and representatives from the tourism industry, village councils, and Belize NGOs.

In 2002, WWF and seven other international and local NGOs helped to establish eleven new Marine Protected Areas along the Belizean coast, and in 2003, WWF began working with the Central American Organization of the Fisheries and Aquaculture Sector, in an effort to improve the management of the marine protected areas. Together with the Coral Reef Alliance,[169] WWF has worked to establish marine recreation standards and improve tourism planning in the coral zones of Belize, and work with the government, local communities and the industry, including hotel owners, cruise ship lines, and tour operators.[170] WWF has been involved in ecotourism projects in Africa and Asia as well. In Europe, WWF has partnered with a Dutch leisure company, Molecaten, to found PAN (Protected Area Network) Parks. PAN Parks is a certification program designed to promote conservation management and sustainable development of Europe's protected areas and their neighboring communities through ecotourism and other sustainable economic activities.[171]

- **The Nature Conservancy (TNC)**

The Nature Conservancy (TNC) is involved in a number of ecotourism projects, mainly in South America. Its small Ecotourism Program works with governments, protected areas, and local conservation organizations to promote tourism as a tool for conservation. TNC supports efforts at the national policy level to generate tourism income and investment for conservation and local communities, and to reduce threats posed to natural areas by visitation. For example, TNC worked with the Bolivian park system to establish for the first time park entrance fees at the Eduardo Avaroa Reserve, the country's most visited park. By 2006, park entrance fees were bringing in about U.S. $200,000 per year "to an extremely hard-pressed protected area system," explained Andy Drumm, Director of the Ecotourism Program. He added that this successful entrance fee system is being extended to all Bolivian parks and "we anticipate it will generate U.S. $1.5 million per year." TNC has also conducted studies in Ecuador and Peru to measure the value of protected area tourism and proposed policies to increase the flow of tourist spending into conservation efforts and local communities. It has also created training manuals and other publications in various languages designed to

help park staff and conservation managers to improve tourism management in national parks.[172]

- **Conservation International (CI)**

Conservation International (CI), the newest of the major U.S. organizations (founded in 1987), has created a relatively large Ecotourism Program at its Washington, DC headquarters and with its regional offices and partners in the field. CI has been involved in dozens of ecotourism projects in biodiversity "hotspots" – areas of high biodiversity but under great threat – in Latin America, Africa and Asia. "CI is addressing the difficult challenge of effectively linking local ecotourism projects in developing countries with the international ecotourism market. The program helps to develop and market local ecotourism facilities—lodges, trail systems, and concessions—as part of a larger effort to provide sustainable livelihoods and support biodiversity conservation efforts. Its Chalalan Ecolodge project in Bolivia, for example, is in the 1.8-million-hectare (4.5-million-acre) Madidi National Park, the country's premier Amazon reserve containing more than 50% of the world's Neotropical bird species and 44% of the Neotropical mammals. Opened in 1999, the ecolodge, overlooking Lake Chalalan, accommodates twenty-four visitors in rustic, thatch-roof cabins built from local materials by traditional artisans. Funded by the Inter-American Development Bank, and established with the help of CI, Chalalan ecolodge is owned by local Quechua-Tacana people of the San Jose de Uchupiamonas community located inside the park's boundaries. Profits are divided among villagers, and community members rotate in and out of management and staff jobs at the lodge.[173]

"CI has gradually moved away from a concentration on product development such as specific ecotourism lodges and towards developing policy criteria, which strengthens the capacity of local partners to engage in ecotourism development and partner with the private sector."[174] As part of its efforts to promote ecotourism, CI has created an ecotourism website with profiles of CI-affiliated destinations, tour operators, and lodges.[175]

CI also has a Travel and Leisure Program in its Center for Environmental Leadership in Business which focuses on reducing the environmental footprint of major players in tourism[176] in partnership with and through funding from the industry. This program's cruise ship initiative is "engaging cruise companies to integrate biodiversity conservation practices into their management systems and become a positive force for biodiversity conservation in the destinations that they visit"[177] It has drawn considerable criticism from other NGOs. In 2004, a coalition of 30 environmental groups charged that a joint initiative between CI and the International Council of Cruise Lines (ICCL), to address the problem of cruise ship pollution, "lacks substance and specific commitments." [178] But the initiative

has been successful in several areas, including the creation no-discharge zones for cruise ships.

- **IUCN and World Congress of National Parks**

In 1980, the IUCN issued the World Conservation Strategy, which reflected the views of a growing number of organizations in stressing that protected area management must be linked with the economic activities of local communities. In 1982, conservationists at the IUCN's World Congress on National Parks in Bali endorsed this concept, arguing that conservation programs need to be community-friendly and promote economic development.[179] A decade later, at its IV World Congress on National Parks and Protected Areas in Caracas, Venezuela, the IUCN expanded on these concepts, making a policy recommendation that "in developing greater cooperation between the tourism industry and protected areas the primary consideration must be the conservation of the natural environment and the quality of life of local communities."[180]

At this 1992 World Congress, the IUCN set up a small Ecotourism Consultancy Program, headed by Ceballos-Lascuráin, to offer IUCN members "technical consultation support service and a range of advice" for planning ecotourism developments.[181] (The IUCN brings together some 5,000 experts in governments, government agencies, and NGOs from more than 130 countries, with a central secretariat in Geneva.) In 1996, the Ecotourism Consultancy Program was expanded into the Task Force on Tourism and Protected Areas, with a broader mandate to collect data on protected area tourism, develop case studies and tourism management guidelines for protected areas, and provide advice to the World Commission on Protected Areas (WCPA), a global network of more than 1,000 protected area managers and specialists that is supported by the IUCN. It does not, however, have the resources to serve other tourism-related institutions or to function as the tourism focus for the entire IUCN organization.[182] At the 2003 World Parks Congress, held in 2003 in Durban, South Africa, tourism was not an official "stream" or theme, but an impressive number of sessions, side events, and speakers, beginning with former South Africa President's Nelson Mandela opening speech, described ecotourism as part of the solution for both sustainable management of protected areas and poverty reduction for surrounding rural communities.[183] At the same time, a small group of mainly indigenous representatives protested that they had not been consulted by the Task Force on Tourism and, more broadly, expressed strong concerns that industry and major NGOs were using ecotourism to exploit their lands and cultures.[184]

8.0 Trends in Coastal and Marine Tourism, 2000-2020

8.1 History and Trends

Coastal and marine tourism are both among the oldest and largest segments of the tourism industry. In the eighteenth and nineteenth centuries, European aristocrats, British gentry, and, gradually, wealthy Americans took leisurely "grand tours" of the Continent's natural and cultural features, including the Swiss Alps and the coasts of Italy, France and Spain.[185] In 1841, Thomas Cook organized the first tourist excursion, a train ride through the English Midlands taking groups to temperance rallies, and by the mid-1850s, he was offering railway tours of the Continent. About the same time, in the United States, the American Express Company introduced traveler's checks and money orders. With the industrial revolution, the first paid holidays and cheaper travel by railroad combined to create an annual mass exodus to seaside resorts in Europe.

Beginning in the late 19th century, wealthy Americans began visiting coastal areas, particularly Florida, in the winter and gradually along the California coast. Many of these historic coastal resorts in the East were family owned and it was common for owners to have one in Florida for the winter season and a sister one up in New England, along the coast or in the Adriondacks or Catskills for the summer months. Each were opened for only a short three month season, and the staff and owners moved back and forth from one to the other.[186] The Fontainebleu Hotel, which opened in Miami Beach in 1954, "changed the world of tourism," according to developer David Butterfield. "It provided everything at one location, the first all inclusive. This proved very profitable, and this became how resort development was done."

In addition, beginning in the late 19th century and expanding in the early 20th century, ocean liners began taking wealthy tourists between North America and Europe as well as on ocean cruises in the Mediterranean and the Caribbean. By 1901, the number of people crossing the English Channel from Britain to France or Belgium had passed 0.5 million per year. Shipping companies were anxious to fill cabin space that was under utilized. Nothing, however, has altered tourism as profoundly as the airplane. Air travel for pleasure dates from 1948, when Pan American World Airways introduced tourist class. Mass international tourism really took off with the opening of commercial airplane routes between the United States and Europe, and in 1957, jet engines made air travel more accessible to the public. Not until the 1970s, with the advent of wide-bodied, high-speed airplanes, did Third World destinations come within reach of many people and Europeans and North Americans began traveling further for vacations.

In the mid-1970s, 8% of all vacationers traveled from developed to developing countries; by the mid-1980s, the number had jumped to 17%, by the mid-1990s it had climbed to 20%, and after 2000, Asia, Africa and the Americas

continued to grow more rapidly than mature markets in Europe. Between 1992 and 2004, the number of international tourists worldwide grew from 463 million to 763 million[187], and according to the UNWTO, by 2020, will reach 1.56 billion.[188] In addition, four to five times as many people travel domestically, within their own countries.

Changing work patterns, like improved modes of transportation, have also altered how and where people spend their leisure time. Leisure time and paid vacations have been increasingly recognized by the International Labor Organization (ILO) and other bodies as a fundamental human right. The ILO's first convention on holidays with pay, passed in 1936, provided for merely one week's leave per year; a 1970 convention expanded holidays to a minimum of three weeks with pay for all workers.[189] With paid vacation time, shorter hours of work, less physically taxing jobs, and better education, vacationers began to demand personal development as well as relaxation and entertainment. By 2005, the length of paid vacations ranged from an average of 12 paid vacation days in the U.S., to a minimum of four weeks for European Union countries. Finland and Italy topped the list with 37.5 and 37 days, respectively.[190]

Beginning in the 1950s, all-inclusive resort model developed in Florida began expanding around the world, facilitated by the World Bank and other international lending and development agencies that promoted tourism as a development tool in newly independent ex-colonies and other countries in the global South. Hilton, Inter-Continental, and Holiday Inn were among the first specialized hotel chains to invest abroad. As the owner of Hilton Hotels Corporation quipped in the 1950s, "No new nation has got it going until it has a seat in the United Nations, a national airline, and a Hilton Hotel."[191] During the latter half of the 20th century, more international chains expanded into developing countries, attracted by new investment opportunities for their excess capital, by low wages, and, increasingly, by the potential offered through integration with other sectors of the tourism industry. By 1995, nineteen of the twenty largest hotel conglomerates were based in developed countries (the other was based in Hong Kong) and twelve of the top twenty operators were American multinational corporations.[192] These large hotel conglomerates had operations around the globe: 90 countries (Accor and InterContinental); 83 countries (Best Western); 81 countries (Starwood); 73 countries (Hilton) and 67 countries (Marriott). By 2002, the Cendant Corporation, a U.S.-based hotel franchiser, was the largest hotel group in the world, with 6,513 hotels and approximately 536,000 hotel rooms. The other largest chains included InterContinental (515,000 hotel rooms); Marriott (463,000); Accor (440,000); Choice Hotels International (373,000), and Hilton Hotels (337,000).[193]

These chain hotels typically included coastal or island resorts. Over the past four decades, mass tourism has become synonymous with the "four S's," sun, sea, sand, and sex, and has given rise to derogatory—and often accurate—stereotypes of the typical tourist.[194] Host countries, as well as tourists, began

growing disappointed with this type of tourism. Although mass tourism was originally embraced by many countries as a "smokeless" (nonpolluting) industry that could increase employment and gross national product, evidence quickly grew that its economic benefits were marginal and its social and environmental costs high. Much of the money did not stay in the host country, and often the only benefit to the local community was found in low-paying service-level employment as maids, waiters, and drivers. Mass tourism often brought overdevelopment and uneven development, environmental pollution, and invasion by culturally insensitive and economically disruptive foreigners. In 1980, popular opposition within developing countries crystallized into a strongly worded statement drawn up at a conference in Manila convened by religious leaders. The Manila Declaration on World Tourism stated unequivocally that "tourism does more harm than good to people and to societies in the Third World." The Ecumenical Coalition on Third World Tourism, founded at this meeting,[195] became a leader in the fight against sex tourism and other forms of exploitation and in calls for a new type of tourism. The growing disenchantment with traditional or mass tourism development led the World Bank and Inter-American Development Bank to in the late 1970s close down their tourism offices and halted for a period lending for tourism projects. As discussed in more detail below, it wasn't until the 1990s, that the World Bank and IDB again began funding tourism projects.

Today, coastal and marine tourism is the largest segment of the travel industry. For economy and convenience, and, particularly after the 9/11 terrorist attacks, for security, many vacationers opt for prepaid packages on cruise ships and at beach resorts. The California beaches, for instance, get 567 million visitors annually, more than total number of visitors to all U.S. national park service properties combined, while Miami Beach gets 21 million visitors/year, more than Yosemite, Yellowstone, and the Grand Canyon – the three most popular national parks – combined.[196] These trends are expected to continue, as increasingly urbanized populations in the U.S., Europe, and Asia (especially China, Indonesia, and Korea) seek nature, particularly coastal sun, sand, and sea. As Dr. Larry Yu, tourism professor at The George Washington University explains, "More and more people are spending increasing amounts of time in offices, traffic, and densely-populated urban areas. As their income and the middle class grows, they want to go to beautiful places."

8.2 Regional Trends

- **Coral Triangle**

The Coral Triangle is a loosely defined area where the seas contain 500 of more coral species. It is generally agreed to encompass the countries of Malaysia, Indonesia, the Philippines, Papua New Guinea and the Solomon Islands – but has close connections with Fiji islands and northern Australia. Tourism is a significant component (or in the case of Fiji, the major component) of national

and local economies and is particularly important as a source of foreign exchange and form of economic diversification. Coral triangle countries all have growing tourism markets (with the current exception of Fiji that is exhibiting negative growth because of political turmoil) although the original base numbers are small in both PNG and the Solomons. Growth of tourism in the Asian countries -- Philippines, Malaysia and Indonesia – is greater and from a far larger base and is thus likely to have more impact. All the countries depend to a considerably extent on tourism revenues, even though natural resources such as minerals, timber and fish are still important.

Figure 10: Map of Coral Triangle Countries

Source: www.worldwildlife.org/wildplaces/ss/images/ppmap.jpg

A dominant feature of the region is the numerous islands and thousands of kilometers of beautiful coastal shores that predispose to marine tourism and classic 3S (sand, sea and sun – although sometimes supplemented with a rather unsavory 4th S in the form of "sex" in the Asian countries, particularly the Philippines) resort tourism. This trend continues with new entries to the market in terms of newly wealthy Chinese and other Asian tourists demanding "luxury" or hedonistic traditional resort experiences, although the majority of the western market (with the exception of the Russian and former Eastern Block countries)

has moved to increasingly demand nature, adventure and cultural tourism experiences. The region offers exotic locales with a great diversity of unique and colorful cultures, and the marine (and coastal) environment provides wildlife viewing delights in terms of whale watching, turtle nesting, and bird and fish spotting. Not surprisingly the coral region is a haven for SCUBA divers and snorkelers, and an increasing number of specialist groups are catered for with charter vessels and dive packages.

In **PNG and the Solomons** there is no mass tourism – there simply aren't enough tourists for cheap airfares, hotels or tours (There are less than 20,000 tourists per year to PNG). The hotels survive mainly on the business and government travel market and airlines' main customers in and out of PNG are also businesses (63% of arrivals in 2004 on business), government and VFR market (visiting friends and relatives). The major arrivals are Australians (54%), U.S. (8%), Japanese (7%), Philippines (5%) and Europeans (mainly UK and Germany) at 7.5%. Domestic tourism is not considered an important factor with 80-85% of the population is rural, subsistence based and 50% are functionally illiterate. Travel for pleasure is consequently rare!

PNG is acclaimed as the ultimate adventure-cum-ecotourism experience. There has been a move to promote the area (and this is the strongest sector) as a major dive destination, with resorts and live-aboards very popular. Coastal tourism tends to be small resorts hotels and guesthouses in or near towns.

There are two major operators: Melanesian Tourist Services and the Australian owned Trans New Guinea Tours that dominate the market and appear to limit indigenous tourism growth. There is presently limited growth in trekking, jungle tours, wildlife watching and WW II (i.e. Komodo track) – mainly because of high airfares, difficulties of access and much emphasis on the poor law and order in the country.

The Government has targeted tourism as a priority area for development – for despite being a small market it raises USD 870 million. There is a well resourced PNG Promotions Authority that is strongly encouraging development of community-based and ecotourism products. PNG has a liberal investment policy that encourages direct investment – with a one-stop-shop in terms of a special Investment Promotions Agency. Acquiring land for tourism development is through leases of up to 99 years, as 97% of land in PNG is held collectively and cannot be sold for individual gain. The major (largest) Hotels are the Intercontinental group with a Crowne Plaza and Holiday Inn in Port Moresby. The Coral Sea Hotel Group (also foreign-owned) has 8 properties. A weak road network means that most travel is by air or boat (hence popularity of live-aboards).

Of all the countries in the region **Fiji** is incredibly dependant on tourism – even in 2006 (with tourism decline as a result of coup) it accounted for a massive

26.4% of the GDP (USD 978 million), and 66% of total export earnings – paralleled with 24.5% of the population being employed in this sector. Unfortunately, Fiji has suffered a spate of coups that have repeatedly stifled or dampened tourism growth and led to widespread hardship in the industry. The main source markets for Fiji are Australia (33% of all arrivals), New Zealand, US, UK and Japan – with a recent growing number of Koreans (with direct flights now available) and the beginnings of interest from Chinese tourist (Approved Destination Status given in 2005).

Fiji had been working on a comprehensive Fiji Tourism Development Plan (2007-2014) that highlighted the need to brand Fiji and work on community benefits and sustainable development – but the latest coup appears to have severely restricted putting in place appropriate plans and policies. A major constraint to tourism growth appears to be regular or reliable (or any) air links between islands as well as the continued fall out from political unrest.

The Philippines is renowned for having a large market of ethnic Filipinos or "Balibakans" (on international passports) returning (VFR) and traveling round the country, but the greatest proportion of other international visitors are Asian and predominantly male (3G market – Golf, Girls and Gambling) despite the countries strong Catholic influences. The domestic market tends to be relatively unadventurous- simply returning to hometowns for religious festivals/ saint days – although there is some evidence of a growing 'adventure' or 'activity' market amongst the younger generation.

WTTC satellite accounting[197] reveals that tourism accounts for 9.1% of GDP in the Philippines, and like the other Asian CTC's tourism is one of the fastest growing sectors of the economy, already worth $16.3 billion. The primary mandate for coastal management has been largely devolved to local Government under the Local Government Code of 1991.

