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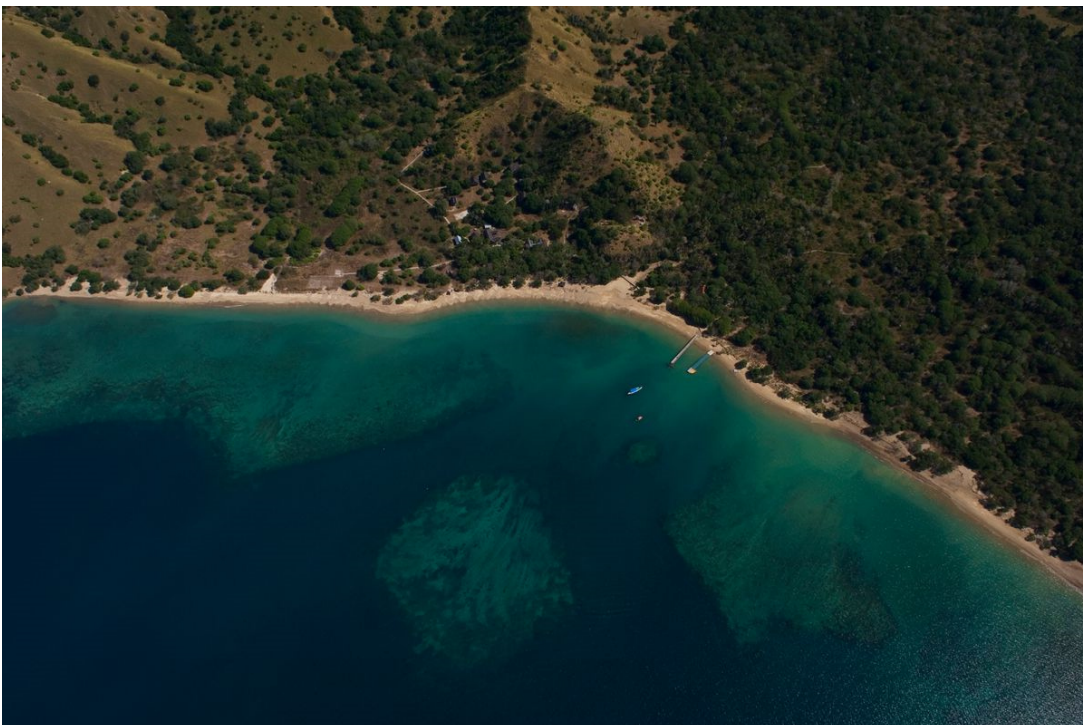
Swiss Confederation

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POSITION PAPER

Sustainable Tourism Development

SECO Economic Cooperation and Development



Contents

Sustainable Tourism Development in SECO's Economic Cooperation and Development Division (SECO-WE)	3
1. Relevance of Sustainable Tourism Development.....	3
1.1 Economic, Social and Environmental Relevance of Tourism	3
1.2 Alignment of Sustainable Tourism Development with SECO's Strategy	6
2. How SECO-WE works in Sustainable Tourism Development.....	8
2.1 Guiding Principles for SECO-WE's Interventions	8
2.2 Overall approach and main business lines in Sustainable Tourism Development	8
2.3 Sustainable Tourism Development as a field for cross-sectional support ...	13
2.4 SECO's approach on promoting sustainability	15
2.5 Contributing to Swiss and Global Initiatives in Sustainable Tourism Development	16
3. Conclusion	18

Sustainable Tourism Development in SECO

Economic Cooperation and Development

The Economic Cooperation and Development Division of SECO (SECO-WE) has been active in sustainable tourism development for more than two decades. Tourism development has proven to be an effective area to support partner countries in their sustainable economic growth, as tourism can boost local economies, create jobs, income and investment opportunities and thus alleviate poverty. While the economic benefits of tourism are evident, many tourism destinations have significant room for improvement in the areas of environmental and social sustainability. After the abrupt collapse of the sector during the COVID pandemic, its recovery is now well underway and the sector is predicted to grow significantly over the next years. This presents an opportunity to build a more resilient, sustainable and inclusive tourism sector that benefits all stakeholders. SECO-WE is supporting its partner countries in this important transition.

1. Relevance of Sustainable Tourism Development

This chapter discusses the relevance of tourism in general and its relation to economic, environmental and social dimension of sustainability as well as the impact of COVID-19 on the sector (what). The paper then discusses how sustainable tourism development fits into the overall strategy of SECO-WE and what Switzerland can offer in terms of sector expertise (why).