In **Malaysia**, according to WTTC satellite accounting,[198] tourism accounts for 13.3% of the GDP, and accounts for USD 33.6 billion in Malaysia. The service industries (including tourism) are now the major revenue earners and largest contributors to Malaysia's GDP (46%) compared with manufacturing (30%), agriculture (9.3%0 and mining (7.3%). Malaysia ranks 11th in the world in growth, 35th in absolute size, and presently 63rd in relative contribution to national economy. Malaysia Tourism employment is estimated at 1,217,000 jobs or 11.8% of total employment – and this figure is expected to rise. Tourism is a growing sector and is gaining importance, and appears to be well recognized and supported sector by the government (identified in the various Malaysian Development Plans)- no doubt because of the appreciation of tourism's ability to generate significant foreign income. The multi-racial nature of Malaysia with Malays, Chinese, Indians and various (and numerous) indigenous peoples of Sabah and Sarawak is heavily used to promote tourism in the country (Malaysia,

Truly Asia campaign), and Malaysia has always promoted "ecotourism" relatively heavily (especially with regard to Sabah and Sarawak).

The top ten markets for Malaysia are Singapore, Indonesia, Thailand, Brunei, West Asia, China, Japan, the Philippines, India and Australia – with China exhibiting the most rapid growth.   Tourism promotion takes place through a number of institutions – but primarily through MOCAT (Ministry of Culture, Arts and Tourism) and Tourism Malaysia.   A Malaysian Tourism policy was formulated in 1992, which identified ecotourism as an industry to be targeted because of its recognition as a high growth niche market – with an ecotourism plan released in 1996. Although development of tourism is mainly private-sector led, the Malaysian Government supports development through funds to develop infrastructure and funds "pioneers[199]."   The Malaysian government has also strongly supported and encouraged "long-term" tourists with an established "Malaysia My Second Home" (MM2H) campaign launched in 2002 (replacing the Silver Hair program set up in 1996) that gives extended Visa passes (social visit pass with multiple entry to Malaysia for 10 years). The MM2H attracted 8,723 participants between 2002 and 2006 – with 1,974 from China; !,429 from Bangladesh; 885 from the UK; 522 from Taiwan; 448 from Singapore; 434 from Japan; 427 from Indonesia, 417 from India and less than 300 from Pakistan, Hong Kong and Korea.   The focus is very much on retirement with associated medical or wellness tourism – with Malaysia promoted as a healthcare hub (with current specials on a normal cardiac by-pass surgery of US$6,000 to 7,000 at the National Heart Institute[200]

For **Indonesia**, WTTC satellite accounting[201] reveals that tourism accounts for 7.5% of the GDP in Indonesia and is growing fast – it currently ranks 13th fastest growing (long term growth) in the world.   The amount of income generated is impressive at USD 43.5 billion, and tourism accounts for 6.5% of the countries employment.

The main markets for Indonesia (in order of importance) are Singapore, Malaysia, Japan, Korea, Taiwan, Australia and the United States - although the combined numbers from Europe (particularly UK, France, Germany and the Netherlands) almost equals the number of Malaysian visitor numbers. China is becoming an increasingly important force – numbers growing from 36,000 in 2002 to 147,000 in 2006.

There is an established (and growing) mass tourism market in Indonesia – particularly to Bali, Java and Sumatra – but the vast number of islands, isolation and difficulty in transport mean that many parts of Indonesia are rarely visited. Coastal tourism definitely has a significant place (again the mass beach culture in Kuta (Bali) and Lombok) and for divers/snorkellers Sulawesi, Maluku and Irian Jaya (WWII wrecks) hold sway. However, like Papua New Guinea, tourism here tends to have a strong overlay of   cultural/heritage focus (e.g. Ubud in Bali, the

temples of Borobudur in Java, Tana Toraja's communal funerals in Sulawesi) and the hinterlands often offer spectacular volcanic scenery and trekking.

- **East Africa**

Coastal areas in East Africa (Kenya, Tanzania, and Mozambique) include both relatively 'mature' tourism destinations and relatively undeveloped areas which are likely to become more developed and utilized by the tourism industry in the near to medium-term future. Much of the Kenyan coast is relatively developed for tourism, and beach areas around Mombasa are the most heavily developed coastal areas north of South Africa. In Tanzania, the main coastal tourism destination is the island of Unguja ('Zanzibar'), whereas the mainland coast, except for the beach resorts north and south of Dar-es-Salaam, is mostly undeveloped. The islands of Pemba and Mafia, and a few coastal locales such as Pangani and Bagamoyo, have intermediate levels of development with much potential to expand. Tanzania's southern coast is mostly undeveloped but areas such as Kilwa and Mnazi Bay are likely to grow substantially during the next 5-10 years. Most of Mozambique is relatively undeveloped with the exception of a few areas such as Vilanculos (Bazaruto Archipelago).

Macroeconomic growth in eastern Africa in recent years has been high, with Kenya, Tanzania, and Mozambique all registering estimated GDP growth rates in excess of 6% for 2007.[202] In Tanzania and Mozambique, GDP growth of 5-7% annually has been sustained since around 2000, but in Kenya the economy was in recession from the late 1990's until 2003, but has recovered strongly since 2003.

The tourism industry in the region reflects these patterns of increased growth and investment, and tourism is a significant driver of macroeconomic growth in all three countries and thus of major strategic national importance in terms of generating foreign exchange and attracting capital flows. Overall, Africa's share of global tourism is growing, increasing from 1.5% of total international arrivals in 1970 to 4.5% in 2003, and it is projected to continue to increase.

Tourism represents about 17% of GDP in Tanzania and around 10% in Kenya; growth has been more sustained in Tanzania since the 1990's while Kenya's industry, again reflecting the broader economic and political climate, declined from 1997-2003 but is now recovering rapidly, with annual surges in growth of 20-30% in 2004-2006. Tanzania earned an estimated $850 million in 2006, while Kenya is forecast to exceed $1 billion in total tourism revenues for the first time in 2007, based on earnings the first half of the year. In Mozambique, the tourism industry is much smaller at about 2.5% of GDP and 12% of exports, although it is has grown rapidly in recent years as well (13% per annum from 1999 to 2003).[203]

Coastal tourism development throughout the region is developing rapidly at present. Kenya's coastal tourism industry, which was hit hardest during the downturn of the late 1990's,[204] has also recovered and once again comprises over 50% of total bed-nights in the country. In Mozambique, tourism's growth is highly concentrated in the coast as, unlike Kenya and Tanzania, a significant wildlife-based safari component is not established. In contrast, both Kenya and Tanzania have successfully developed well-known 'sun-and-safari' tourism products integrating their famous wildlife parks and coastal destinations into ten-day or two-week itineraries. In Tanzania, many lodge owners from the traditional wildlife circuit in the northern part of the country increasingly horizontally integrate by obtaining properties on the coast (mostly Zanzibar) so that they can offer this entire package themselves. This may be helping to spread the more high-priced, low volume ecotourism models to coastal destinations in Tanzania.

More developed destinations in coastal areas are typically mass tourism destinations. On the Kenyan coast, large package tours catering to mostly European (British, Italian, German) tourists predominate and an emerging market in time-share villas is growing. For example, tourism in Malindi is dominated by the Italian market -- Italian is more widely spoken locally than English -- which is oriented mainly towards resort-style beach products as well as the area's noted informal sex industry.[205] The coastal beach resort tourism model has also spread to much of the Zanzibar coast, although Zanzibar's total tourism volumes remain well below the coast of Kenya. Cruise tourism is a component of coastal tourism industries in Kenya and Tanzania (particularly Zanzibar), with the lead destination being Mombasa, which receives comparable numbers of visitors to other leading western Indian Ocean ports (e.g. Durban, Reunion). A Cruise Indian Ocean Association has been formed to promote cruise tourism throughout the broader region.

Although tourism is booming in coastal eastern Africa in terms of growth and investment, ecotourism product development along the coast remains far behind the inland tourism market. For example, of 32 eco-rated properties certified under the Ecotourism Kenya rating scheme, only three of these are coastal facilities.[206] There are no stand-out examples on the coast of community joint ownership or high levels of socio-economic benefits for locals.

Figure 11: Maps of Main East African Coastal Tourism Development

Kenya

Mozambique
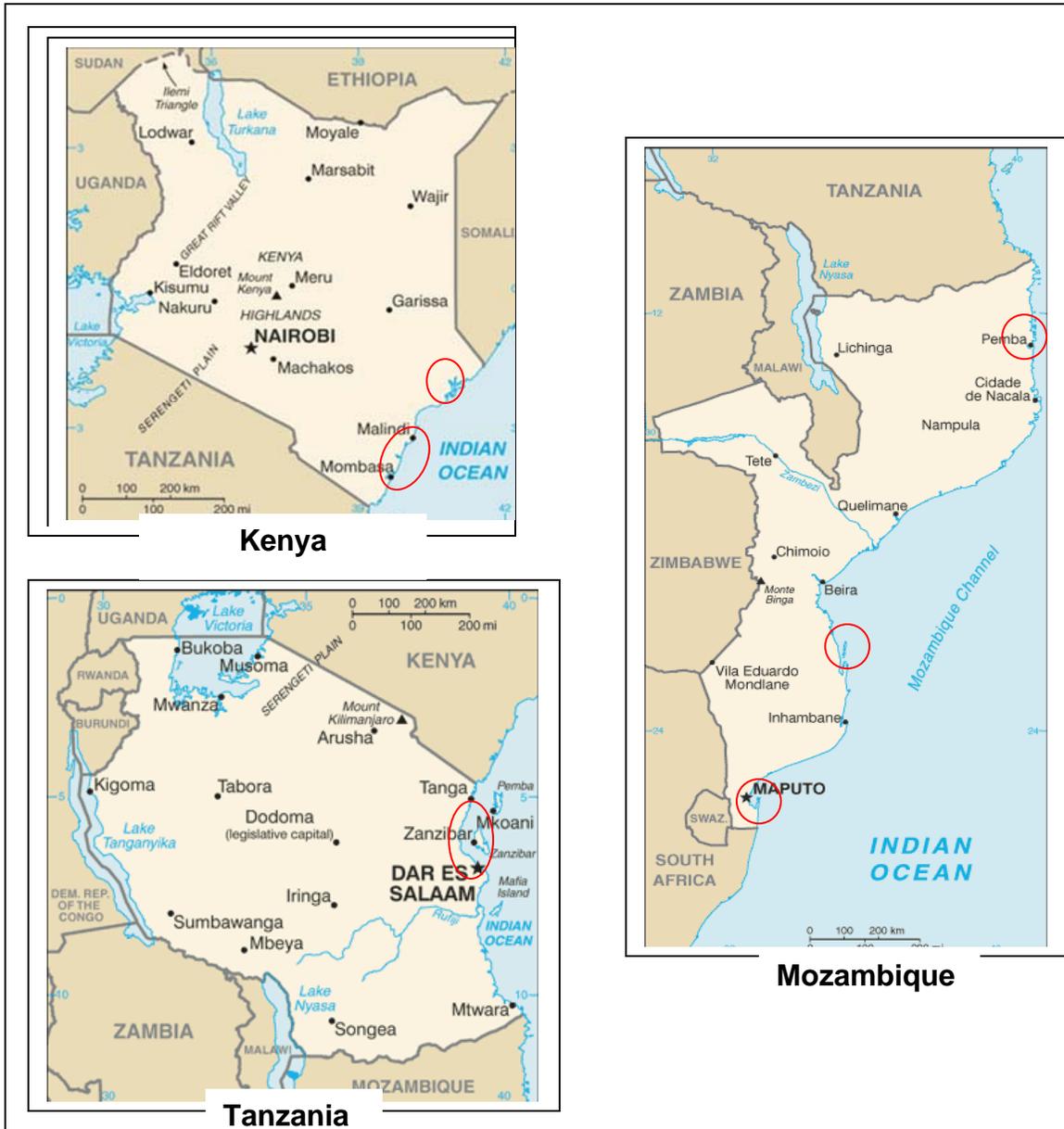
Tanzania

The strongest examples of ecotourism in coastal Tanzania, in terms of supporting biodiversity conservation, are areas such as Chumbe Island Lodge and Mnemba Island Lodge which function as privately owned and managed marine parks. These areas have, however, involved some conflict with local communities as a result of excluding local fishermen from the designated areas.[207] A similar impression of community involvement in coastal tourism development in Mozambique, whereby private investments basically replace

local resource utilization practices, is documented in a number of recent studies and reports.[208]

Several reasons appear to explain the relative lack of community-based tourism ventures in the region's coastal areas. First, coastal tourism is heavily dependent on high value lands located on fairly small and often concentrated areas- i.e. beachfront property. These small, prized areas are thus particularly prone to expropriation and alienation, and less likely to be owned at the collective community level than, say, the extensive rangelands and savannahs in the interior. In Kenya, most coastal lands are district-owned trust lands, as opposed to privately held Group Ranches in most wildlife safari areas, which has made alienation of coastal lands much easier and marginalizes community involvement in tourism ventures.

An additional factor is that coastal tourism utilizes marine natural resources -- reefs and fisheries -- which generally are not subject to any recognized property rights on the part of local communities. By contrast, even though wildlife throughout the region remains, statutorily, the property of the state, for tour operators to access that wildlife on community lands -- at least where local land rights are defined -- requires them to negotiate with the communities for that access. The different ecological and spatial circumstances in coastal areas makes it more difficult for operators to contract exclusively with the local community as the basis for their operations as is done in many inland safari destinations.

Despite these constraints, it seems clear that prospects exist for developing more effective organizational and institutional mechanisms for coastal tourism ventures which involve local communities in meaningful ways.

- **Central America's Pacific Coast**

Today, the Pacific coast regions of Costa Rica, Panama and Nicaragua are areas experiencing rapid coastal and marine tourism development dominated by, because of their geographical proximity, North America investment and vacationers. These three countries have been experiencing the boom of the coastal tourism resort developments, often linked to vacation homes. This is causing many more environmental, social and economic impacts in the coastal and marine regions, and is jeopardizing opportunities for the sustainable development of the tourism industry. This is particularly apparent in Costa Rica which, since the late 1980s, has built a largely successful ecotourism industry, based on small scale, often locally owned nature tourism centering around Costa Rica's extensive system of national and private parks and protected areas. Both Nicaragua and Panama also have smaller, less rigorously developed ecotourism sectors, as well as aggressive coastal development.

In mid-2007, the Costa Rican government under President Oscar Arias declared an innovative Peace with Nature Initiative which includes a commitment to sustainable tourism as well as to making Costa Rica "carbon neutral" by 2023. Yet at the same time, the Arias government continues -- like previous administrations -- to pursue both ecotourism and mass coastal tourism. Reflecting this bi-polar strategy, President Arias announced in March 2007 his government's tourism goals include a four per cent annual increase in the number of tourists entering the country (about 70,000 extra visitors a year), a four per cent increase in the number of cruise ship visits, a 12 per cent increase in hotel room numbers (about 3700 new rooms each year) and a 40 per cent increase in the number of companies awarded logos the Sustainable Tourism Certification (CST). By late 2007, there were 77 accommodations certified under the CST program, of which 22 – a rather significant number -- were listed as on the beach. [209]

Resort development in all three countries is most heavily concentrated along the Pacific coastal. Most of the real estate development in the area of study is a Pacific coast phenomenon. In Nicaragua, development concentrates along the Pacific coast, especially in the Isthmus of Rivas (Montelimar, San Juan del Sur) which is the country's leading region for tourism development. Its attractions include beaches, cattle ranches (some of which offer tourism accommodations or attractions), Lake Cocibolca, the colonial city of Granada, and several towns of artisans. Rivas also benefits from its geographic location next to Guanacaste, Costa Rica.

Figure 12: Map of Nicaraguan Coastal Tourism Development

In Panama, coastal development is taking place along both the Pacific and to a lesser extent, Atlantic coast, as well as on off-shore islands. The most popular regions are Chiriquí, Pedasi in the Azuero peninsula, Vista Mar, Coronado and Altos de Maria in western Panama province, Las Perlas Archipelago on the Pacific Ocean, and Taboga Island near Panama city. There are also developments in Bocas del Toro, on the Caribbean side.

Figure 13: Map of Panamanian Tourism Development

Along Costa Rica's Pacific coast, tourism and vacation home developments is concentrated in three zones: in Guanacaste (Papagayo, Playa Hermosa, Tamarindo), Central Pacific (Puntarenas, Jacó, Parrita and Manuel Antonio), and the South Pacific (Dominical, Osa). Guanacaste is the main recipient of real estate investment, and is the home of the Guanacaste Conservation Area, which protects the last remnant of tropical dry forest in

Mesoamerica. Guanacaste combines cattle ranches, extensive cantaloupe production, small cities and towns, protected areas (marine and terrestrial) and vacation (tourism and second home) areas. It is the centerpiece of Costa Rica's coastal development, where mass tourism began in early 1990s, and has been accelerating since then. Today this type of development is spreading down Costa Rica's Pacific coast. The Osa Peninsula in the South Pacific -- famous for its biodiversity and tropical forests and small scale ecotourism -- is considered as the new frontier for real estate development, with a paved road, new airport, and marina designed to attract a more mass tourism market.

Figure 14: Map of Costa Rican Coastal Tourism Development

In addition, the coastal regions of Costa Rica and Panama are also experiencing an increase in cruise tourism. However, as the CESD study demonstrates[210], cruise tourism is not as beneficial as stayovers tourism. In 2005, Costa Rica received 280,017 cruise passengers and 1,659,165 stayovers (six times more). While passenger spend an average of $55, stayovers spent $120 (two times more) per day and an average of $1260 (*23 times more*) on an average week-long stay. (See Figure 17 below)

9.0 The 'New' Variant in Coastal Development: Residential Tourism

The hottest trend in coastal development is for resort complexes to be all-inclusive "villages", with their own spas, marinas, golf courses, shopping facilities, and vacation homes. "There's a move towards combining hotels and condos because the second home market is so strong," says Paul Wanzer, an architect with Mithun in Seattle, Washington. Developers say that by combining a resort

with vacation homes, they increase the value of both and each helps to finance the other. The amenities of the resort increase the value of the homes, and building the homes first and selling them as they are completed helps to finance the resort construction costs. Interviews with a range of developers, architects and academics reveal the following patterns and decision making processes in terms of coastal resort development.