1.1 Economic, Social and Environmental Relevance of Tourism

Economic Relevance

The tourism sector contributes significantly to the global economy. The direct contribution of tourism to global GDP is estimated at around 4% (UNWTO 3, 2021), while total contribution including indirect and induced impact is estimated at nearly 10% (WTTC 1, 2023). This translates to almost 1 in 10 jobs that is supported by the tourism sector. International tourism is particularly relevant for trade – it is a transfer of services from residents and businesses of one country to residents of another one. Overall, tourism is the third-largest export category - after fuels and chemicals - and accounted for 7% of global trade in 2019 (UNWTO 2, 2023).¹ International tourism plays a particular important role for low- and middle-income countries, as it does not only bring more consumers into a country, but often consumers with higher purchasing power. This can boost the local economy and raise the standards of service provision. Furthermore, spending of international tourists is an important source of foreign exchange earnings. Tourism also provides income opportunities in non- or little industrialized zones where there is little potential for other economic activities. Figure 1 shows the direct contribution of tourism to GDP in some SECO priority countries.

¹ Pre-COVID-19 figures. As the sector has almost fully recovered in 2023, the statistics are expected to be in the same range again.

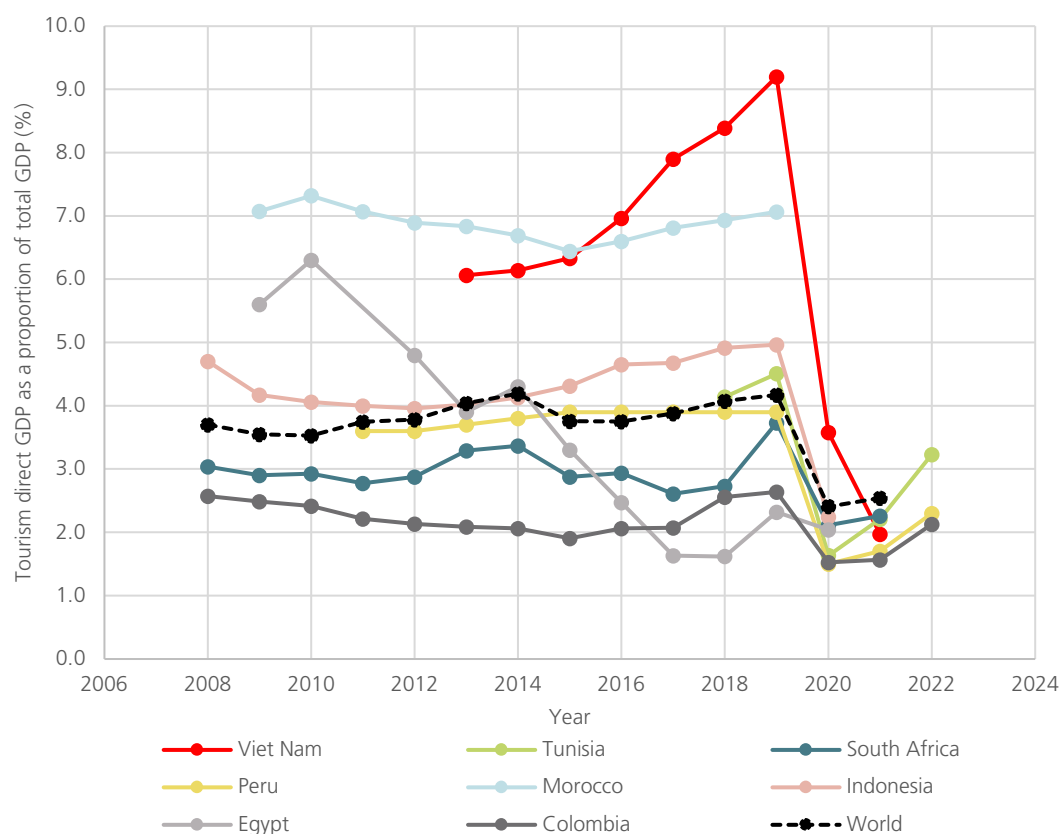


Figure 1 – Tourism direct GDP as a proportion of total GDP (%) in selected SECO priority countries. Source: UNWTO, 2023 [Economic contribution of Tourism and beyond: Data on the economic contribution of Tourism](#) (unwto.org)

The channels through which tourism contributes to the economy are many.

- The tourism sector is a significant source of employment, providing direct and indirect job opportunities.
- It can contribute to the growth of local MSMEs, including accommodations, restaurants, craft shops and tours operators. It thereby stimulates entrepreneurship and fosters a more inclusive economy.
- Increased tourism flows require infrastructure development and management, including transportation networks, airports, roads, hotels, resort and recreational facilities.
- Ancillary services like financial services, healthcare, telecommunications, insurance, marketing and advertising all benefit from the increased demand generated by tourism.
- Tourism generates revenues for the government through different kinds of taxes, such as the value-added-tax or tourism- and accommodations taxes.
- Finally, the development of tourism also provides investment opportunities for foreign and local investors, which can have a significant impact on the pace of development of a tourism destination.

Environmental Relevance

The effect of the tourism sector on the environment is mixed and depends on how tourism is managed. The tourism-sector in its current form is estimated to contribute around 8% to global CO₂ emissions (Lenzen et al, 2018). One of the most significant negative effects arises from the journey to the destination country. Transport-related emissions from tourism, mostly resulting from air travel, represented 5% of all man-made emissions in 2016 and are estimated to increase to 5.3% by 2030 (UNWTO 1, 2019). At the same time, the share of the world's population travelling by air in 2018 was 11% - with only 4% taking international flights - and 1% of the world population emits 50% of CO₂ from commercial aviation (Gössling and Humpe, 2020). It is clear that, from an environmental perspective, a transition to a more sustainable tourism sector is urgently needed. This has been recognized in the Glasgow Declaration on Climate Action in Tourism. The declaration aims to accelerate climate action in the sector

and sets the overarching goals of halving emissions of the sector by 2030 and reaching net zero emissions as soon as possible before 2050. The declaration has been signed by over 800 stakeholders, including national and local governments, businesses and supporting organizations (One Planet Sustainable Tourism Programme (2021). This is a first important step towards more sustainability, but much needs to be done to achieve these ambitious goals.

On the other hand, within a tourism destination, a healthy environment and high-quality tourism experience can have mutually beneficial effects on each other. Beautiful landscapes, unspoiled seascapes and rich biodiversity are among the strongest assets of a destination. Tourism destinations thus have an additional responsibility to preserve that incredibly valuable asset and thereby the high-quality tourism experience for the visitor. Tourism thereby provides an opportunity to create lasting prosperity, if managed properly, sustainably and with minimal impact on the environment. The promotion of sustainable tourism can thus result in a positive effect for the local environment compared to the status quo, as it provides a less impactful alternative to other economic activities. It must be said however that only few destinations have tapped into that potential, and many prioritize short-term economic gains over long-term sustainable and high-quality tourism.

Social Relevance

As with the environmental impact, the social impact of tourism is often mixed. If tourism is not managed sustainably, it can lead to over-tourism in popular destinations, which puts pressure on the local infrastructure, the environment and cost of living markers - such as land prices, rents and the price of goods and services in general. There is also a risk that poor working conditions in the tourism sector negatively affect the local population. Large wealth disparities between tourists and the local population can be a source of discontent and lead to a number of issues. This can be aggravated if the access to public services and to natural amenities for the local population is deteriorated. Furthermore, mismanagement of tourism can pose a threat to the cultural heritage of a country.

On the other hand, tourism can also have many positive effects on a country and its population. The economic growth induced by tourism can contribute to the development of a region on many levels and thereby alleviate poverty, hunger and improve living conditions. These improvements in turn also help to reduce out-migration (Bencek and Schneiderheinze, 2020). The tourism sector provides unique income opportunities - including for women and youth - and can thereby contribute to their financial independence and increase gender equality. Finally, tourism has a crucial role of fostering exchange and understanding between cultures and societies. It has the potential to strengthen ties between countries for a more cohesive and peaceful coexistence.

The Impact of the COVID-19 Pandemic

The COVID-19 pandemic and the travel restrictions that were put in place by most countries had an extreme impact on global tourism flows. International tourist arrivals worldwide fell by 72% in 2020 compared to 2019. This trend continued throughout 2021 and only in 2022, the sector started to recover, with tourist arrivals being 37% below 2019 levels (UNWTO 4, 2023). In 2023 however, international tourism has largely recovered backed by pent-up demand and the lift of remaining travel restrictions, and pre-pandemic levels are expected to be met or exceeded in 2024 (UNWTO 5, 2024). Nevertheless, the structural effects on the sector are large and will probably be felt for years to come in some destinations. Millions of people in the tourism industry have lost their jobs during the crisis and many more were at risk, exposing the vulnerability of the tourism sector in many countries to such major crisis. The fact that this crisis lasted for such a long period also forced many people to look for work in other sectors, leaving behind a significant lack of skilled personnel in the tourism sector. On the other hand,

Tourism and the Sustainable Development Goals (SDG)

Looking at the economic, environmental and social effects of tourism, it is evident that it can also contribute significantly to achieving the SDGs, if managed correctly. Tourism is explicitly mentioned in targets under the goals 8, 12 and 14. However, tourism can – due to its cross-cutting nature - contribute directly or indirectly to all 17 SDGs.



the crisis has shown how destinations that previously suffered from over-tourism, managed to recover during the time of travel restrictions, indicating that they would benefit from a more sustainable management of their tourism assets.