There is, however, some question about just how 'new' this model is. Developer Butterfield describes the current "residential tourism" resorts linked to vacation homes as "a throw back model" quite similar to earlier, all-inclusive resorts like the Fontainebleau Hotel. "We're still building holiday towns, resort towns so that people can go on vacation to a town that is like theirs, only nicer." Interestingly, the Miami Beach Fontainebleau, which Butterfield and others see as the original all-inclusive coastal resort, is currently undergoing a make-over: Much of the old hotel was closed in 2006 and its furnishings are currently available for sale. The hotel is being remodeled and expanded, and will reopen in 2008 -- together with newly built condominiums.[211]

9.1 Components

Typically, the components of these resort/residential developments are:

- **Vacation homes**: these can range from high rise apartment condos to town houses to individual homes within gated communities. In the Americas, this is driving by the baby boomers. In Asia, it is driven by the growing urbanization and the desire of the upper middle class in very crowded urban centers in Korea, Japan, Hong Kong, Singapore, and Malaysia – who are seeking second homes sun-and-sea settings. Typically because the buyers only live there a few weeks a year, these homes go into a pool of rentals, often times connected and managed by the resort.

- **Spas: '** Wellness' is in, and with the baby boomers' obsession with health, exercise, stress reduction, yoga, organics, and fine wines, a spa is increasingly a staple of not only large resorts but even boutique ecolodges and city hotels. In Asia and the Americas, there is a "big trend" towards spa development, say Larry Yu, with some of the hotel chains "branding" their spas. In the Americas, Revolution Resorts' spas are called Mirabal, while in Asia, Shangri-La hotels has branded its spas as Chi.

- **Golf courses:** Golf courses remain an important component of resort development, despite the reality that many coastal areas are unsuited for this sport which was created in Scotland. Golf is an important market in SE Asia where the Japanese and South Koreans were earlier "adaptors" of golf and continue to use it for business. The emerging Chinese international business set is similarly inclined, and there's a network of golf clubs in Malaysia, Singapore, and Indonesia that cater to this market. In Costa Rica's Guanacaste area along

the Pacific coast there are already 7 golf courses and another 15 or more in planning, even though, tourism institute statistics show that only 3% of tourists coming to Costa Rica play golf. The rationale, according to INCAE economist Lawrence Pratt, is real estate speculation. Developers estimate that vacation homes built around a golf course sell for 20% more.[212]

While few of the tourists and even fewer locals are use these golf courses, the impact of development and yearly maintenance of golf courses remains severe. An average 18-hole golf course requires 100 acres of land conversion[213] while using over 130 million gallons of water per year-the equivalent amount of water as 800 families in the United States or a community in Costa Rica of 3000 to 7000 persons per year.[214] The pesticide usage on golf courses has severe effects on local ground water and wildlife as the pesticides can move beyond the golf course. The average golf course pesticide usage is much more intensive than normal agrarian usages. Agricultural pesticide use averages less than a pound per acre per year while golf courses averages nine pounds per acre per year for a total of 1,500 pounds per course per year. In tropical areas, where most of these new upcoming resorts will be located, pesticide usage escalates. Some tropical courses require 3,307 pounds of chemical fertilizers, pesticides and herbicides per course per year. [215]

- **Marinas:** While clear water activities are an important part of coastal tourism, the scale of marina development, like that of golf courses, is outstripping demand. In Mexico, FONATUR's most ambitious marina scheme, Escalera Nautica, which proposed building 27 marinas in the small towns along both coasts of the Baja California for California vacationers who would arrive in their pleasure boats. A critical study of Escalera Nautica revealed the scheme was far from realistic. The 2003 study, financed by the Packard Foundation, showed clearly that *FONATUR* had exaggerated, by 600%, the demand for marina spaces in Baja California and the Sea of Cortez. While the study forecasts that by the year 2014, some ten thousand vessels may enter the region, *FONATUR* had projected the arrival of 61,000 private boats. The study also concluded that only 5,500 berths would be needed by 2014, and not the 26,500 estimated by *FONATUR*.[216] This study and public opposition forced FONATUR to revise its plans. However, at present, a renewed effort in the Gulf of California is likely to bring a reduced but significant number of mixed-use developments that include marinas.[217] As Erick Vargas' study documents, large numbers of marinas are currently being planned in both Costa Rica and Panama, and several are underway in Nicaragua. In Costa Rica, 21 new marinas have been proposed, mainly along the Pacific coast and each with a pricetag of between $10 and $40 million. Again, one of the rationales appears to real estate speculation: bumping up the price of vacation homes and of resort stays because of their proximity to a marina. While promoters of marinas argue that they provide needed services and help to regulate pleasure boats, opponents argue that marinas attract a less desirable international clientele and serve as a gateway for drugs, prostitution, and other illegal and anti-social activities.[218]

9.2 How are Development Decisions Made?

9.2.1 Importance of Consumer Views

In deciding where to build, developers all say they pay close attention to market trends and consumer demands. Philippe Bouguignon, Vice President of Revolution Places and CEO of the Development Group that is building the Cacique resort in Costa Rica, says that decisions are based on a combination of several core requirements that resist any change and new factors that consumers have identified as important in recent years. In choosing a site, Bourguignon, who was former chair of Club Mediterrane and chair and CEO of Euro Disney, says that "three very strong and constant basics are accessibility, safety, and a level of comfort. Sometimes we forget these things but travelers need them" when they select a vacation destination and developers need to pay attention to them.

Figure 15: Pyramid of Tourist Priorities

Source: Ariane Janer, Eco-Brasil, Rio de Janiero.

As Figure 15 illustrates, tourists are interested in environmental and social sustainability, but only once their basic demands for safety, accessibility, and quality are met. Tourism surveys have long found that a majority of travelers state that they select a destination because it is relatively easy to get to and because it provides certain health and safety standards for visitors. In recent years, with the rise of terrorist attacks and global health pandemics such as

SARS, AIDS, and avian flu, surveys have revealed that safety and health concerns are even more important to the majority of tourists. Once these conditions have been met, tourists look for other criteria, including the quality of the experience, the cost compared with the value, and its environmental and social sustainability.

In addition to these three constant trends – safety, accessibility, comfort – Bourguignon says that four new consumer trends are informing the types of development in vacation destinations. These are:

1. **Traveling in 'tribes'**: Especially since 9/11, people have sought to vacation with loved ones (family and friends). The pattern is vacations in larger groups of 8 to 15 people, including grandparents, parents and kids or groups of close friends.
2. **Traveling closer to nature:** This has been a growing trend since the late 1980s.
3. **Learning while traveling**: People want to come back a little different than when they left. They want to do things they didn't know how to do – cooking, rock climbing, white water rafting, etc. – and they want to learn bout a new place and its people.
4. **Authenticity**: There is an increasing disenchantment with generic resorts and hotels that are the same around the world. Travelers say they want to experience "a sense of place" in terms of the food, architecture, activities, and interaction with local people. They say if they want fake, they want it to be clear that it is a fake or fantasy – like Las Vegas, Atlantis or Disney World.

9.2.2 Geographical Realities

Coastal development decisions are dictated by what land is available, by what's left around the world. Places closest to the tourism sending markets in Europe, North America (including Hawaii), and Asia are largely already exploited. Big chunks of remaining coastal territory in North America and western Europe have already been developed and, in a number of cases – stretches of the French, Italian, Spanish, Hawaiian, Florida coasts – overdeveloped. In other places, development is restricted by strong government regulation on the types of construction that is permitted. Some places, like the Greek islands and Croatia, still have room for development.

Among the places most open for quality coastal development are, according to Bourguignon, "countries that have been protected by revolution," including in Europe Albania, Libya, and parts of the former Yugoslavia and Soviet Union; in Asia, China and Burma. He says developers see a huge potential as well in Latin America, including in Brazil, Panama, and, if they stabilize politically, Nicaragua, Colombia, and Venezuela. Many in the Americas are eyeing Cuba,

the largest Caribbean island and, until the 1959 revolution, a popular vacation playground for North American tourists. A recent conference of environmentalists examined Cuba's wide range of ecological resources and warned that, once the U.S. embargo is lifted, an uncontrolled influx of tourism development could seriously damage the environment.[219]

9.3 The Developers: Putting the Deal Together

The WWF hypothesis posits that the resort development is driven at the global level by the private sector, comprised principally of financial institutions and real estate developers. While this is broadly true, it is clear from interviews, a literature review, and the regional studies, that the picture is more complex and decentralized. There is, however, a broadly defined "orthodoxy" that is followed in putting together tourism and vacation home real estate deals. The key decision makers and decision making steps are as follows:

9.3.1 Developer or Development Group

Developers are the centerpiece who assembles the components required to undertake a resort development, including putting together the project and raising the money. According to financial investor and developer David Wickline, the developer "has to be a visionary, an entrepreneur, and the orchestrator of the project." Their role is to bring in the other players and organize the various steps. Their responsibilities include selecting the proposed site and assessing its accessibility and attractiveness for target market and evaluating its relative safety, health and medical facilities, and political stability. In addition to assessing the land, the developer assesses the provision of infrastructure, including roads, electricity, water, and sewage. They also assess the availability and quality of local labor and ensure there is staff housing for the workers. They then put together the full team.

Developers typically view resort projects as having a 25 year "life cycle," meaning the original investors plan to be totally out of the project within that time frame and the project itself may not be projected to stand for more than 25 years. "This lack of long term focus in the resort industry is a big problem," says Daniel Barrien, a tourism planner with Canopy Development. "Areas can be chewed up and spit out, and the developer moves on. We need to be thinking 100 years or more."

The pool of developers is quite large and ever expanding. There are several hundred developers in the U.S. alone. In addition, a number of new business people and companies are entering the field of coastal tourism development. The current boom in coastal real estate development is being fed in part by entrepreneurs who make money in other fields – either legal activities (software, Wall St., etc.) or illegal (drugs, prostitution, arms smuggling, currency

manipulation, etc) -- and decide to invest their profits in real estate and tourism. "There are lots of new companies without any tourism experience that are looking for good real estate investments," says tourism professor Larry Yu. "They look for land and often times they select places that are very remote and they may not have a good strategic plan for tourism. They may hire a professional hospitality service to do a market analysis, feasibility study, and a business plan." In some instances, these new developers may be more concerned about hiding their wealth than running a successful tourism business. Or they may view it as a short term investment, buying and selling land and resorts as speculation.

9.3.2 Acquisition of Land

This, of course, is the first step. "Coastal areas are driven by the land. If it's on a prime beach, it will cost more by definition. Often doubles the price," says developer Wickline. Land price, in turn, helps dictate the scale and density of development. One resort development in Costa Rica had initially been planned as "squeaky green" -- a low density village complex with much of the land set aside for conservation – was scaled up drastically because the price of the coastal land was so high. Many of the green innovations were abandoned, even thought the resort continues to be heavily marketed as environmentally and socially responsible.

Land acquisition can take a variety of forms, depending on both the local and national laws and the financial resources and preferences of the development group. In some countries (typically in Latin America), foreigners can buy land under the same terms as locals; in other countries (East Africa, for instance), land is owned by the state and is leased to developers anywhere from 10 to 99 years. The resort then pays rent to the government. Not infrequently locals identify land they want to sell and seek developers. Increasingly in countries like Costa Rica, Panama, Belize, and Mexico tourists are targeted for land purchases, and tourists themselves increasingly come with an eye to looking for a retirement home or even an investment opportunity in a resort or hotel. There is a growing local network of media outlets advertising property for sale, local real estate agents, and banks and financial institutions. Often the ownership is a partnership between well connected locals and the foreign group. The price of coastal land typically goes up as resort and vacation homes begin to be built, and the price of coastal land helps to dictate the type, scale and density of development.

In most cases the developer purchases only enough land for the project. As is argued below, there is a need for broader land use planning of coastal and marine areas, with an eye to fitting within a master plan individual development projects suitable to that area. The trend, however, says architect Wanzer, "is to look at individual partials rather than holistic planning of areas" and developments go up often times in total ignorance of what is happening around

them. The result can quickly become an unattractive and overdeveloped patch work of properties.

9.3.3 Assembling the Financing

Determining the financial feasibility and cost structure of a resort project can take a long time. As Wickline explains, "It takes a lot of leg work to establish the credibility behind the numbers. It can take years to put together." He and other bankers and developers describe the world of resort development finance as "very fragmented." The dominant players include larger banks, financial institutions, equity funds, retirement funds, and private money.

Real Estate Investment Trusts (REITs) are another important player in hotel and resort development finance, albeit declining somewhat in importance. REITs pool money from a large group of investors – mutual funds and 401(k) accounts frequently have REITs holdings – and seek to invest in real estate assets like hotels that provide a diversified return. This provides a similar structure for investing in real estate provide for investing in stocks; in other words, investing in REITs is a liquid, dividend-paying means of participating in the real estate market, and is therefore popular choice in many portfolios.

"Banks are not driving development," explains Yu. "Development is started by private investors who have some capital and access to more capital. They are driving the projects." He added that banks consider real estate and resort development risky; the pay back, Yu notes, from office buildings is generally much faster. Therefore banks are often hesitant to lend for resort projects overseas. In the case of Loreto Bay, Butterfield explains, Citibank came in several years into the project after the project "had traction" and because one of the partners had been with Citibank. The developers had to initially raise $100 million in equity, and then they needed more capital for what they say will ultimately be a $5 billion project. Citibank took over half the ownership. Initially it left day to day decision in the hands of the original team, but in 2007, Citibank exerted control, removing several of the original team. Citibank's green development fund became partners in the project and has agreed to a continuation of the 1% of gross for the community foundation (see below).

It is generally easier to get bank funding for vacation homes. "The money is easy to get from banks. There's more capital available for second homes than for hotel construction. And the baby boomers are driving the second home market," Wanzer explains. The developer finances the project with selling housing units or condos, banks the money, and uses it to pay for the resort.

One common form is "mezzanine financing" whereby individual developers with the backing of banks make the initial investments in return for a portion of profits and then go to normal lenders for construction loans.

As mentioned above, financing may come as well from outside tourism, from businesses and individuals looking for investments but who have no experience in resort tourism. According to Yu, the older generation of investors in Asia (and to some extent in the Middle East) tends to use its own equity to finance the project. However, the younger generation is more likely to seek funding from banks, other financial sources, and government. "The younger generation is educated in the West and knows how to use other peoples' money," says Yu.

Beginning in mid-2007, the sub-prime mortgage financing crisis began to make financing more difficult but not impossible. Investors are looking more closely at the details of an investment, making the process more complex but not impossible.

9.3.4 Bring in a Brand

Brand continues to important in coastal developments, although certainly not all projects are able to secure a brand name. Typically, developers want to bring in the brand of an international chain hotel in order to handle marketing, reservations, and give instant name recognition to the project. For similar reasons, governments are eager to attract well known hotel brands to a locale they are seeking to develop. Many tourists and vacation home buyers also feel more comfortable if the project carries an international brand. The leading hotel chains – Four Seasons, Ritz Carlton, Hyatt, Marriott, Hilton, Sheraton, Starwood, etc – are responding to the current trend of linking resorts and vacation homes by creating their own signature real estate components that include condos and vacation homes tied to the hotel complex. In the Americas, they are targeting the baby boomer market which is increasingly seeking vacation and retirement homes in warmer coastal climates.

By and large, these international brands don't own hotels. They are owned by a local or international investor, or group of investors and the brand has a management contract. For instance, 80% of Marriotts are owned by separate investors, not by Marriott, so Marriott has input in the design and running of the hotel, but doesn't have the risk.

There are a variety of ownership/operating models for these brands, and multiple ways in which they can combine. Franchising is an increasingly popular market entry choice for western brands moving into the developing world. There may also be partnerships between two or a handful of investors or sole proprietors, family companies, and there are frequently independent management companies that get paid a percentage of the profits they bring in. International chains occasionally own and manage their buildings, but they may lease the land from someone else, from the government, or even from indigenous groups.

As the diagram below illustrates, there are a large number of diverse stakeholders with varied interests and the question arises as to who truly *takes ownership* of the whole place. The owners on paper are frequently investing on a maximum time horizon of twenty five years, and are likely going to get a return in 5-10 years. After they've made their money back, they may be unconcerned with what happens to the place thereafter. Moreover, the "owners" may only own one piece of the whole. Meanwhile, the local community may have no control over what happens to a given resort and the land around it, but they ultimately have the most to gain or lose.

Figure 16: Diagram of Complexity in Property-Level Ownership Structure
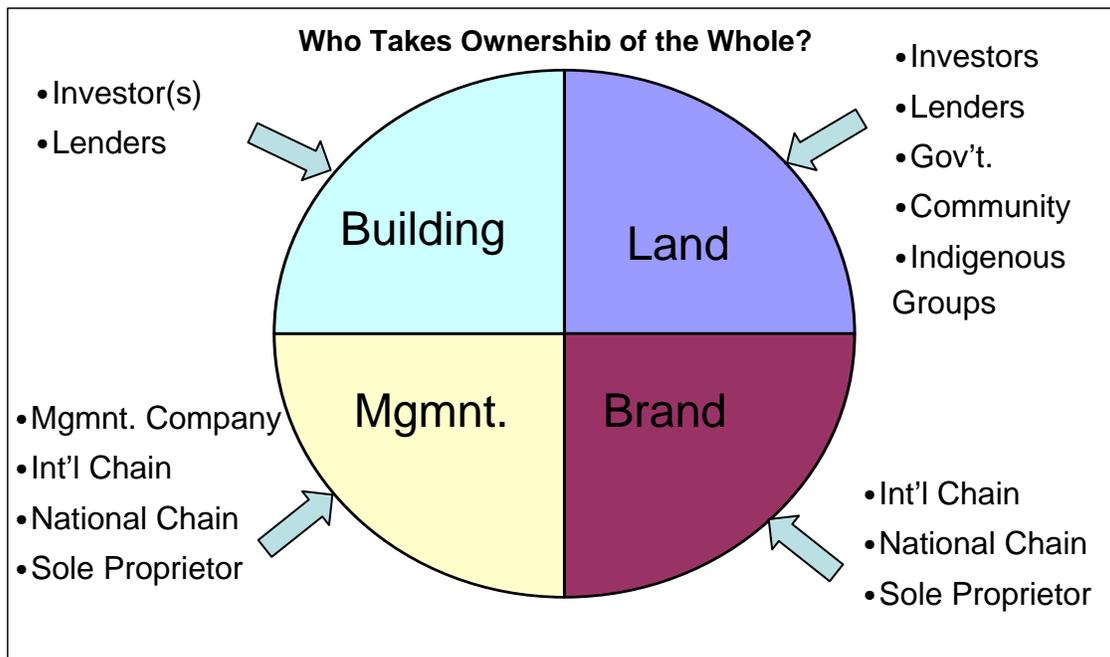
Source: David Krantz, CESD

9.3.5 Architects and Planners

Architects can be brought it at various stages in a project's development. "Green" architects such as Mithun in Seattle, prefer to be brought to the table early, say Wanzer, "so that we can become partners in visioning and can help shape the overall project. We can bring in energy experts, natural systems experts, and do a holistic project." Unlike the hundreds of developers and investors, a handful of major architectural and planning firms dominant beach resort development industry. In Florida and the Caribbean, one of the leading firms is the Ft. Lauderdale based EDSA. While it has at least one well known architect who specializes in 'green' design, most of its projects "are boiler plate conventional

developments – five storey buildings around a swimming pool. The master plans are the same no matter where you go," says Dan Barrien of Canopy Development. He notes that the financial institutions "want to see the plan and they feel more confident if they see what they view as a tried and true successful model. It's all tied up together: one funds the other, and they get into a cycle of show me what I know."