Taking into account these lessons learned through the COVID-19 Pandemic and the economic, environmental and social relevance of the sector, contributing to building back a more resilient and sustainable tourism sector is a priority for SECO.

1.2 Alignment of Sustainable Tourism Development with SECO-WE's Strategy

SECO's economic development cooperation creates prosperity and economic growth in partner countries while taking into account aspects of sustainability and resilience. This means that in addition to the economic dimension, SECO also focuses on the ecological and social dimensions. The United Nations 2030 Agenda with its 17 Sustainable Development Goals serves as a frame of reference for SECO. To achieve its goals, SECO concentrates on three thematic areas: Private sector, public institutions, as well as urban development and infrastructure (c.f. figure 2). Good economic governance, gender equality, and climate protection are systematically taken into account in SECO's activities.

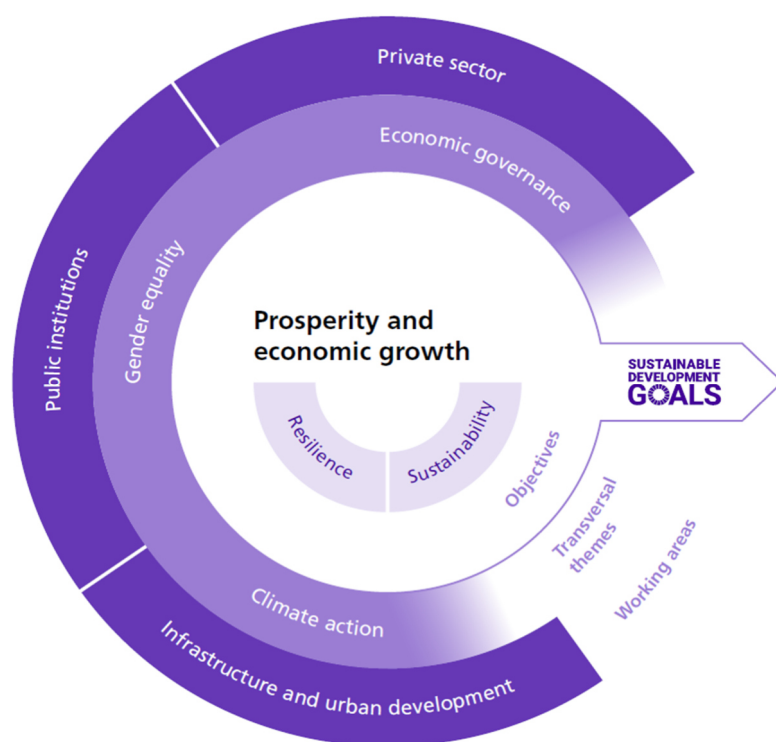


Figure 2 – SECO Strategy (2025-2028) with overarching objectives, transversal themes and working areas.

The promotion of sustainable tourism development fits well into that strategy, as tourism can significantly contribute to a country's economic growth. It is also an area where SECO's transversal themes are highly relevant. In order for tourism to lead to prosperity that is sustainable, it is important to consider all three dimensions of sustainability.

As described in chapter 1.1, tourism affects economic, environmental and social dimensions in many different ways. Tourism flows have increased significantly in the past years and are expected to do so in the future. Thus, it is all the more important for SECO to ensure throughout its interventions that this happens in a sustainable manner, by promoting the positive impacts and mitigating the negative ones. If managed responsibly and sustainably, meaning that economic, environmental and social dimensions are equally taken into account, tourism can have positive effects on all dimensions. Chapter 2 elaborates on how SECO aims to contribute to the sustainability of tourism and thereby create sustainable prosperity for our partner countries and their population.

This approach of promoting sustainable tourism in SECO's partner countries is also aligned with the Swiss Foreign Economic Policy Strategy (EAER, 2021), with its main objective of promoting prosperity and sustainable economic growth. The strategic area of action number 6 – contributing to environmental and social sustainability – highlights that Swiss foreign economic policy should contribute to the sustainable economic development of Switzerland and its partner countries. Swiss foreign economic policy should promote sustainable trade – including services trade like tourism – and support global standards for the protection of the environment, human rights and workers' rights. It also advocates for corporate social responsibility.

Swiss Value Added in Sustainable Tourism Development

Switzerland is a popular tourism destination since many years, which led to an accumulation of know-how and expertise in the sector, as well as an international reputation for excellent hospitality. Therefore, Switzerland can add a lot of value for the development of sustainable tourism in its partner countries.