9.4 The Host Governments:

In examining the second major WWF hypothesis that land use development decisions for tourism are made by governments, and supported by investments in infrastructure financed by both public institutions and private investors, we find, as we drill down into individual countries, there are many different permutations and this makes generalizations difficult to make and patterns difficult to detect.

It has long been recognized that sound, sustainable tourism development, if it is to move beyond individual projects, requires careful planning and implementation. Within developing countries, for instance, sustainable tourism and ecotourism planning should be part of the country's overall development strategy. Although most countries have adopted national tourism plans, these often entail little more than sales promotion. In addition, planning is often carried out by a tourism department, without proper integration with agencies overseeing local development, conservation and the environment, and national planning. As ecotourism consultant and writer Katrina Brandon writes, "A strategy or overall plan for nature-based tourism, even in countries where the revenues from such tourism are high, is usually nonexistent."[220]

Whereas in the past, governments in socialist and communist countries such as the Soviet Union, eastern and central Europe, China, Vietnam, Tanzania, and Cuba owned, operated, and profited from their tourism industries, today the state is often largely consigned to activities that do not generate income: setting broad tourism policies; carrying out overseas marketing and promotion; educating and training a workforce for the tourism sector (guides, interpreters, hotel staff and managers, drivers, etc.); establishing and maintaining the natural attractions (national parks and reserves, marine areas, waterfalls, mountaintops, forests, and other resources) on which tourism is based; putting in infrastructure such as airports, roads, electricity, ports, and waste and sewage treatment systems; and facilitating the entry of private, often foreign, capital, often by offering generous tax breaks and other enticements.

Government revenue is generated mainly through tourism-related taxes, including land lease, hotel, restaurant, entertainment, sales, and, increasingly, airport departure taxes. The levels and types of taxes impact both government coffers and policies. In addition, governments are frequently faced with having to

choose among different types of tourism and to decide how much support to provide in areas such as infrastructure, training, permits, taxes and incentives.

Even where tourism and ecotourism have grown enormously, the percentage of profits going into central government treasuries has frequently diminished as states have divested their ownership in tourism facilities and more tax revenue is retained locally. This has contributed to cutbacks in funding for national parks, public education and health care, and other environmentally and socially vital development programs In addition, many international organizations and aid agencies have shifted their funding toward the private sector, including to private parks and reserves. Taken together, these factors mean that national governments in developing countries typically have less authority and resources for careful planning of their tourism-related economic activities and development strategies.

- **Role of government**

Governments frequently view tourism as a relatively easy development tool for job creation and for bringing in foreign direct investment (FDI). In four out of five countries (over 150) tourism is one of five top export earners, and in 60 countries it is the number one export.[221]   According to a UN study, during the decade of the 1990s, tourism was "the only large sector of international trade in services where poor countries have consistently posted a surplus."[222] Mark Spaulding, a foundation director who works with a number of resort innovators, says that for governments, particularly in developing countries, "Tourism is seen as a driver, it is always a 'go to' category" in seeking foreign investment and job creation. Spaulding, among others, says that governments can help to promote sustainable coastal developments by offering tax breaks and other incentives. In Costa Rica, for instance, the tourism board has plans to 'fast track' tourism projects that meet certain sustainability criteria. In the Maldives, in Asia, the government also has a national tourism sustainability plan which outlines requirements for coastal development. Wickline and other developers say that they prefer clear government policies, even if they are stringent, to trying to traverse vague policies and deal with inept or corrupt bureaucrats.

Governments have the ultimate power to determine what can and cannot be built, but often authority is divided among the national/federal, state and local/municipal government agencies and frequently the officials in charge don't have the experience to make good decisions. According to Wickline, "Many times government officials are not knowledgeable about the right price for land, the cost of building a resort, etc., and so they ask for too much or too little. They are unsure of themselves. They also might pass the buck and are unwilling to put their signatures on agreements. And sometimes the government asks for too much and the developer can't build here. Both extremes are bad." Regional variations make the picture more complex.

In East Africa, for instance, most coastal tourism developments in the region do not result from active policy decisions or formal plans made by the government, but occur within a relatively loosely structured or ineffectual regulatory environment where the primary driver is the market. Most economic investments occur through a web of formal and informal relationships between private investors, state agencies, and public officials pursuing private economic interests within the broader macro-political environment. And land tenure throughout the region is subject to overlapping jurisdictional claims and often contested among multiple parties.

In Nicaragua, land reform and political upheaval has left tremendous confusion regarding land ownership, and there is a lack of laws on the books regarding land use planning that could define the rights of each stakeholder group.

- **Role of international agencies**

As described earlier, in the 1960s and 1970s, much of the infrastructure development for tourism projects in developing countries was financed by the World Bank and other multilateral and bilateral agencies. In Bali, David Wickline recalled, the World Bank and Bali government in the 1960s and 1970s put in a lot of infrastructure, including an airport, and took control of beach front land which it zoned for resort developments. Then, he says, the hotels came in and were able to "leap frog" the development process because the basic land acquisition, planning, zoning and infrastructure were already in place. While this was beneficial for resort developers, this model did not prove beneficial for the government, which had to repay the World Bank loans. Wickline notes that "the problem with this development in Bali (and elsewhere, I suspect), is that the government never got an adequate return on investment because they didn't negotiate properly."

In another example, in Mexico, in the 1970s, the World Bank and the federal government (FONATUR) picked five areas in Baja California for resort development and put in infrastructure (roads, water, electricity, sewers). But in a number of instances, including the site at Loreto Bay, projects ran into legal troubles and the hotels were never built. Today, in Mexico, infrastructure development is being done primarily by FONATUR and private developers, rather than by international agencies.

However, the international agencies, including the World Bank and its International Finance Corporation (IFC) private sector arm remain active in putting in infrastructure and providing financing for resorts and lodges in a number of poorer countries, including, this study found, in East and Southern Africa.

- **Rules and regulations**

In most countries, Environmental Impact Assessments (EIAs) are now routine, "but how they are enforced and implemented is a different story," says Larry Yu. He says a few countries in Asia, including the Maldives, do have fairly effective national tourism "sustainability" plans which require those submitting bids for coastal developments to provide information about the environmental impacts, the human resources they will require, and their business plan and finances.

- **Political connections and corruption**

The wheels of resort and vacation home projects are typically greased by developers who build ties to powerful local politicians and businessmen. "A developer needs connections with the government to do a project. And most countries have some degree of corruption," says Yu.

9.5 Biggest Challenges

From this analysis of how coastal tourism decisions are made and implemented, a number of challenges emerge that need to be addressed if development is to be carried out sustainability. In bulleted points, these can be summarized as follows:

1. **Land ownership and displacement of locals**: Around the world coastal real estate is moving from local to foreign hands and in a sense, control of coasts is going to foreigners. Even where hand is leased, the locals are still, as we see in East Africa, displaced. And, because these properties are often built for resale and the buyers only spend a few weeks a month there, the owners are largely absentees. "Foreigners come in and buy land and make a lot of promises to locals. But then they turn around and sell the property and leave. How to hold developers to meeting the improvements they promise, this is a problem," says architect Paul Wanzer.

2. **Water** – Of all the natural resources, water is frequently the major challenge, both in terms of quality, quantity, consistency, and competition with other economic activities, including towns, agriculture, and protected areas. Desalination plants take a lot of energy to run and the salt sludge must be dealt with.

3. **Environmental destruction** – The physical alteration of land is the largest, most destructive part of resort and other tourism –related development. Direct habitat destruction from ripping out mangroves, silting over coral reefs, and draining wetlands can devastate local wildlife populations.

4. **Master plans & life cycles:** In assessing how to control the rampant coastal development along Costa Rica's Pacific coast, biologist Daniel Janzen, who directs the Guanacaste National Park, urges the government to work with others – parks officials, NGOs, communities -- to carefully map out the development along the Pacific coast, designating areas for private development, public beaches, protected areas and marine parks, agricultural areas, and towns. Architect Wanzer concurs: "We need to look at the whole ecosystem and have a master planning process. But this is pretty sophisticated." Developer Butterfield says that lack of such a "master plan is "usually the number one missing thing" in a tourism development project. "If I do anything else in my life," Butterfield says, "it will be putting together fabulous teams – NGOs, government people, local experts, etc – to do "look at the ecosystem and determine how to ensure sustainability. If we build beautiful buildings, the idea is that they should last 3-400 years."

5. **Global Warming**: "This is obviously the biggest issue facing the planet," says developer Butterfield. However, it was astonishing to find that virtually all those interviewed agree that coastal developers are *not* taking global warming into account when they make decisions. "I haven't seen it affecting developments. I still see things happening all along the coasts and big marina projects without a lot of concern regarding climate change," says Dan Barrien. Similarly, developer and investment banker David Wickline concurs that "climate change is not affecting decision making in any great way. They may move a bit farther from the high water mark, but they aren't deciding not to build in coastal areas." Larry Yu says the same holds true in Asia. "Developers and governments aren't taking climate change into account. Even in the Maldives, after the tsunami, there was no guidance on how to prepare for climate change."

A key reason is that developers typically conceive of a short life cycle of 25 years. "They will be long gone before climate change really takes place." Architect Wanzer concurs. He says that despite the evidence of climate change, "developers still want to use the shorelines. In contrast, we [green architects] want to keep the development as far away from the shoreline as possible." However, in practice, even developers who profess a commitment to sustainability, aren't making significant reforms because of global warming. David Butterfield says at Loreto Bay they moved construction back up the beach just three feet. "But we don't know if its enough. The ocean could go up ten feet. Developers aren't shying away from building on beaches because of fears of global warming. They want to be on the edge of life – and that's what beaches are."

The importance of global warming in the three regions examined in this report varies. Please refer to the annexes attached to this report for a discussion of global warming in each place.

9.6 Déjà vu, All Over Again

One of the stunning realities of today's fast paced coastal development is that much of it appears to be occurring with blinders on -- oblivious of the lessons from the past or projections for the future. Governments, enticed by promises that increased tourism numbers mean economic growth, are forgetting that in the late 1970s, the World Bank and IDB closed their tourism departments largely because resort tourism had proved to be a poor development model in terms of the environmental and social damage it causes and the limited economic benefits its brings. Similarly, governments are being lured into signing agreements with cruise lines, based on exaggerated expectations that large numbers of 'day trippers' will translate to significant local jobs and revenue. With parallel myopia, coastal tourism/vacation home developers are continuing to build along ocean fronts despite the mounting evidence that global warming is causing rising seas and violent weather. Further, the rampant coastal development appears to ignore the consumer trends and preferences away from sun-and-sand resorts and towards 'experiential' tourism.

There are several explanations for these apparently counter intuitive behaviors. One is that much coastal development is about short term profits and real estate speculation, rather than long term development. Developers, many of whom are investing in resort and residential tourism for the first time using profits earned in other fields, plan to buy, build and sell quickly, and move on. Second, in many countries, many decisions are influenced by political alliances between developers and local elites; corruption is said to be commonplace in many large development projects. Even where countries have relatively good environmental regulations and building codes, these are often ignored or not enforced. Builders often prefer to pay relatively small fines for violations than to work to comply with often lengthy and cumbersome local regulations and procedures.

9.7 The Development 'Innovators' and 'Green' Resort Alternatives:

In reflecting on the steamroller of big coastal development that is sweeping across Costa Rica's Pacific Coast, biologist Daniel Janzen who directs the Guanacaste Conservation Area observes philosophically, "The trick is, I think, not to be outraged or flattened by this, but rather to see it as just one in a succession of major steamrollers that will sweep across the human landscape at any one geographic point or at a given time. The concept [the challenge] is how to harness some portion of the power of this 'tsunami' to create things we want to see happen, thereby creating/maintaining a place at the table for wild biodiversity, the environment, and other good things." This seems wise advice and indeed, despite the 'tsunami' of big resort development, we can find in its wake a number of pearls [signs] that hold out hope for alternatives.

There are today a growing number of innovations, some very modest, others more profound, which offer opportunities for promoting sustainable tourism standards for coastal development. These "innovators" include some of the brand or chain hotels that are striving to carve out a corporate 'green' niche, either through a few high profile signature hotels or through 'greening' their entire chain. These include Fairmont,[223] and in Asia, Six Senses, Shanghai La, and Banyan Tree. Banyan, and some other of these 'greener' chains own more of their hotels, although they also manage hotels that are owned by other investors. They also include a growing number of "unbranded" projects, most of which are geared to what they describe as a discerning high end clientele seeking a combination of luxury and sustainability.

1. **Increasing consumer & industry demand**. Developers, architects and investors who are interested in a more sustainable model all say that they need good market research data on tourism trends to complement the standard real estate and resort data. As architect Wanzer put it, "I think there are more developers, etc interested in sustainability. The awareness is so much more mainstream these days." David Butterfield of the Loreto Bay Company, one of the best known sustainable resorts, agrees: "Definitely there is a market for sustainable development. People want to come to a place and feel that they are part of it. The future is fabulous for the kind of work we are doing." Butterfield says that 35% of those who have bought homes in Loreto Bay say that the resort's 'sustainability' was part of their decision, and 15% say it was a 'key factor'.

2. **Sustainable tourism development makes financial sense:** A number of leaders in resort development argue that, done well, sustainable development is more profitable in the long run than conventional development. Loreto Bay developer Butterfield says, "Everyone asks is sustainability more expensive. It's like asking is it worthwhile to educate your kids. We have no choice but to do it. And the fact is, if you're doing a major project, it's cheaper to do it sustainably. It just takes planning, thinking ahead of time. It's not rocket science; it's just energy, water, plant life, sewage, composting, etc. Basic stuff that we know how to do a lot better than is typically done." As architect Wanzer concurs: "If you're going to hold and operate a development rather than build and sell, then 'green' alternatives makes sense because you save on water, energy, etc. over the long run."

   Roger Lang, another ecotourism pioneer whose best known tourism project is Papoose Creek Lodge and Sun Ranch in Cameron, Montana, goes further, arguing that environmentally sustainable homes and resorts built in pristine open spaces are more valuable than those built around golf courses, next to marinas, or tied to traditional resorts – the current formula for raising the real estate value of vacation homes.

Financial investor and developer Wickline says, "For coastal resorts, you're selling experience. People will pay a premium and will go the extra mile to get there, if it's something special and attractive. Enhancing the area, not building a 20 storey high rise on a beach front but integrating into nature with a lesser footprint. People will pay a premium for this."

3. **Sustainable tourism can be an economic catalyst for developing countries:** A number of developers interviewed argue that resorts can find a variety of practical ways to train and employ local staff, buy locally, and provide micro finance to help business incubation. But, according to Wickline, "This will only happen if government and NGOs come in. It is beyond the ability of scope of developers to do it alone. Development agencies, NGOs, and government can be useful in providing capital and training to help the community supply good quality goods and services." Wickline argues further that the resort development should strive for an "intelligence partnership" between those who have international expertise and those with local knowledge.

4. **Large scale planning/master plan:**
Developer Wickline argues that there's another reason for having "a large enough area to have a development impact. You want to enhance the guest experience and want to find a place where you're insulated from future development. Having more space is good for the guest and good for wildlife."

While most coastal development today continues to be rather minor permutations of conventional resort development, there is a small but growing group of dynamic and innovative developers and investors who are experimenting with new models of large scale coastal resorts and vacation homes. These developments work to factor in the environmental and social impacts and to achieve long terms goals. This generally means an effort to lower the impact – the environmental footprint – of the project, to make the scale fit with the natural environment

Developers and architects say that there is a strong and growing consumer market for this type of green tourism. It consists of people who don't want to buy a "branded" experience, but want to buy something that is "differentiated" resort and second home. According to Dan Barrien of Canopy Development, they are "boomers who are looking for smaller and better designed homes and are more concerned about the environment and the overall experience. They are transferring to their second home the market values they have for their first home. They are people willing to pay for genuine open spaces rather than the conventional amenities of golf, tennis and marinas."

There are today several dozen "alternative" resort developments already operating, under construction, or in the planning. Backed by innovative developers, architects, planners and investors, they are creating alternative models and they are capturing the attention of consumers. It is proposed that WWF could play a role in bringing together these innovators, learning from them about where they see greatest need and points of possible intervention, and helping to deepen the alternative model and spread these concepts.

Here are descriptions of several of these more innovative resort developments:

1. Loreto Bay, Baja California, México (www.loretobay.com/cms/)
The project began when Canadian developer David Butterfield, President of Trust for Sustainable Development, came to Baja California seeking land for a resort development. The Mexican government proposed a site outside Loreto Bay, one of five sites where, in the 1970s, the World Bank and Mexico's federal government had put in infrastructure (roads, water, electricity, sewers) but had not built because of legal troubles. The project includes building about 6000 vacation homes in high density adobe villages, which allow people to walk or use electric carts. Much of the land is set aside under a conservancy, while 1% of the land from the sale of homes is put into a foundation for community projects. This is the first such community fund devised by a resort development, and it is quickly becoming a standard in other resorts that are trying to be more sustainable

2. El Nido, Palawan Islands, Philippines (www.elnidoresorts.com)
El Nido Resorts is one of the older experiments in sustainable coastal resort development and one in which WWF is playing an active role. The resort is located on Lagen Island in Palawan, Philippines. The Philippine government originally designated the area as a turtle sanctuary, later as a marine reserve, and in 1998 as a national protected area. For over two decades, the resort has tried to maintain a balance between providing a premier guest experience, conserving the environment, and interacting positively with the local community.

The lodge has received numerous awards, most recently the 2006 *Conde Nast Traveler* Green List Award, for successfully conducting tourism alongside local communities and the rich natural environment of the Palawan islands. It is owned by Ten Knots, a Philippine company committed to responsible

development, including establishing a long term partnership with the local community. In 2000, WWF became one of the owners, playing a role as "a facilitator" (including playing a pivotal role in the resort obtaining an IFC grant) while letting experienced tourism professionals run the resort, says Bruce Bunting, WWF Vice President for Special Programs. The lodge is financially successfully and directly and indirectly employs some 3000 people, including 4-500 people full time, mainly from the local area. While some guests are drawn by its ecotourism reputation, Bunting says about half the guests are honeymooners from South Korea. El Nido has created a foundation that carries out all the charitable work, including raising funds and supporting the marine reserve. WWF Philippines was very involved in the creation of the El Nido Foundation.

3. St. Kitts Peninsula Resort, Caribbean (http://www.stkittsfdn.org/)

Developed by Kiawah Development Partners, the St. Kitts Peninsula Resort is an estimated $500-$600 million luxury resort. The proposed development will include a marina, three hotels an undetermined number of high-end condominiums, and a golf course. The project partners have been negotiating to buy a 2,700-acre peninsula on the southeast section of the island that is bounded by miles of coast along the Caribbean Sea and the Atlantic Ocean. The property is privately held, but the St. Kitts and Nevis government is organizing the current owners to sell their holdings simultaneously. The partners have formed a non-profit group, the St. Kitts Foundation, to clean up trash from the surrounding reef, fix runoff problems and address the ecological impact of their building plans. Eventually, the independent foundation will be funded in perpetuity through a percentage of residential real estate sales and hotel operations throughout the development. The St. Kitts Foundation's initial environmental priorities will include:

•   Conservation of the peninsula's surrounding coral reefs threatened by climate change and human interaction;

•   Reduction of coral-damaging sediment and decades of land erosion caused by invasive species; and

•   The creation of marine parks and protected areas.

4. Playa Viva, Zihuatanejo, México (www.playaviva.com)

Developed by David Leventhal, this beachfront resort sits atop a 160 acre private nature reserve on Mexico's west coast. The reserve runs with the help of an all-volunteer staff of nearby residents, protecting the life cycle of local sea turtles. The modest number of tourist rooms and accommodations are supported by the trunks of palm trees, interweaving human spaces with the natural environment. To support its activities and give back to the community, the resort captures solar energy for heating and electricity and practices permaculture for a year-round sustainable harvest. The focus is on regeneration, allowing directed agricultural efforts to rehabilitate damaged ecosystems and improve the natural resources of local residents. Playa Viva's involvement in the local community supports eco-friendly economic activities and celebrates regional culture, while providing training on sustainable agriculture. The project also deposits 1% of gross revenues into a trust that is administered with help from the Ocean Foundation, supporting community-based initiatives for health and economic purposes. The resort's website promises "guilt-free luxury in an environmentally-conscious resort."

5. Ensenada Gateway, Costa Ladera, Baja California, México
       (www.baja4sale.com/news.php)

This is a 26 acre "brown field" coastal site, where an old fish processing plant once stood. The developer is George Blackstone, a Seattle businessman with no previous resort experience, and he's brought in Mithun as the architectural design firm. "Ensenada is the jewel of Baja California and we are committed the bright future of this community. New Jobs, better economic opportunities, respect for nature and cultural heritage", says Blackstone who is president of Baja1000 Development Group.

Construction, which is due to begin in early 2008, will create, Blackstone says, 3000 permanent jobs and income of about $69 million annually. The architectural plans call for a three phase residential development, including a 120 room hotel and 600 units of individual homes, condos, villas, and three towers (24 floors each), plus a wellness center, spa, shops, artist studios and galleries, and full public access to the resort's beach. It will not have a golf course or marina. "We dodged those two bullets," says Mithun architect Wanzer. Condos and villas will sell for abut $400,000 each and Mithun has proposed building some low cost housing as well, but this was rejected, at least for the initial phase.

The project plans to create a close affiliation with the nearby town of Ensenada which has a university and a highly educated population as well as with the nearby wine country (where 90% of Mexico's wines are produced). It will include 100% green energy (wind, bio fuel), natural ventilation, and will utilize local designs, products, artisans, and skilled laborers. It will seek LEEDS certification. "The idea is to use this as a catalyst for good development in the area. The owner/developer has been well received by the local business community and local government," says Wanzer.

10.0 Current Trends in Cruise Tourism

Cruise tourism is one of the most popular, fastest-growing and most profitable segments of the tourism industry. It has evolved since the 1960's from a leisure activity for a few wealthy individuals to a mass market option for vacationers from a wide range of incomes. Cruise lines today offer expanded itineraries to ever-more diverse ports of call. They have also introduced innovative onboard amenities and facilities, including cell phone access, Internet cafes and Wi-Fi zones, rock-climbing walls, surfing pools, multi-room villas, multiple themed restaurants and expansive spas, as well as health and fitness facilities – all of which easily rival or surpass land-based options.

At present there are over 30,000 cruises each year, and about 2,000 coastal cruise destinations in the world.[224] Cruising is an attractive form of tourism because it allows passengers to sample multiple destinations on one vacation while unpacking only once. It is flexible enough to be perceived as convenient for families, romantic for couples, or exciting enough for young singles seeking light adventure. It attracts an increasingly diverse demographic, though cruise passengers average 50 years of age with an annual household income of $104,000. It has also created a dedicated customer base, with repeat cruisers constituting over 50% of passengers on any given ship. Because 83% of the U.S. population has not yet tried cruising, industry executives are optimistic that it will continue to grow. [225]

It can be expected that the cruise industry will continue to develop new itineraries, and will seek to bring large numbers of passengers to increasingly exotic destinations. As existing customer favorites like Cozumel get saturated, and as more repeat cruisers return (the average cruiser has already taken 3.4

cruises)[226] the lines will need to entice their customers with new natural, cultural, and built attractions.

10.1 Environmental, Social, and Economic Impacts

- **Environmental Impacts**

For several decades, NGO, media, and government attention has focus on the issue of cruise ship dumping. In the 1980s, garbage from cruise ships started washing up on Florida beaches and the Gulf of Mexico coastline. In the early 1990s, Greenpeace "eco-warriors" secretly trailed a cruise ship and videotaped illegal dumps. In 1993, Princess Cruises was fined $500,000 after a couple on the cruise video taped crew dumping 20 plastic bags off the Florida Keys. This led to more surveillance, by passengers, the U.S. Coast Guard, and others, and to more fines. Between 1998 and 2002, the cruise industry paid more than $50 million in fines and three cruise lines were placed on five-year felony probation by the U.S. Department of Justice. But the problem, according to NGO experts and activists, goes beyond illegal dumps. There are also environmental issues around air pollution, oily discharge, and invasive species in ballast water. Currently luxury liners can dump sewage once they are three miles offshore, and can release other wastewater almost anywhere except in Alaskan waters. Ships carrying upwards of 3000 passengers and crew each produce about 30,000 gallons of raw sewage a day – as much as a small city. In one year, it is estimated that the North American cruise industry generates 50,000 tons of food waste and 100,000 tons *each* of glass, tin, and burnable waste.[227] And, as Teri Shore of Bluewater Network, writes, "Inadequate and poorly enforced U.S. federal laws allow cruise ships to legally dump treated sewage and dirty water from laundries into ports, harbors, and coastal waters. Raw sewage, food wastes, and garbage can be dumped off-shore at three miles or more, depending on the size and type of waste…Only plastics and oil are clearly forbidden from overboard disposal."[228]

Bad press, government fines, and NGO campaigns have led the cruise lines to take a series of steps to try to clean up their practices and image. In 2003, the International Council of Cruise Lines (ICCL), a trade association of 15 leading cruise companies, teamed up with Conservation International's Center for Environmental Leadership in Business (CELB) to form the Ocean Conservation and Tourism Alliance. CELB says the Alliance is "engaging cruise companies to integrate biodiversity conservation practices into their management systems and become a positive force for biodiversity conservation in the destinations that they visit"[229] The Alliance, funded by ICCL and CI, convened a Science Panel "tasked with determining best practices for cruise ship wastewater management, identifying ways of accelerating the development of advanced wastewater purification systems, and subsequently encouraging their adoption on board cruise ships"[230] The Science Panel has indicated that there has been

much improvement and significant steps taken to minimize these impacts over the years. The panel issued a series of recommendations that the industry has made a commitment to adopting that further minimizes associated negative impacts of wastewater discharge.[231] While this partnership raised some eyebrows among some NGOs, others recognized that insider discussions and negotiations with the cruise industry are a critical component in any successful reform campaign.

The most serious environmental impacts, it is commonly agreed among those who study the issue, come not from the shipboard operations, but rather from the behavior of passengers, and suppliers. Every day, for example, over 1,100 individual dives are made in Cozumel Reefs National Park – a great many of which are made by cruise passengers. Poor practices by these divers result in contact with coral (both incidental and intentional) which when repeated over time, can have devastating effects. The high volume and poor practices of snorkelers (from cruise ships and land-based vacations) are also wreaking havoc in sensitive marine environments like coral reefs.

Tour operators that sell services to cruise lines and their passengers (as part of the supply chain) are also degrading coastal and marine environments. Some of the bad practices affecting reefs and MPAs include: using two-stroke engines, leaving trash, overwhelming guides with unwieldy group sizes, feeding wildlife, running a high wake in sensitive areas, running jeep and off-road tours, etc.[232] These kinds of practices carried out in the high volumes associated with cruise tourism pose the most immediate threat to habitat integrity.

Additional environmental impacts occur in the larger cruise supply chain. These include unsustainable food sourcing practices, and travel to-and-from departure ports, as well as purchases made by large volumes of visitors in a destination (drinks in plastic bottles and souvenirs made from threatened and endangered species). Purchases of black coral, conch shells, products from tortoise shells, and animal skins are all having a negative impact, and pose a threat for the future.

Cruise-specific developments like Majahual, Mexico have a variety of negative impacts including direct destruction of coastal terrestrial and marine habitat. Mangrove stands, seagrass beds and littoral forest are regularly cleared to make way for new cruise-related development, and this occurs in addition to the threats posed by large volumes of visitors to sensitive areas.

- **Social Impacts**

Even though tourism is the Caribbean's main industry, and unemployment on many of the islands tops 20%, most of the 50,000-plus employees on cruise ships plying the waters between the United States and the Caribbean are neither West Indians nor Americans. Many of these low wage workers are recruited by

specialized labor contractors from depressed markets such as those in Eastern Europe and Asia, and many work for only tips or commissions. Most of the ships are foreign owned and registered in tax havens such as Liberia and Panama. Because they are foreign registered and travel mainly in international waters, they are largely unregulated and untaxed. According to a Mintel study, "Even though their ships carry U.S. passengers and are based or call at U.S. ports, these cruise companies are largely exempt from U.S. labor regulations, profit and income taxes, safety standards, sales tax, and environmental standards. Similarly, they are exempt from most taxes and laws of the twenty-odd island countries, colonies, and dependencies in the Caribbean."[233] As journalist James Anderson noted, "The [cruise] industry's profitability comes in part from a global pool of cheap workers and foreign ship registries that let operators avoid American union wages and the U.S. income tax."[234]

It is difficult to measure the social or cultural impacts of cruise tourism on destination communities, but it is fair to say that the large visitor volumes associated with cruise tourism can be overwhelming to small and medium-sized coastal towns, which constitute the vast majority of cruise destinations. In 2005 in Belize, for example, over 800,000 cruise passengers visited this Caribbean nation that has a total population of only 294,385.[235]

It appears that the arrival of the cruise industry can further entrench existing social class divisions in port communities, as already-prosperous local business owners tend to win lucrative contracts with the cruise lines, and smaller service providers typically find it difficult to break into the market.   In Roatan, Honduras, for example, a handful of established local entrepreneurs control the lion's share of cruise excursion business. Meanwhile, the population of Roatan's shanty towns has swollen with workers from the country's mainland, who came seeking a piece of the pie.[236] Similarly, traditional lifestyles in new cruise destinations can be drastically altered as in the case of Majahual, Mexico, where the long-standing fishing village was overrun by migrants brought in to service the newly-arrived cruise tourism industry.

From an environmental and social standpoint, it is preferable for cruise tourism to grow in existing urban ports, where the physical infrastructure and civil society is better equipped to handle the demands of the industry It is worth mentioning, however, that petty crime and prostitution may increase in urban areas where cruise ships dock, as in the case of Limon, Costa Rica.[237]

- **Economic Impacts**

The cruise industry generates a significant amount of tourism receipts in embarkation countries like the US, but limited economic benefits to destination countries when total costs (including opportunity costs) are considered. The cruise line industry association claims (although independent assessment is lacking) that purchases by the cruise lines and their passengers totaled $17.6

billion in 2006 and that this spending resulted in $35.7 billion in total impact, and generated 348,000 jobs paying $14.7 billion in wages to U.S. workers.[238] The problem, however, lies in the unbalanced benefits to destinations, which frequently invest large sums to attract and retain cruise ship business, but real returns can be far less than anticipated. This is due in part to nature of the cruise industry's business model.

The cruise tourism model is integrated both horizontally (with three major cruise lines) and vertically, so that profits remain with the cruise line. Cruise lines move aggressively to control every aspect of a cruise vacation, thereby reaping the profits associated with each step. This results in "leakage" (profits from services provided in the destination country 'leak' out to developed countries), and minimizes positive economic benefits for destination communities. Indeed, cruise lines strive to offer as many activities onboard as possible in order to keep as much revenue on the ship as possible. When passengers disembark in a destination port like Belize, for example, the local tour operators who meet them typically hold contracts with unfavorable terms. According to a CESD study, for every dollar that a cruise passenger spends on a tour booked through the cruise line, 50 cents typically remain with the cruise line.

In Central America and parts of the Caribbean cruise tourism is going toe to toe with "stayover" ecotourism. In the Caribbean, the total number of cruise ship passenger and stayover arrivals is current about equal – some 15 million each[239] – and the markets for both are dynamic and growing. The UNWTO ranks "experiential" tourism – which encompasses ecotourism nature, heritage, cultural and soft adventure tourism – as among the sectors expected to grow most quickly over the next two decades. It also predicts that cruise tourism will continue to be a top product worldwide.[240]

In a study of Caribbean tourism, the WTTC found that, over the last decade, cruise tourism, buoyed by its tax free status, token port charges, and image as a safe and secure holiday option in the post-9/11 era, has generally grown faster than land-base tourism. The WTTC noted concern among Caribbean governments that there is a lack of balance between cruise tourism development and the older, well established land-based, stayover tourism. The study found that despite its impressive arrival numbers, the economic contribution of cruise tourism is "negligible," accounting for only 8 to 10% of total international tourism receipts; 90% or more still comes from stayover tourism.[241] Similarly, the Caribbean Tourism Organization (CTO) estimates that for 19 Caribbean countries, stayover tourism generated $7.3 billion in 2003, while cruise tourism produced only $1.1 billion – despite the parody in arrivals for each category. Stayover passengers spent an average of $994 in a destination, while cruise passengers spent only $77 per port, a difference of nearly 13 to one. In terms of taxes, the CTO estimated that on average a cruise passenger paid $17 in taxes per port of call, while stayover visitors paid $133 on average, a difference of nearly eight to one.[242] The notable exception is Bermuda which

imposes a head tax of $60 on each cruise passenger, requests that the cruise lines give each embarking passenger a voucher worth $30 for purchases in-port, and requires that the lines contribute $1.5 million towards training young Bermudans. In spite of these regulations, cruise passenger arrival numbers jumped 20% between 2004 and 2005, an indication that the cruise industry continues to consider Bermuda a popular and profitable port-of-call.[243]

Two recent CESD studies of Belize, Costa Rica and Honduras reached similar sobering findings. "While popular destinations in the Caribbean," states one report, "continue to receive cruise passengers on a large and steady scale, another sector of the market seeks newer or more exotic destinations. To satisfy this demand, the cruise lines have extended their itineraries to Central America," where cruise passenger numbers increased 228% between 1990 and 2005.[244] The studies, one in Belize and another in Costa Rica and Honduras, surveyed cruise passenger and crew spending and activity preferences, interviewed a range of people connected to tourism, and analyzed airport surveys of departing stayover passenger. Because these three countries are all strong ecotourism destinations, the findings reveal the differences between cruise tourism and stayover ecotourism. The studies found that cruise passengers to Belize spend $44 per visit in the local economy (another fraction returns to the cruise industry), while stayover ecotourists spend $653 (for an average of 6.8 day visit). In Costa Rica cruise passengers spend $67 per visit while stayovers spend around $1000, and in Honduras, cruise passengers spend about $100, compared with about $600 by stayover visitors.[245] This shows that on average, each stayover ecotourist in these three countries spends between six and fifteen times more than the typical cruise passenger.

Figure 17: Cruise vs Stayover Economic Impacts in Central America

	Belize		Costa Rica		Honduras	
Topics	**Cruise Sector**	**Stayover Sector**	**Cruise Sector**	**Stayover Sector**	**Cruise Sector**	**Stayover Sector**
Arrivals (2005)	800,331	236,573	280,017	1,659,167	277,956	749,400
Passenger spending/day	$46/day[1]	$96/day	$55.24[1]	$120[3]	$44.65[1]	$56.10
Passenger spending/visit	$46/visit	$653/visit (*14 times more*)	$55.24	$1260[3] (*23 times more*)	$44.65	$645/visit (*14 times more*)
Total passenger spending in local economy	$30.6 million	$144 million	$15.6 million[2]	$1.4 billion	$17.7 million[2]	$431 million
Taxes	$7/passenger	$36.25 airport exit tax; 9% hotel tax	$2.09-2.50/ passenger; 13% sales tax	$26 airport tax; 3% hotel tax; 13% sales	$6.50/ passenger	$31.40 airport exit tax

1. Disembarking passengers, for tours and purchases.
2. Including port fees, taxes and purchases on ship.
3. Weighted mean, 2005 airport surveys.