- The Swiss system for education and training in tourism and hospitality is highly developed and internationally recognized – both on management level and in vocational education and training.
- Coordinated action between tourism providers and the public sector has a long-standing tradition in Switzerland. Switzerland can share know-how on innovative approaches for public-private partnerships and the promotion of modern Destination Management Organizations (DMOs). Experience on good practices in tourism policy from the Swiss Tourism Policy Section at SECO (DSTO) are gathered and shared with partner countries.
- There is rising awareness in Switzerland about the need to transform the tourism sector to be more sustainable. Many initiatives that contribute to that goal have already been successfully implemented and the respective know-how can be shared with partner countries.

2. How SECO-WE works in Sustainable Tourism Development

This chapter describes how SECO-WE works in the area of Sustainable Tourism Development (how). It describes the guiding principles that have been developed through past interventions as well as the overall approach and the main business lines of support along with some specific project examples. Particular focus is given on how SECO promotes social and environmental sustainability in tourism. Finally, the chapter describes SECO-WE's work in Sustainable Tourism Development outside of the specific country projects.

2.1 Guiding Principles for SECO-WE's Interventions

Over the past two decades, SECO has financed more than 20 tourism-related projects in several priority countries in Africa, South America, Asia and Europe. From the experience SECO has accumulated through these interventions, a number of guiding principles have been drawn up to ensure successful and sustainable tourism projects in partner countries:

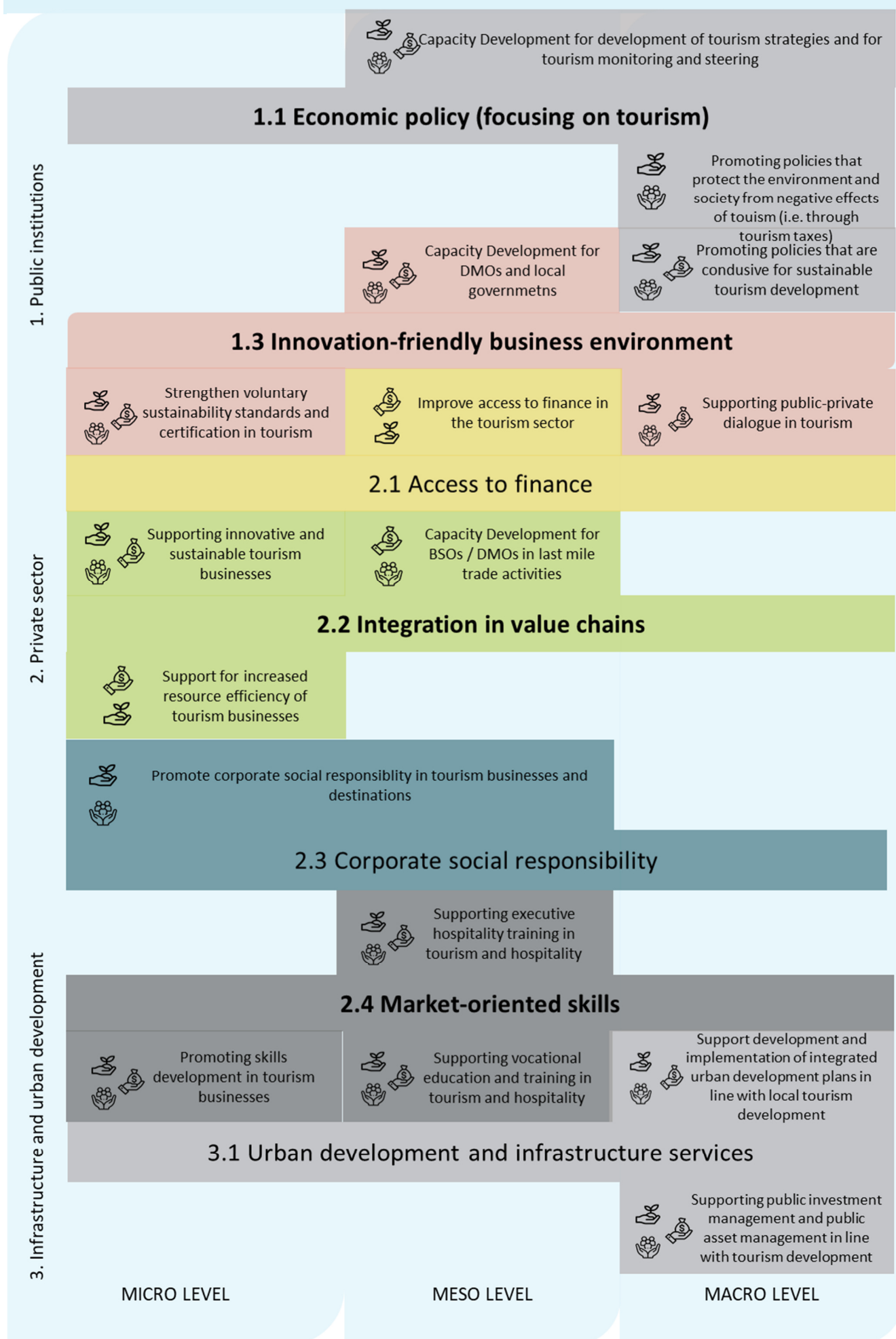
- to ensure the sustainability of support measures, pay equal attention to economic, environmental and social aspects;
- make a specific contribution to inclusive economic development by integrating women and marginalized local communities to benefit from tourism development and overcome poverty;
- contribute to a healthy relationship between tourism and the environment in beneficiary destinations and to more efficient use of resources in tourism businesses;
- when contributing to the creation of new or alternative tourism flows to a destination through support in specific marketing activities, focus on markets that are close to the tourism destination and / or can reach the destination through less CO2-intensive means of transportation
- enable and facilitate the participation and ownership of all stakeholders and define clear roles and responsibilities, do not exclude any group of service providers in tourism in both project design and implementation;
- support local structures for the sustainable management of tourism destinations;
- make use of Swiss expertise and implement international best practices to suit the local context;
- work towards harmonization of criteria and indices in sustainable tourism and apply them in projects;
- exploit synergies with other projects where possible.

2.2 Overall approach and main business lines in Sustainable Tourism Development

SECO-WE supports the development of sustainable tourism through different business lines, which are derived from the overall strategy (c.f. figure 3).

Within those business lines, SECO works on different levels to support sustainable tourism development. At the macro level, support can include the development of tourism strategies, promotion of public-private dialogue, policy dialogue for more sustainable tourism practices or support in the development of policies. At the meso level, SECO focuses its support for example on training institutions that can further support capacity development in the tourism sector. At the micro level, SECO work includes supporting certain destinations and businesses directly in developing more successful and sustainable tourism products that lead to more and better jobs. As the challenges for the support and transformation of the tourism sector in a country are often interlinked, most of SECO's projects deliver support on all three levels (macro, meso, micro). The form of support and focus area is adjusted to the context of the partner country and to the maturity of the supported destination.

Figure 3 – This figure presents the business lines - derived from the working areas of the overall strategy in figure 2 - through which SECO works on sustainable tourism development. Around the business lines are examples for areas of support.



The following four business lines are particularly relevant for the area of sustainable tourism development and have been at the centre of SECO's tourism projects so far.

1. Economic policy (focusing on tourism) - promoting an economic policy framework that is conducive to sustainable tourism development and sets the right boundaries to mitigate negative effects from over-tourism.

Whether it is at the national or subnational level, the rules and regulations for tourism have a huge impact on the sector. Especially in countries that deal with over-tourism, policies that combat the detrimental effects and contribute to the steering of tourism flows are essential. While it is often harder to achieve progress on this front, the leverage of a successful change is often bigger. SECO supports countries and destinations in the development of tourism strategies and in their capacity to develop, monitor and guide tourism flows. Supporting the dialogue between public and private actors – be it through DMOs or through specific public-private dialogue platforms – is thereby essential for guaranteeing that the rules and regulations actually respond to the needs of the population.

PROJECT EXAMPLE

Support for the preparation of Sustainable Tourism Plans in Indonesia

Recognizing the importance of the protection of natural and cultural resources, the Government of Indonesia's Tourism Development Project includes the preparation of Integrated Tourism Master Plans (ITMP) for selected priority destinations.

As part of a multi-donor trust fund with the World Bank, SECO supports the Government of Indonesia in the development of ITMP for the destinations Lombok, Borobudur-Yogyakarta-Prambanan, Lake Toba, Komodo National Park, Bromo-Tengger-Semeru and Wakatobi. The plans are developed based on the demand assessment and economic analysis for each destination and were prepared in close consultation with all stakeholders, including local communities and the private sector. Furthermore, capacity development activities are provided to the six priority destinations on the environmental and social safeguards aspects, as well as heritage protection, to advance the integration of these aspects in any related instruments for tourism development.



The concept of tourism taxes is particularly relevant for shaping the economic policy framework as well and it is one of the main direct lines of interaction between the government and the tourism sector. The concept of tourism taxes has received little attention so far in the context of tourism development in international cooperation. However, it does have a lot of potential to address some of the challenges related to tourism, and many high-income countries have introduced some sort of tourism related tax. In Switzerland, tourism taxes are established since many years. They are managed at the cantonal and municipal level and often used directly in the destination itself.