Source: CESD, "Cruise Tourism in Belize: Perceptions of Economic, Social & Environmental Impact," November 2006, available at: www.ecotourismcesd.org.

It appears therefore that, as destination governments spend or provide tax incentives to attract cruise tourism, they are forgoing opportunities to invest in and grow their more lucrative stayover sectors. In both Belize and Honduras, government policies have supported a rapid expansion of cruise tourism: between 2000 and 2005, Belize was the fastest growing cruise market in Central America or the Caribbean, and by 2005, over 3.5 times more cruise passengers arrived than stayover tourist. This, despite the government's strategic vision for the new millennium of promoting "responsible tourism" that encourages "a strong eco-ethic' to ensure environment and socio-cultural sustainability."[246] Yet, policy has not coincided with practice: in Belize there has been a "tendency of cruise operators is to consolidate, through vertical integration, their control of shore-side businesses and to maximize spending onboard through controlling shore visits and expanding onboard offerings. There is, therefore, an inherent tension between the objectives of the cruise industry and those of Belize and other host countries."[247] The study elaborates:

> "Over the last five years, the cruise industry has successfully lobbied the Belize government to reduce the passenger head tax, cut or eliminate other taxes and duties, privatize cruise piers, and ignore ceilings on visitors per day and on size of tours. 'Preferred' tour operators that sell their tours directly to the cruise lines must agree to sizeable mark-ups (typically over 100%) of their products and services, while over 50% of the head tax returns go to the Tourism Village owned by Royal Caribbean and Diamonds International. The study shows (a) that the use of the head tax to underwrite the private Tourism Village and (b) that plans to provide tax breaks and head tax subsidies to the new Carnival pier complex both diminish substantially the public revenues that could flow to Belize from the cruise sector. While more than 3.5 cruise passengers arrived per stayover visitor in 2005, cruise tourism generated only 17.5% of the total tourism revenue (including spending on excursions, food, souvenirs, etc., plus taxes and fees). Cruise tourism generated $30.6 million in 2005 compared to $144.1 million for stayover tourism. We believe that these findings and others must be factored into the search for balance in Belize between cruise tourism and ecotourism."[248]

Balancing cruise and stayover tourism has proved an enormous challenge, and there are fears, as the *Los Angeles Times* wrote, that "Belize is killing its golden goose" of ecotourism with far too many cruise passenger "day

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trippers."[249] An important opportunity is lost by cruise destinations when they compete with each other to attract cruise ships. In the Caribbean, this frequently plays out in setting per-passenger head taxes and providing public financing for cruise infrastructure. Cruise lines see head-taxes as taking away from their profits, and so play one country off another – threatening to take their business elsewhere if taxes aren't reduced. In terms of alternatives, both the CESD and WTTC studies urge collective bargaining – that countries in the Caribbean and Central America adopt a common position and negotiate as a block contracts with cruise lines to address multiple concerns including cruise passenger fees (known as the head tax), port operations, carrying capacity, and infrastructure development.[250]

In examining the environmental, social and economic impacts of cruise tourism at sea and at their ports of calls, there have been, in recent years, active campaigns around environmental issues such as waste management and dumping, both legal and illegal. While waste management issues are being actively studied, debated, and corrected, much less attention has been paid to the social and economic impacts of mass cruise tourism on poor coastal and island communities. While cruise line associations – ICCL and the Florida Caribbean Cruise Association – regularly publish industry-generated statistics on how much money the cruise industry puts into the U.S. and other local economies[251], there has been less independent study of the complex social, economic and environmental impacts of cruise tourism on communities. From Alaska and Hawaii to Mexico, Honduras, Dominica, Belize, Costa Rica and beyond, host communities and governments are grappling with the challenges presented by rapid economic development via cruise tourism. The allure can be great. Take, for instance, the *Washington Post* profile of the tiny native village of Hoonah, on an island in southeastern Alaska, which was suddenly "swimming in cash."[252] With more than 500 cruises a summer carrying more than 750, 000 passengers, it is no surprise that Cruise ships generate $595 million a year in spending in Alaska, according to industry reports. [253]There the newly arrived cruise industry had appeared as a savior in the wake of sharp declines in logging jobs and salmon fishing. Yet lessons from other communities elsewhere in Alaska are sobering. The Yakutat have argued they have a territorial right to protect their subsistence resources, and levy taxes on the cruise ship industry, while the Central Council of the Tingit and Haida Indian Tribes filed a legal protest against cruise ship doming of pollutants. Juneau, Sitka, Haines and other Alaskan towns have met arriving cruise ships with protests.[254] In 2006, these concerns coalesced into a state ballot referendum With tremendous support from the Alaska Native community -- local food gatherers, commercial fishermen, independent tour operators, and municipal leaders in Alaska, as well as several national non-profit organizations, such as Bluewater Network and Oceana -- over 27,000 signatures were gathered to place the Cruise Ship Ballot Initiative (CSBI) on the 2006 ballot. CSBI, sponsored by Alaskan organization Responsible Cruising in Alaska (RCA) will "close statutory loopholes and set new standards for the cruise industry's performance worldwide and make it mandatory for every

ship to have a discharge permit and prove compliance with Alaska's Water Quality Standards at the point of discharge for all waste streams."[255] In August 2006, the cruise industry suffered financially and politically when "Alaska voters imposed new measures, including a $50 per passenger tax, environmental monitoring and enforcement of a rule that requires cruise lines to disclose commissions they receive from shore-based tour operators and stores advertised on ships."[256]

10.2 Regional Analysis of Cruise Tourism

- **Coral Triangle**

Like the rest of the world the Asia Pacific region has experienced strong growth (and high profitability) in the cruise tourism market, with two key trends emerging – a growth in the luxury but mass tourism market with mega-ship development and fleet of small boats serving a specialist market such as Dive Tourism in some prime diving areas (e.g. Papua New Guinea, Philippines/ Palawan).

The mass cruise market is expanding, with dominance of the Star Cruising Line (4th largest cruise company in the world) that expanded when many other regional lines collapsed in the Asian financial crisis. There has been much talk among "the big three" (Carnival, Royal Caribbean, and NCL) about entering this market in a major way, but this has not happened yet. The emerging market of Asian nationals are being heavily courted, but are presently still only a minor component of the market (world-wide North America overwhelming accounts for 80% of the cruise ship market, with the next biggest market being Europeans). China could be a major source market in the future.

Cruise tourism growth is aided by the liberalization of air services and the emergence of low cost carriers in the region that allow for one-way flights. Major problems hindering further expansion is the lack of cruise ports and infrastructure – with the most sophisticated facilities in the region presently in Singapore with a dedicated cruise ship terminal and docking facilities. There is also an underlying threat of piracy in the region – with the Philippines/ Malacca's being particularly notorious area for illegal activities and pirates (although to date no large cruise ships have been affected).

Similar constraints limit the Pacific market, with even less developed cruise infrastructure (in fact the recent docking of the mega-ship the Star Princess in Fiji caused much interest because at 61 m high it was taller than any building in the South Pacific, and at $450 million it cost more than the combined budgets for 10 small South Pacific States, and with a capacity of 3,800 it could carry more people than presently reside on Niue, Tokelau and Norfolk island!) The Pacific suffers (or is saved) by the relatively long distance from the major source markets, and the trend toward shorter cruises (which disadvantages the Pacific because of relatively large distances between islands compared with the

Caribbean). This region currently receives less than 3% of the world's market, but serious growth is expected, and already has significant impact on many of the smaller Pacific Island states and economies. P& O are the main Operators in the region – and have diversified their market with products such as "Fun Ship" cruises for school leavers. There is a noticeable change to cheaper and shorter cruise packages throughout the region, and a change of target groups that is likely to lead to significant growth because of less reliance on the high end retiree market.

- **East Africa**

Although very small when compared to other regions, cruise tourism is a component of coastal tourism industries in Kenya and Tanzania (particularly Zanzibar), with the lead destination being Mombasa, which receives comparable numbers of visitors to other leading western Indian Ocean ports (e.g. Durban, Reunion). Piracy and lack of infrastructure, as well as distance from source markets are likely to keep the importance of cruise tourism to a minimum in this region. A Cruise Indian Ocean Association has been formed to promote cruise tourism throughout the broader region.

- **Central America**

Because the majority of cruise activity occurs in the Caribbean, all of the major issues outlined in the above sections apply. In Costa Rica, cruise ships also arrive at the shipping port of Punt arenas, and there are plans for another cruise dock down the southern coast in the old banana shipping port of Golfito. Central America is and will continue to be the primary recipient of cruise traffic in the world. CESD studies of cruise tourism in Belize, Costa Rica and Honduras found a range of environmental and social problems caused by large numbers of cruise visitors, while the economic value was far less than stayover visitors. The negative impacts are most apparent in Belize, while Costa Rica has managed to minimize damage by using existing commercial ports and keeping cruise passenger numbers far lower than stayover ecotourists.[257] But this could change. As the industry seeks out new destinations, it will continue to exploit Central America's proximity to source markets and natural beauty. The challenge for destinations here is to come together in a negotiating stance that can improve the terms under which cruise tourism currently operates. This is particularly true with regard to cruise passenger 'head taxes,' and public investment in cruise infrastructure. This is an area where WWF may be able to play a productive role.

- **Mexico (Gulf of California)**

Large cruise ships bring an important amount of tourism to the Gulf of California. The three most important ports in the Gulf of California/Sea of Cortes are Ensenada, Los Cabos and Mazatlán. Between 1996 and 2006, Los Cabos registered 2,307 cruise boats arrivals and 3,514,601 passengers; 2,472 arrivals

and 4,622,416 passengers for Ensenada; and 1,478 arrivals and 2,994,832 passengers for Mazatlán. Destinations such as Santa Rosalía, Pichilingue, Loreto and Guaymas received minor arrivals and passengers due to a lack of appropriate docking and landing facilities, although that is expected to change, in particular in Guaymas where arrangements and infrastructure are being made to receive large cruise boats in 2008.[258]

- **Mediterranean**

The Mediterranean is an important area for cruise tourism as it is the region that receives the second highest level of leisure cruise passengers. Estimates including ferry passengers push total trips above 7.5 million for 2007, and a 10% increase is expected for 2008. This market is undergoing rapid growth (doubling over the past five years) as more and more cruise lines are leaving ships in this zone during the winter. Improved indoor activities onboard ships mean that cruising during cold weather can still be attractive to passengers, and the strong Euro is likely making European cruise passengers more attractive than ever to the companies. It appears that new port construction, or modification of existing facilities is forthcoming as governments strive to accommodate the recent doubling of leisure cruise traffic.[259]

Unlike the Caribbean and Coral Triangle, much European cruise tourism occurs in large cities where direct impacts of high volumes of visitors on sensitive ecosystems are less of a concern. On the other hand, air pollution from cruise ships in the form of nitrogen oxides, sulfur dioxide, volatile organic compounds (VOCs), carbon monoxide and particulate matter may be a concern in urban ports with high human population densities, but this should be put into the context of air pollution from the larger commercial shipping industry servicing Europe's Mediterranean ports.

10.3 Cruise Tourism Reforms and Alternatives

Despite the cruise industry's enormous profits and popularity, it has also been under considerable public, NGO, and government scrutiny. In recent years, the cruise industry has responded with a series of reforms, mainly addressing the issues of waste management. In addition to adherence to regulations and industry-wide policy on waste management, the industry has committed to creating no-discharge zones in sensitive sea areas, and integrating them into their navigational charts. They have also stepped up their charity efforts to include contributions to conservation and community development, education and awareness among passengers and crew, and cooperation with local stakeholders[260]

The Alaska ballot referendum (mentioned above) has been one of the first

successful citizens' initiatives aimed at generating more income for the host communities. Other efforts are underway, including a project in MesoAmerica to use the influence cruise lines have as bulk purchasers of tours to get their suppliers to implement low-impact operating practices.

There is growing concern, however, that in a number of destinations – particularly areas of high biodiversity, with Marine Protected Areas, small rural towns, or strong ecotourism sectors – mass tourism cruise ships cannot operate sustainability. In general, mega-cruise tourism is most benign, does the least harm, when it operates in existing commercial ports such as in the Mediterranean, Costa Rica's Atlantic port of Limon (Moin) and Pacific port of Puntarenas or Belize City. However, increasingly the cruise industry is seeking new, environmentally fragile locations for its ports of call, such as Mahajual in Mexico and Roatan in Honduras' Bay Islands, which are ill-suited to cope with thousands of visitors at a given time.

There is an ecotourism alternative to the large ships of the major cruise lines. While the term "pocket cruises" sometimes refers to short distance trips run by the mega-lines, it is also used to refer to smaller vessels that carry less than about 150 people. These are small cruise line companies that run boutique or "pocket" cruises to the Galapagos Islands, Antarctica, and other remote destinations around the world, as well as many of the same ports-of-call as the mega-ships. These tend to be responsible tourism companies such as Lindblad Expeditions, G.A.P Adventures, Canodros, EcoVentura, Windjammer, American Canadian Caribbean Line, Cruise West, Glacier Bay Tours and Cruises, and Clipper Cruise Line that are striving to adopt sound environmental and social policies while providing more personal and educational experiences for their guests. Clipper Cruise Line, for instance, is a St. Louis-based company that operates four small ships on more than 70 different voyages around the globe. According to Clipper's CEO David Drier, "We continue to see an increase in demand for more in-depth, substantive voyages, as compared to cruises on big ships where the ship itself becomes the focus, with commercial onboard activities overwhelming the travelers' ability to explore the destination." Drier added, "We agree that protecting the natural beauty of the world's remote places is vital. It is for that reason that Clipper Cruise Line makes such an effort to educate passengers during our adventures and to make certain that our travel destinations are kept as beautiful as when we arrived." Clipper's cruise excursions emphasize the principles of conservation as their central theme. On each cruise, an experienced onboard staff of scientists and regional experts (naturalists, biologists, and historians for example) lead informative presentations to further guests' appreciation for the region and to offer insight into the cultures and environment of the destination. Sven Lindblad, President of Lindblad Expeditions, has built a $100 million company that provides small ship excursions to the Galapagos, Alaska, Sea of Cortes, and other areas of high bio and cultural diversity, based on a corporate philosophy that strives to minimize

negative impacts, bring benefits to local communities, and educate both their passengers and their staff.

In the Galapagos, there is a 'green' certification program, Smart Voyager, under which an increasing number of boats – the islands' "floating hotels" – have been received reputable eco-labels. This voluntary certification program grants their seal of approval to Galapagos tour boat operators that meet strict standards to protect the environment, wild life, well-being of workers and local communities. The program was designed by scientists, conservation experts and tour operators and requires strict regulations of local laws and international laws as mandated by MARPOL (the 1973 convention to prevent pollution from ships) and the International Maritime Organization (IMO), emergency plans, treatment of workers as labor laws require, training of workers on certification motive and requirements, storage and use of materials on and off board, maintenance of electrical equipment on board, storage and disposal of waste must comply with respective regulations, as well as method of promotion of certification label.

There have been several other, even less successful, efforts at promoting certification programs for cruise ships. Green Globe has developed a set of Benchmarking Indicators (a pre-certification program) for cruise ships. While a number of smaller operators have used the indicators to become Benchmarked in New Zealand, Green Globe has not as yet been able to get any large operators on board.

The story of Oceans Blue Foundations' efforts to develop a full blown, third-party certification program for large vessels reveals just how nervous the cruise industry can be about independent standards and monitoring, even when they are voluntary. Oceans Blue, with offices in Vancouver, Canada and Seattle, Washington, was formed to develop voluntary best practices through engaging with tourism industry leaders. Initially its strategy looked promising: it succeeded in enlisting support from Captain James Walsh, a former Carnival Cruise Lines Vice President of Environment, Health and Safety, and in landing substantial grants from several U.S. foundations and Canadian tourism boards. In October 2002, it published *Blowing the Whistle and the Case for Cruise Certification*, the first of a two-part report intended to make the case for independently developed standards and third party certification.

The second part never came out. Instead, according to Howard Breen, Ocean Blue's Conservation & Outreach Coordinator, the cruise industry in Canada began applying pressure on key people within the Canadian tourism associations to get Oceans Blue to abandon its certification initiative. These associations eventually withdrew their support and funding and this started a cascading effect that ultimately led to all the Vancouver staff and most Directors resigning in October 2003, and both offices closing. "Cruise line officials in Canada sent a clear message to the broader tourism industry in Canada that it

would be a career terminating move to target the cruise industry, even with a voluntary certification initiative," states Breen. [261]

11.0 WWF's Hypothesis Revisited

The WWF hypothesis is built on the assumption that a) governments at the national and local level and b) real estate developers and financial institutions at the global level are the two principal drivers of coastal tourism development patterns. Two secondary players, tourism operators and tourism consumers (the 'demand' market), are also included as relevant but secondary influences.

This report, based on regional case studies, interviews, and secondary sources, finds that the current realities of coastal tourism development around the globe is more complex than implied in the working hypothesis. There are variations in the way coastal tourism development occurs from one region to another at both the national and international levels, and more actors involved at both levels. It is important to understand the local realities in terms of land ownership and purchase policies, as well as the role and level of government responsibility in infrastructure development and land use planning. In addition, international development agencies continue to be important in poorer countries in both infrastructure development (airports, roads, etc), land use planning, and hotel financing (particularly the International Finance Corporation), while elsewhere (Costa Rica, for instance) private investors help on occasion to finance basic infrastructure. In contrast, in Mexico, the federal government's tourism development agency, FONATUR, is responsible for putting in basic infrastructure as well as designating areas for tourism, acquiring the land, and bringing in private investors. At a global level, the pool of coastal real estate developers is large and continually expanding, with the entry of new investors who have funds to invest from non-tourism businesses (both legal and illegal) that they want to put into resort and vacation home developments.