In addition to the traditional overnight tax, the taxation of day tourists is becoming increasingly important, as this would bring the overall framework more in line with the polluter-pays principle. Tourists make use of local infrastructure, public services and benefit from local amenities, thereby also putting additional pressure on them. The revenues generated from tourism taxes can help a destination to upgrade facilities so that they can absorb the increased usage and continue to provide high-quality services to the local population and tourists. Furthermore, revenues can be used to restore local landscapes and biodiversity and thereby contribute to a regenerative effect of tourism. In general, revenues from tourism taxes can also be an important source of funding for

DMOs and allow them to fulfil tasks where joint action is needed. Lastly, tourism taxes are mostly small and the distortionary effects are therefore very limited (Group Nao, 2020). SECO will therefore increasingly focus on the potential of tourism taxes for greater sustainability and examine the possibilities of corresponding support in its projects. This support will be coordinated with and facilitated by SECO-WE's long-standing engagement and expertise in the area of public financial management through its Macroeconomic Support Section.

2. Innovation-friendly business environment – promoting the sustainable management of tourism destinations and creating an enabling environment for businesses in the tourism sector, allowing also for MSMEs to create jobs and generate value.

Tourism development can only be successful and sustainable if there is concerted action between the public and private sector. Local governments, private companies, civil society organizations and other stakeholders should cooperate closely to enable sustainable management of a tourism destination and to create an innovation friendly business environment. SECO promotes and facilitates dialogue and collaboration between these different actors in its projects and fosters structures and management systems that persist beyond project duration.

PROJECT EXAMPLE

Supporting stakeholder collaboration through DMOs in Tunisia

SECO's support for increased collaboration between stakeholders in the tourism sector has been initiated with the creation of the first DMO in Tunisia, the *Fédération Tourisme Authentique Destination Dahar*. SECO has facilitated that process since 2014 as part of SECO's *Destination Dahar* and *Destination Sud-Est Tunisia* projects, implemented by Swisscontact and conducted in collaboration with the Ministry of Tourism and the Tunisian National Tourism Office (ONTT).

The DMOs bring together independent service providers and the main professional federations in the tourism sector in a public-private partnership. The organizations have provided an excellent visibility of alternative tourism in the destinations Dahar and Djerba. This includes the award for Dahar as Green Destination at ITB Berlin in 2022, the ranking of Southeast Tunisia in the top 10 regions to discover in 2024 and the inscription of Djerba on the UNESCO world heritage list in 2023.

Destination Management Organisations (DMO) are one example for this. These organisations can facilitate the coordination of a tourism destination, by bringing together the stakeholders in a more institutionalized manner. The organisation structure and responsibilities of DMOs differ and should fit the individual local context. Rather than setting up rigid organization structures from the start, DMOs should grow around the strategic visitor flows and in correspondence to the needs of a destination. The responsibilities of DMOs can for example include (i) establishing a clear market positioning by defining the area's main tourist attractions (Unique Selling Proposition); (ii) encouraging participatory approaches to the formulation and implementation of tourism development plans and marketing concepts; (iii) lobbying in favour of issues related to tourism policy such as improvements to legal frameworks; (iv) providing a platform (information office, directories and online presence) to ensure the link between tourism MSMEs and tourists.

Switzerland has been a pioneer in developing the DMO concept and in adopting it in



national tourism regions. SECO supported the promotion and strengthening of DMOs in several countries based on those experiences.

3. Integration in value chains - increasing local value added and promoting the integration of products and services in tourism value chains.

SECO supports tourism MSMEs in increasing local value added and product development through provision of technical assistance and coaching. Tourists have a positive effect on the demand for locally produced goods and services. This creates increased opportunities for the local population to generate revenue along the tourism value chain. These opportunities are manifold and on different levels. Tourism related businesses like small restaurants, street food, homestays, production and selling of handicrafts have a very low barrier for entry and can thereby create unique opportunities for people with little formal education. At the same time, certain tourism groups will generate demand for medium- and high-quality tourism products and services, thereby creating different and often better income opportunities for the local population. This exposure to the tourism sector can thereby increase the standard of products and services overall, increase the added value, and potentially act as a stepping stone for exportation of goods.

PROJECT EXAMPLE

Supporting the development and integration of new tourism products in Kyrgyzstan

The Swiss Sustainable Winter Tourism Project in Kyrgyzstan, financed by SECO and implemented by Helvetas, aims to promote a sustainable and competitive winter tourism value chain in the destination Karakol, providing decent job and income opportunities for the local population.

One component of the projects focuses on strengthening the service delivery of local tourism MSMEs. Through partnerships with Swiss experts and local stakeholders, initiatives such as cross-country skiing seminars, snowshoeing activities, and cultural tourism events have been successfully implemented. These endeavours have not only diversified the tourism offerings but also integrated them into the local tourism value chain.