The nature of the tourism industry itself also serves to explain the complexities of coastal tourism development. In reality, the tourism industry is a misnomer. There is no single "tourism industry" in the same way there is a petroleum or auto industry. As detailed earlier, it is really a collection of industries, including transportation (airlines, busses, trains, ferries, yachts, taxis); accommodation (hotels, condominiums, cruise lines, campgrounds, vacation homes, etc.); leisure attractions (theme parks, museums, golf courses, sports facilities, public parks, marinas, night clubs); food and beverage (restaurants, bars, food markets, distributors); travel service (travel agents, tour operators, online global distribution systems, insurance providers, etc.) and more. Additionally, unlike other industries, each one of the tourism-related industries is characterized by a great number of small players. According to one study, "as much as 90 percent of the world's tourism enterprises are small or medium-sized businesses, from one-person snorkeling operations to family-owned inns."[262] In

the accommodation industry, for example, even the big brands like Marriott, Hilton, and Inter-Continental Hotels Group are associated with a small fraction of the room inventory around the world. Furthermore, they are only one component of a given property's ownership/management structure. This disperse, decentralized, structure makes implementing effective interventions challenging, and suggests that location-specific approaches will need to be of primary importance in WWF's efforts to affect change at the national level.

The major exception to this complex and highly diversified picture is the cruise tourism industry which is important in certain coastal regions (the Americas, Caribbean, Mediterranean) and expanding into others (parts of Asia and to a lesser extent, East Africa). In contrast with land based developments, the cruise tourism industry is highly centralized and there are clearly discernable patterns of behavior. In essence, the handful of powerful cruise companies negotiate one on one with host or potential host countries, pitting one country off against another. Unlike other tourism companies, cruise lines are also vertically integrated so they control many elements of the vacation experience.

Despite these complexities that serve to modify the working hypothesis, it is possible to discern some patterns or trends within coastal tourism and these in turn offer the potential for interventions designed to promote sustainable coastal and marine tourism. One of the strongest trends is the current tendency to combine coastal resorts with vacation home development into what is being dubbed "residential tourism". By combining a resort property with condominiums, investors attract condo buyers and use the proceeds from the condos sales to finance resort construction. It is a lucrative model that quickens return on investment. This model is more advanced in certain regions (U.S. coasts and Hawaii, Mediterranean coast, Mexico, parts of Central America, the Caribbean), but it is expanding into new regions in East Africa and the Coral Triangle. As Alice Crabtree explains, in the Coral Triangle countries, coastal development is beginning to be influenced by the small, but emerging pattern of high-end luxury residential estate development – often connected with enclave tourism resorts. This is currently a relatively small but predicted to be a rapidly growing market – with a focus on retirement and second homes for the increasing number of affluent Asians who want to flaunt status and economic power. The Malaysian Government has been very active in promoting this type of development with the MM2H program, but there have also been increasing number of developments of this sort in the Philippines (renowned for people and caring skills). As new destinations are opened for coastal development, the pattern is to ´jump´ into this model of residential tourism, rather than older models that tended to separated vacation homes and all -inclusive resorts.

A driving force behind this trend is the baby boomer generation which is reaching retirement and has both the disposable income and the desire to retire in a beautiful place that offers the comforts and amenities of home. Tied to this, is the growing ´green´ or environmental trend among baby boomer consumers,

and the traveling public in general, and this is serving to help dictate environmental innovations in resort and vacation home development. Indeed, this study concludes that consumer demand for socially and environmentally responsible travel and living is an important driver of today's coastal development and that WWF can play a role in helping to raise the public profile of ´green´ consumer demands. Coastal developers all say that they are trying to pay attention to this growing ´green´ and alternative lifestyle market, and they see the need for more organized data collection and dissemination about these trends. Further, there is a small but growing and influential group of resort development innovators who are experimenting with how to do ´residential tourism´ in ways that are environmentally lighter on the land and provide tangible benefits to the host community and country. These developers have a longer term vision for their projects and are also demonstrating that sustainable development can command a premium price, making it more lucrative than conventional development styles and methods. WWF could play a role in working with these developers to promote and expand their ´best practices¨ and to encourage governments to require such practices in coastal development.

Another trend or reality of coastal residential tourism development is that it is often more about real estate speculation than long term investment. Many investors plan to get in and out of projects within a few years – the life cycle of coastal tourism resorts is typically 25 years, and often properties ´flip´ or change owners much sooner. This serves to drive many decisions. For instance, the growth of golf courses and marinas is not based solely on market demand for these activities but rather is linked to the fact that they increase the value of land and of both the resort and vacation homes located near by. The speculative nature of much coastal development has implications for the social and environmental impacts of this development. The fact that foreign ownership increasingly dominates coastal regions, that ownership both frequently changes hands and involves multiple layers of investors and managers, and that vacation goers and home buyers are only on site for brief periods, makes for a highly unstable situation, with little commitment to the long term well being of the region. It may be said that there are many owners at a mass tourism destination, but not enough of them truly take ownership.   It is useful to contrast this to the ecotourism model in which businesses are generally owned by locals or by long term foreign residents who have an investment in the host country and are more inclined to think and act in ways that promote long term social and environmental sustainability. In addition, in terms of economic impacts, a very high percentage of profits from residential tourism (and cruise tourism) ¨´leak out´ of the country; in contrast, ecotourism, done well, means that a large percentage of the profits stay in the host country.

Yet another pattern and reality of coastal and marine tourism is that the ability of governments to independently make and enforce tourism land use and development policies is oftentimes undermined by weak municipal or national governments, by the multitude of agencies involved in multi-use residential

tourism projects, and by illegal business deals and practices. Politically well connected elites often have managed to gain control of prime coastal land (displacing the local owners), while developers are often willing to pay (usually modest) fines for violations rather than work through cumbersome legal regulations and bureaucratic channels. Corruption and cronyism, although difficult to document, is said to play an important role in coastal and cruise tourism decision making, in both first and third world countries.

Fred Nelson's observations in assessing the WWF working hypothesis in the East African context appear broadly applicable to other coastal regions. As Nelson writes: "With respect to government land use decisions, most coastal tourism developments in the region do not result from active policy decisions or formal plans, but occur within a relatively loosely structured or ineffectual regulatory environment where the primary driver is the market. Most economic investments occur through a web of formal and informal relationships between private investors, state agencies, and public officials pursuing private economic interests within the broader macro-political environment." He then goes on succinctly conclude that "the following key points with regards to the above hypothesis emerge:

- Government land use decisions, by and large, do not drive tourism development patterns, although government provision of infrastructure and other policy decisions (e.g. liberalization of private enterprise) support expansion of tourism markets;
- Broad market dynamics in a relatively unplanned and undirected manner drive coastal tourism development patterns;
- The market, which is based on valuable coastal lands, is subject to high levels of control or capture by elite public-private interests, and linked to broader patron-client governing structures;
- This market does not facilitate easy entry by globally integrated private actors as purchasers of real estate; the role of such players is largely limited to construction and management of tourism properties, usually in strategic 'local partnerships' with key domestic public and private actors. This control over market entry on the part of powerful central actors is one reason for a) the region's generally poor business environment rankings using western-derived metrics and b) the disparate and de-concentrated nature of financial investment patterns in the region's tourism sector. "

Therefore, we find that a range of realities serve to modify the original hypothesis. Creating real challenges are the following factors – the new residential tourism model, the complex nature of the tourism industry and of coastal development in particular,   the role of cronyism and corruption; and the speculative nature and short life cycle of many coastal developments. On the other hand, there are some positive trends. The two most important are the rise of a broad new ´green´ movement that is looking for more socially and environmentally responsible types of travel and vacation experiences. And linked to this, the growth of a small but potentially powerful group of innovators,

developers and investors who are building more sustainably and creating alternative models that could become the norm in coastal development. Both of these trends offer positive possibilities for WWF interventions. In addition, the continuing role of international development agencies in tourism projects and infrastructure financing, offer another opportunity for WWF to promote to these agencies best practices in coastal and marine tourism.

12.0 Proposed Interventions for WWF

A common theme among the regional case studies and those interviewed for the global study was that WWF can and should play a critical role in promoting sustainable tourism development for coastal and marine areas because of its strong organizational capacity at the international, regional and national levels. A variety of proposals were suggested, and CESD has distilled those that we believe are most urgent and for which WWF has the most capacity to address.

12.1 Endorsement of What's Already "Inside the Box*"*

CESD was challenged from the beginning of this consultancy to "think outside the box" when recommending interventions that WWF could make. In order to do that, we had to look at what was already "in the box" – at what WWF is already doing -- and we were pleased with what we found.   While WWF has no global tourism program, its regional and national offices have been, for decades, involved in a variety of tourism related projects. We have not been able to review and attempt to assess all that WWF has done and is doing in tourism, but we have looked at some of the programs that relate to coastal and marine tourism.

WWF's April 2007 document, *Coastal Conservation and Tourism* (produced by Birgit Weerts and Alfred Schumm for WWF's Global Marine Programme) outlines the organization's "benchmarks for cooperation with the tourism industry in coastal and marine areas of outstanding ecological value." As the introduction explains, "The document is meant as a framework for the future negotiations between WWF and the tourism industry, tour operators in particular". It goes on to say that "WWF seeks a constructive and proactive relationship with the tourism industry…and will continue to oppose poor practices which result in environmental degradation, but will also seek to work with the industry to implement more sustainable solutions" and will "identify and cooperate with those elements of the industry which make commitments and take concrete steps" towards implementing sustainable tourism. Furthermore, WWF will "work with the industry to develop and implement standards and principals which lead to more sustainable development of tourism in fragile destinations."

CESD fully supports this constructive, proactive approach, and the benchmarks detailed in the document, such as requiring tour operators that partner with protected areas to adopt the principals of sustainable development and develop a strategy for operations in close coordination with park management. WWF's endorsement of Environmental Management Standards and eco-labels is also useful. The authors clearly identify existing good practices in sustainable tourism planning and development, as well as accommodation management, tourism in protected areas, and community-based tourism, and make it clear that they would like to see these benchmarks being met by the

industry. This lays a sound, transparent foundation for building industry engagement.

In Europe, WWF has played a leading role in putting together the Tour Operators Initiative (TOI) that is helping to green the tourism supply chain. Buyers of tourism products and services have leverage over the kinds of environmental practices their suppliers adhere to. Large tour companies like TUI and other members of the Tour Operators Initiative contract with local inbound tour operators to put together itineraries with inbound operators and lodges that demonstrate a commitment to sustainable environmental and social practices. The TOI initiative to 'green' the supply chain could be undertaken for other "sending countries", such as the US, Canada, and China. There appears to be a role for WWF to facilitate the 'greening' of the tourism supply chain from North America (by working, for instance with the Adventure Collection) and in East Asia.

12.2 Proposed New Interventions for WWF

In taking up the challenge of "thinking outside the box", CESD would like to propose 6 possible interventions. Some of these need to be done at a global level, by WWF's Marine Program and other departments in Washington or Geneva; some require both local and national actions; while a final set is targeted at WWF national and regional offices, mainly in developing countries.

12.2.1 Work with the Growing Group of Innovators

A new opportunity to grow the uptake of sustainable resort development exists today that wasn't feasible a few years ago. Until recently, true ecotourism existed as a niche market that had little to do with mass coastal tourism. Today, however, a number of larger scale resorts are being built and operated in ways that minimize their impact on the environment and make substantial contributions to the communities in which they are built (see section 9.6 for examples and a more detailed discussion). The entrepreneurs and financiers behind these projects are innovators, and WWF can play a role in helping to strengthen and systematize 'green' innovations into a set of best practices. In addition, WWF can help to promote positive examples of coastal and marine tourism in order to demonstrate that sustainable resort and vacation home development is technically possible as well as affordable and popular with consumers. The innovators that CESD interviewed want to be partners in sustainable destinations, and not islands around which bad development occurs. WWF might begin this intervention by convening a workshop of these individuals and their companies (perhaps at Stanford) to determine what factors led to their 'green' development choices, what barriers are preventing sustainable resort development from reaching a tipping point, and what can be done to remove those obstacles. We believe that these discussions can also help shape some of the other interventions proposed here.

12.2.2 Global Warming and Coastal Tourism

This study found that while some of those involved in coastal development acknowledge that global warming is the central challenge of our times (Butterfield, Wanzer), all say that at present coastal developers are not changing their plans to accommodate the projected realities of climate change. In the regional studies, only the Coral Triangle governments (and NGOs and a few tourism businesses located there) are trying to raise concern about the impacts of climate change on their island nations. We believe that there is an opportunity for WWF to work with both developers (starting with the group of innovators), governments, and other NGOs to create a set of ´best practices´ for coastal and marine tourism development that includes recognizing rising seas and water temperatures, increasingly forceful and unpredictable storms, etc. This would also include mitigation techniques such as expanding the "no build" zones along coastal areas, protecting mangroves and other vital habitats that protect coastal areas, and promoting techniques to rejuvenate coral.

We believe that there is a model in terms of the increased public awareness and industry response to the contribution that air transportation is making to green house gases and global warming. Within a very short time – the last 2-3 years – we've seen a popular/NGO movement that has raised alarms about air transportation's contribution to global warming. It appears the message is being heard in Europe where British and German government officials, for example, have been criticized for taking long-haul flights, and protesters at airports are attracting attention to the issue. There are now dozens of carbon offset programs and companies that are helping companies, organizations and individuals to mitigate their carbon footprint for conferences, daily operations, and travel. Both holiday and business travelers are increasingly off setting their carbon emissions from air travel by contributing to alternative energy and forest protection projects. Airlines and the travel industry are taking notice and taking steps to institute 'green' reforms. Air travelers, and the airline industry are beginning to heed the global warming warnings. Much, of course, still needs to be done, but there is clearly forward momentum on a number of fronts around the contribution of air transportation to greenhouse gas emissions and global warming.

We believe that WWF could play a central role in helping to organize a parallel campaign to build awareness of the contributions that coastal and marine tourism are making to global warming. This campaign would include formulating and promoting measures that should be taken to minimize carbon emissions and to construct in ways that help protect against the impacts of rising seas, severe storms, and other climate change abnormalities. In addition, by working with the 'green' innovators, governments, and other NGOs, WWF could help to formulate sensible guidelines for coastal construction and build a consumer campaign that

demands that designs meet the health and safety realities posed by climate change. Framed properly, it can tap into the most fundamental concerns and preconditions of travelers for health and safety protection.

12.2.3 Market Research: Inform the Industry about Consumer Demand for Green Tourism

While the original WWF hypothesis downplayed the significance of consumer demand in coastal development, this study has found that consumer demand and market trends *do* help to inform development decisions. All of those interviewed confirmed that they try to pay attention to what consumers want, and all confirmed that they believe that there is a sizeable market for socially and environmentally responsible coastal development. At the same time, those interviewed who are also interested carrying out resort and vacation home development in more sustainable ways, said that they have had difficulty getting good data to support what they believe are the desires and values of a sizeable sector of potential consumers and buyers. Therefore there seems to be a need and an opportunity to provide more organized market research data to developers and financers of coastal resort projects, as well as to governments, development and aid agencies, NGOs, the media, and others, about consumer demand and industry trends in a range of issues related to environmental and social sustainability and alternative lifestyle trends. Our research confirms that challenge is not to build consumer demand; rather sizeable consumer demand for 'green' products already exists, and what is needed is to compile, package and publicize consumer views and trends to developers and decision makers.

By way of example, it was discussed at WWF's August tourism workshop in Baja California that the new Mexican President Felipe Calderon had made tourism development in the Gulf of California a key part of his administration's economic stimulus and job creation package and had identified the U.S. as the primary market for new resorts and vacation/retirement homes. The team of tourism experts and WWF Mexico staff at the workshop said that in order to convince the government to promote "green" developments, it is necessary to demonstrate that there is consumer demand and good return on investment (ROI) for sustainable design of resorts and vacation homes.

We recommend that WWF work with CESD to fill the information gap on green consumer demand that currently stifles attempts at responsible resort and vacation home development. CESD has recently launched a Market Research Department, based at Stanford University, that is tracking the size and nature of consumer demand for green tourism products based largely on surveys and studies done by a wide variety of organizations, companies, tourism associations, and universities. The Department analyzes and communicates trends, both global and destination specific, to development decision makers (governments, financiers, and developers). In addition, CESD is developing a capacity to undertake primary research and conduct its own market research

studies commissioned by particular clients. We propose that WWF discuss with CESD a possible partnership so that this data can be more effectively compiled and distributed to decision makers.

12.2.4 Support for Certification

It is widely recognized that if ecotourism and sustainable tourism are to move from good concepts to good practices, they must be measured against clear standards. Today the topic of setting standards and measuring impacts via voluntary certification programs is one of the most fertile within sustainable tourism circles. There are currently some 60 to 80 "green" tourism certification programs, with more in development. A few are global, most importantly Green Globe, but most cover one country or region. This makes sense since tourism is typically organized and marketed on a national basis.

A major challenge has been to standardize "green" tourism certification programs so that as tourists move from one country to another, they can be sure that the ecolabels conform to common standards. The current crop of tourism certification programs are spread unevenly around the world, with some areas – Europe – having too many programs while large stretches of Africa and Asia have no "green" tourism certification programs. In addition, these programs do not conform to a uniform set of criteria or protocols. It is widely recognized that "green" tourism certification needs to become as widespread and standardized as the 5 star quality and service certification programs. This requires creating a global accreditation body or "stewardship council" for tourism to, as the Rainforest Alliance explains, "assess and help standardize" sustainable tourism certification programs and to help with "functions such as marketing, training and development."[263]

There is at present positive forward movement, spearheaded by Rainforest Alliance and supported by a range of NGOs as well as the UNEP and UN Foundation, to create this global accreditation body against which to measure these various certification programs. This Sustainable Tourism Stewardship Council (STSC) will certify the various tourism certification programs against a set of discrete criteria that is currently emerging from a series of studies and meetings. It will be similar to the Forest Stewardship Council and the Marine Stewardship Council.

WWF has played a role in these efforts and has been directly involved in creation of some of these green certification programs, including Pan Parks for protected areas in Europe. However, CESD does not recommend that WWF begin its own certification scheme or even endorse one certification program over another, but rather suggests that WWF lend its support to the Rainforest Alliance and others in the creation of the Sustainable Tourism Stewardship Council as a global accreditation body. WWF can also help to strengthen and promote

national certification programs for sustainable tourism in the countries where it is working.

12.2.5 Facilitate Financing for Sustainable Developments

Although CESD's research indicates that financial institutions like banks do not drive tourism development, and that hotel and resort finance is decentralized and complex, there appears to be an opportunity to work with the innovators in responsible finance. Citi Bank and Bank of America have large responsible lending/investing initiatives and WWF is already working with these institutions. It might be worthwhile for WWF to discuss ways these banks can reduce the cost of capital for tourism developers who want to 'go green', but find the upfront costs of environmental technology prohibitively expensive. Citi Bank has, for instance, invested in the Loreto Bay resort and vacation home development, but there has been no targeted effort to make these funds available for 'green' tourism projects. Similarly, as socially responsible investing gains popularity -- as more and more brokerage firms offer mutual funds with socially responsible portfolios – there may be an opportunity to steer real estate investments toward those tourism projects that adhere to good social and environmental practices. WWF's Bruce Bunting says that WWF has in the past tried to "influence banking and finance services, but we found that they were already way ahead of us." Clearly any new initiative would have to assess this earlier effort.

In addition, WWF could play a constructive role in assisting the international financial and development institutions like the IFC, World Bank, IDB, USAID, UN agencies, IDB and other regional aid agencies to develop clear criteria for tourism projects which incorporate the main social, economic and environmental criteria from leading 'green' certification programs. Sadly, a number of these agencies appear to have forgotten the lessons learned in the 1970's that conventional resort development is not a good development tool. These agencies continue, particularly in the poorest countries, to play important roles in both infrastructure development (roads, airports, etc) and in tourism accommodations projects. While they have made some progress towards developing sustainability standards, these often are far from comprehensive and are not consistently applied. Therefore WWF could work with key officials and departments in these agencies (many of which are located in Washington) to perfect and implement of development guidelines for coastal and marine tourism projects.

12.2.6 Act Locally

The regional case studies, as well as interviews, all confirm that WWF can play a useful role at the national and regional level in areas where it already has offices. The regional reports contain a range of suggested activities for WWF country offices. They include the following interventions:

- **Government**

WWF should work with the governments of destination countries to establish and enforce the ground rules under which coastal tourism development occurs. WWF should work not only with the ministries of environment (where WWF already has great expertise) but it should also directly with ministries of tourism in each country where it has an office. This may require increasing its organizational capacity through new hires in priority countries. WWF staff can work with the ministry of tourism to develop sustainable tourism master plans and act to make sure environmental and social perspectives are considered in the planning and zoning process. WWF can work with governments to set policies that outline sustainable resort/coastal tourism development and give incentives, and tax breaks and fast track bureaucrat processes for developers who are following best 'green' practices. Specifically, WWF could help to create sustainability standards, including requiring resorts become certified under one of the 'green' certification programs.

In addition, WWF can work as a facilitator to open up negotiations between governments and cruise lines so that there is more transparency and public input into the discussions. At present, cruise lines negotiate with government officials behind closed doors and often play off one country against another. In order to democratize the process and ensure benefits for the host country, two things are necessary. One is to have a more public national assessment and discussion of cruise tourism, including evaluating the terms and costs and benefits of agreements with cruise lines and then comparing cruise tourism with stayover tourism. WWF can play a role in convening these multi-stakeholder discussions and, if necessary, carrying out studies that compare the economic, social and environment impacts and benefits of cruise tourism and sustainable and ecotourism. Several years ago, environmental NGOs were instrumental in launching a public discussion of cruise tourism in Belize and in formulating a national cruise policy. This policy was, however, circumvented and violated when the prime minister negotiated behind closed doors with a cruise line. WWF could play a useful role in stimulating similar initiatives aimed at scrutinizing the terms of cruise contracts and weighing them against other types of tourism. In addition, WWF could work to encourage governments within a particular region – Central America or the Caribbean or even the Mediterranean countries, for instance – to negotiate collectively with the cruise lines in order to get common policies and, hopefully, better terms.

- **Local communities**

While working with the central government to promote sustainable tourism standards, land use planning and policies as well as incentives for sustainable development is vital, there is also much work to be done at the local level, with coastal communities and municipal governments where many key decisions are made. In Costa Rica, for instance, municipal governments establish most land use plans and issue permits, making a confusing patchwork of some dozen

different municipal authorities responsible for the country's Pacific coast, the epicenter of 'residential tourism' development.

The three regional studies demonstrate that in the wake of rapid coastal tourism destination, local people are loosing control of their lands and other resources to both economically and politically powerful nationals and to foreign developers and buyers. As Fred Nelson writes in the East Africa regional report, "A key strategic objective for sustainable coastal tourism is ensuring that tourism revenues create direct local incentives for conservation at the local level." Biologist Daniel Janzen argues that parks and protected areas will only survive if there are "happy people" living on their borders: local people will become poachers and squatters, Janzen correctly notes, unless they receive tangible benefits from conservation areas. Similarly, it can be argued, that if coastal resorts and vacation communities are to bring social equity, poverty alleviation, and environmental protection, local people must benefit from these developments, through, for instance, fair compensation for their land; jobs and job training; improved services; development of micro-enterprises linked to tourism; controlled growth; careful use of resources; and clear, transparent, and enforced master plans. As Nelson further writes, "It is important to recognize that this objective [of benefiting and empowering local people] fundamentally relates to local rights to manage valuable lands and resources, and thus has important political economic dimensions which any effective strategy must thoroughly analyze and take account of." Some key areas for WWF to focus may include:

- Promoting and supporting private-community tourism joint ventures bases on existing 'best practice' models. This would include investing in building community organizational capacity, knowledge, and skills over time in order to enhance local commercial opportunities in sustainable tourism endeavors. WWF should probably not, however, attempt to finance, own, or run resorts or other tourism businesses. As Bruce Bunting cautions, "We're not businessmen, we're conservationists. We should be facilitators and enablers, not owners."

- Working to improve local resource tenure and security, particularly focusing on land tenure as a priority in vulnerable areas. This would likely necessitate WWF developing collaborative (and perhaps non-traditional) relationships with local development and advocacy organizations with experience and expertise in addressing land tenure issues, including their often contentious political dimensions." This might also put WWF in conflict with both developers and investors and with national economic and political elites.

WWF should strategically select the coastal and marine areas that are most important to conserve and work, as it is doing in northern Mozambique, to strengthen the capacity and protect the rights of local communities. In these destinations, WWF's country offices can play a central role in doing the

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hard work of building broad-based coalitions and promoting local community engagement in emerging tourism destinations, including facilitating the development of a common, sustainable, vision among multiple stakeholders (government, civil society, and private sector). WWF can be the force that pulls all the stakeholders together for visioning workshops that unite the community around a shared desire for what their destination will look like in the medium and long term. Once a shared vision based on sustainability principles is articulated, WWF can work with local NGOs and community leaders to act as watchdogs, helping to ensure that the development that actually occurs is in line with the shared vision of sustainability and opposing (via government channels, public protests, the media, and the courts) developments that are not.

In assessing what role WWF might play in promoting sustainable coastal and marine tourism, it seems clear that the Marine Program should not opt to do nothing. The rapid pace and enormous scale of both cruise tourism and coastal resort and vacation home development, is threatening biodiversity hotspots, parks and protected areas, and other fragile and vital ecosystems, as well as local communities, traditional economic activities, and cultural and social norms. While WWF is, fundamentally, an environmental organization, today's realities require that it work holistically, tackling simultaneously both conservation and development issues. While the challenges are enormous, the pathway for sustainable tourism development -- based upon the principles and good practices learned from ecotourism -- is fairly clear. And there are some positive trends that WWF can build upon. There is today a sizeable slice of the international travel market and a small but growing network of resort developers and financiers seeking 'green' alternatives. By carefully selecting its points of intervention, WWF's Marine Program has an opportunity to effectively use its global network, international prestige, and organizational skills and expertise to help ensure that coastal and marine tourism adheres to the best practices in environmentally and socially responsible development.

13.0 List of Interviews

Person Interviewed	Area of Expertise	Business/Organization
Dan Barrien	Deal maker for large resort/spa projects	Canopy Development
Philippe Bourguignon	Sustainable Resort/vacation homes around the world; Ex-President Of Club Med	Vice Chairman, Revolution Resorts
Bill Bryan	CEO; ecotourism expert	Off the Beaten Path (tour operator)
Bruce Bunting	VP. Special Programs	WWF-US
David Butterfield	U.S. Canadian Developer; Baja California	President, Trust for Sustainable Development Scottsdale, Arizona and Victoria, B.C and President Emeritus, Loreto Bay Company, Loreto Bay,
Ian Christie	Tourism consultant	World Bank – East and Southern Africa
Steve Cox	Sr. VP, Chief of Staff	WWF-US
Bill Eichbaum	VP, Marine Programs	WWF-US
David Ezrine	Coastal resort developer	Costa Rica
Miriam Geitz	Arctic Program and climate change officer	WWF - Norway
Tom Horton	Puts together sustainable resort/spa/vacation home projects in the Americas	President Canopy Development, Amherst, MA
Dan Janzen	Professor of Ecology	University of Pennsylvania
Alex Khajavi	CEO, Airline	Nature Air Costa Rica
Andrew Kroglung	Environment and Development Officer	WWF - Norway
Roger Lang	U.S. developer; moving into Central America	Owner, Papoose Creek Eco-Ranch, Montana
Lelei LeLaulu	Tourism expert south pacific, development NGO management	President, Counterpart International
Ken Lindeman	Professor; marine biologist	Florida Institute of Technology; Environmental Defense

Roberto Murray Meza	CEO; social entrepreneur	Funde-mas; Agrisal, El Salvador
Vanessa Perez	Conservation	WWF - Mexico
Mark Spalding	Environmental Policy and Law	Ocean Foundation and Loreto Bay Foundation
Tien X. Tian	Vice President & Chief Economist	Travel Industry Association of America
Carlos Toefler	Tourism Consultant, Gulf of California, Mexico	Stratis Consulting
Birgit Weerts	Tourism expertise	WWF Germany
David Wickline	Developer in Asia; interested in sustainable development	International investment consultant, San Francisco
Paul Wanzer	Sustainable design projects around the world	Architect, Mithun, Seattle
Larry Yu	Global industry structure, operations and trends	Professor of tourism, George Washington University, Washington, DC

14.0 About the Research Team and the Center on Ecotourism and Sustainable Development (CESD)

The CESD Research Team

Martha Honey, Ph.D. CESD's Director/Washington, DC, has written and lectured widely on ecotourism and certification issues. She is currently writing a new edition of her popular book Ecotourism and Sustainable Development: Who Owns Paradise? (Island Press, forthcoming 2007) which includes chapters on Costa Rica, the Galapagos, Kenya, Tanzania, and Zanzibar which are of particular relevance to this WWF research project. Martha was Executive Director of The International Ecotourism Society (TIES) from 2003-2006. She worked for 20 years as a journalist based in East Africa and Central America and holds a Ph.D. in African history.

David Krantz, M.T.A. is CESD Washington Coordinator. He holds a Masters of Tourism Administration at the George Washington University. He has worked on CESD's cruise tourism studies, current market trends and analysis, and carbon offset programs. David's background includes work in hospitality management at a DC hotel and over two years of experience in adventure and ecotourism in the developing world as he backpacked through South America, Eastern Europe, and Southern Africa. Prior to joining CESD, David coordinated environmental conservation initiatives in the tourism industry with Conservation International's Center for Environmental Leadership in Business.

Fred Nelson, M.A. is a CESD consultant based in Tanzania. Fred carried out field research for the Tanzania chapter of Honey's forthcoming book on ecotourism. Fred has worked on community-based natural resource management in eastern Africa since 1998. He has worked with local communities to improve their resource management capacity and at the national level in a range of policy development and institutional reform issues. He has worked on some of northern Tanzania's leading community-private ecotourism partnerships as both a facilitator and an analyst. He has a MA in environmental studies from the University of Michigan.
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Alice Crabtree, Ph.D. is a marine biologist and ecotourism expert who has worked on a number of CESD studies and projects, including on certification. Based in Australia, she has worked throughout the Asia Pacific region. She will do the analysis of the Coral Triangle countries.

Erick Vargas is a Costa Rican specialist on biodiversity conservation and nature based tourism, with wide experience in consulting, education and human resource training. Before opening a private consultant firm, Erick worked as the Ecotourism Coordinator and Training and Consulting Coordinator at Instituto Nacional de Biodiversidad (INBio) and as the Coordinator of local nature guide training courses at Fundación Neotrópica. He holds a MSc in ecotourism from

the Universidad Latinoamericana de Ciencia y Tecnología (ULACIT) and a B.A. in history from Louisiana State University.

William Durham, Ph.D. provided guidance for CESD's research. He directs CESD's office at Stanford University, and is the Bing Professor in Human Biology in the Department of Anthropological Sciences, and the Yang and Yamazaki University Fellow. Bill has particular interest in ecotourism as a means to address conservation and development issues in Central America, the Amazon Rain Forest, and Galapagos. He has carried out extensive field work in the Galapagos and Central America. At Stanford, he also co-teaches a course on ecotourism.

Research Assistants: Laura Driscoll and Len Materman at CESD/Stanford and Whitney Cooper of CESD/Washington assisted with copy editing, research, and fact checking.

About CESD

The Center on Ecotourism and Sustainable Development, founded in 2003, is a non-profit, multi-disciplinary research institute devoted to eco- and sustainable tourism. The only one of its kind in the United States, the institute operates out of bi-coastal offices in Washington DC and at Stanford University, and partners with agencies and institutes around the world to monitor, evaluate and improve sustainable tourism practices and principles. Its policy oriented research leverages ecotourism as a tool for poverty alleviation and biodiversity conservation. CESD's areas of focus include "green" certification; Travelers' Philanthropy; indigenous rights; transportation, climate change and carbon offsets; impacts of cruise tourism; and research on market trends in the tourism industry and related areas.

CESD views ecotourism and sustainable tourism as development and conservation tools that have the potential to address some of the most complex and compelling social and natural conservation issues of our times. The Center's activities Include:

- International research projects
- Publications, including books, academic research papers, and how-to handbooks
- Organizing international workshops and conferences
- Organizing ecotourism courses and seminars, offered at Stanford and other institutions

As a nonprofit organization, CESD raises funds from philanthropic foundations (Ford, Summit, Packard, Mott, Wallace, etc), international agencies (particularly the Inter-American Development Bank), other NGOs (including Environmental Defense, and Rainforest Alliance), government agencies (Belize Tourism Board, USAID), conferences, and individual donations.

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[103] ASTA officials, Alexandria, Virginia, telephone interviews with Martha Honey, September 1998-2007, and with Yvonne Rodgers, International Ecotourism Education Foundation, Falls Church, Virginia, in May 1996. In recent years, more travelers have been booking tickets via the Internet, and although this appears to be encouraging more travel, it also has cut into the business that typically goes to travel agents. Barbara Crossette, "Surprises in the Global Tourism Boom," *New York Times,* April 12, 1998, p. 5, available at: http://query.nytimes.com/gst/fullpage.html?res=9A05E1DA133CF931A25757C0A96E958260.

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[105] Chris Seek, interview with Martha Honey, Washington, DC, July 20, 2007.

[106] CESD,"Cruise Tourism in Belize: Perceptions of Economic, Social & Environmental Impact," November 2006, available at: www.ecotourismcesd.org.

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[108] Ibid.

[109] Other travel agents listed adventure, bicycling, scuba diving, and various other sports as their area of specialization; nature tourism was not one of the categories included in the survey. Interviews with Waters and other ASTA officials; International Resources Group, *Ecotourism,* pp. 23–24; "Travel Agents and Their Specialties," *Washington Post,* September 28, 1997, p. E6.

[110] International Resources Group, *Ecotourism,* pp. 23–25..

[111] Ibid.; USTOA website, available at: http://www.ustoa.com/fastfacts.cfm .

[112] The study found that Spanish and Italian ecotravelers prefer Latin America; French favor Africa; British chose Nepal, Peru and Ecuador; Germans pick Costa Rica, Ecuador, Canada, and European destinations; Canadians chose their own country, the U.S. and Europe; and those from the U.S. prefer Mexico, with Australia as a distant second.

[113] Gabor Vereczi, Programme Officer, Sustainable Development of Tourism, World Tourism Organization, "Preliminary Results of the WTO Research Programme on Ecotourism Generating Markets," presented at the Conference on Sustainable Development & Management of Ecotourism in Small Island Developing States and Other Islands, Seychelles, December 2001,

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[117] Tour Operators Initiative, available at: http://www.toinitiative.org/index.htm.

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[119] Ibid.

[120] These principles were obtained from the Adventure Collection's Responsible Travel Program, available at: http://www.adventurecollection.com/ac_html/htdocs/restravel.html .

[121] GWU, www.dantei.org, 2005.

[122] Ibid..

[123] Correspondence with Iain Thornton Christie, Tourism Adviser, World Bank, Washington, D.C., August 16, 2006; World Bank, "Annual Report, Operational Summary, Fiscal 2005," available at: http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/EXTANNREP/EXTANNREP2K5/0,,contentMDK:20635316~menuPK:1512365~pagePK:64168445~piPK:64168309~theSitePK:1397343,00.html

[124] The United Nations had declared 1967 the Year of the Tourist, an indication that tourism was increasingly viewed by multilateral institutions as an avenue for economic development in non-industrialized countries.

[125] The fourth arm of the World Bank Group is the International Center for the Settlement of Investment Disputes (ICSID)

[126] Christie, 2006.

[127] This included huge resort complexes in Bali, Turkey, Tunisia, Mexico, and the Caribbean. Total investment in these projects was approximately $1.5 billion. In addition, the bank extended another $250 million in loans and credits for airport projects, for a total of about $2 billion.

[128] Christie, interview; Truong, *Sex, Money, and Morality*, p. 122; Pleumarom, "Political Economy of Tourism," p. 143; International Resources Group, *Ecotourism*, p. 44; Donald Hawkins and Shaun Mann, "The World Bank's Role in Tourism Development," *Annals of Tourism Research*, Vol. 34, No. 2, pp. 348-363, 2007..

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[148] Ibid.

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[151] IDB officials, interviews with Martha Honey, 1998 – 2007.

[152] Carmen Altes, "El Turismo en América Latina y el Caribe y la Experiencia del BID". (Washington, DC: IDB, July 2006), pp. 21-24.

[153] Ibid. This report concluded that numerous lessons have been learned: that infrastructural investments needed to also prepare local institutions to better handle increases in tourist numbers, while minimizing any detrimental environmental or social impacts and that ecotourism projects needed to be integrated into comprehensive regional development plans. The IDB outlined a range of other strategies that are to be incorporated into tourism development projects, including promoting sustainable environmental practices, revitalizing historical centers, consulting both local populations and large industries, devising simple monitoring strategies, and incorporating tourism specialists as part of the team of experts.

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