One important factor for enabling market access is to bring the service providers from partner countries together with their international counterparts. SECO supports that for example through the Swiss Import Promotion Programme (SIPPO): Business Support Organizations (BSO) in the tourism industry are strengthened to provide better export promotion services to export-ready tourism service providers. BSOs are supported in their ability to provide training in the areas of export administration, marketing, design and quality assurance. As the majority of tourism services are booked online nowadays, increased focus shall be put on strengthening the capacities of beneficiaries in the area of digitalization in the future.



4. Market-oriented skills – fostering skills and competencies for more and decent jobs in the tourism sector and higher quality tourism services.

The income opportunities created by the tourism sector is one of its most important contributions to the improvement of people's lives and the economy. Strengthening the skills of people working in the tourism sector helps them to find more and better jobs, it increases the availability of qualified employees for businesses and it contributes to an improved tourism experience for the visitor.

PROJECT EXAMPLE

Support the development of an executive hospitality training programme in Vietnam

Through the Swiss Tourism for Sustainable Development Project (ST4SD), implemented by Helvetas and CRED, SECO supports the establishment of an executive hospitality training programme in Vietnam. The rapid expansion of tourism establishments has not been matched by sufficient provision of training, in particular at mid-management level. Furthermore, the COVID-19 pandemic has caused many employees to leave the sector, which contributed even more to the lack of skilled personnel.

The executive hospitality training programme is established in cooperation with experienced Swiss training institutions in the sector and delivered by Vietnamese partner institutions. The goal is to deliver high quality training to the executive- and middle-management level in the hospitality sector, with a strong focus on sustainability. Furthermore, an enduring partnership between the Swiss and the Vietnamese hospitality training institutions is promoted.

SECO supports market-oriented skills on different levels, depending on what the demands and needs are in the partner country. Switzerland's longstanding experience on vocational education and training is particularly relevant for the tourism sector and adds a lot of value in the development of the workforce. On the other hand, improved skills at the management level are highly important, as this is where tourism products are designed and strategic decisions on their orientation are taken. In partnering with experienced Swiss Hotel Management institutions, SECO can significantly contribute to the development of modern and market-oriented skills at the management level.

2.3 Sustainable Tourism Development as a field for cross-sectional support

The support to Sustainable Tourism Development is mainly channelled through SECO-WE's Trade Promotion Section. However, the tourism sector extends horizontally and vertically across a vast part of the economy and is thus related to almost all of SECO-WE's Business Lines to some degree. SECO utilizes synergies between projects from different sections and different thematic areas to facilitate achievement of results and reinforce the impact of projects.

This utilisation of synergies between projects can be made more systematic. In cases where these opportunities arise, sustainable tourism development can serve as an



overarching theme for SECO support, with projects from different areas contributing to a common, overarching goal. Such more comprehensive support from different angles can lead to a more holistic transformation of the sector.

Support to the tourism sector in line with other SECO Business Lines can be designed as follows:

- **Economic policy** (focusing on tourism) – supporting the establishment and right application of tourism taxes, in line with SECO’s general support in the area of public financial management.
- **Urban development and infrastructure services** – supporting the planning, development and management of infrastructure that responds to the needs from local population and visitors. Support for public investment management (e.g., in transportation) and public asset management related to tourism.
- **Access to financing** – promoting improved access to financing for SMEs, including sustainable tourism businesses, allowing the sector to grow in a sustainable manner.
- **Corporate Social Responsibility** – strengthen corporate social responsibility in the tourism sector.

PROJECT EXAMPLE

Strengthening Colombia’s competitiveness in Sustainable Tourism through cross-sectional cooperation and landscape approach

SECO’s Colombia + Competitiva program is implemented in collaboration with the Colombian bodies of the National Competitiveness and Innovation System, including actors of the private and academic sector. The program is facilitated by Swisscontact. Colombia + Competitiva aims to promote green and inclusive growth by supporting key reforms related to competitiveness. One initiative that is supported by the program is working through a landscape approach in the province of Huila. This approach blends the development of sustainable tourism with support for agricultural value chains. It integrates policies and practices for the landscape’s multiple land uses in order to address key sustainability challenges and maximize positive impacts.

Colombia + Competitiva is a collaboration between SECO’s Trade Promotion Section and the Private Sector Development Section, illustrating an example of cross-sectional support in Sustainable Tourism Development.



2.4 SECO's approach on promoting sustainability

As discussed in chapter 1, the tourism sector is not only important in economic terms, but also significantly affects the environment and society. Therefore, prioritizing the social and environmental sustainability of tourism destinations supported through SECO's projects becomes increasingly important. Considering all three dimensions of sustainability is crucial for lasting and inclusive prosperity for people and the environment.

Promoting social sustainability

Sustainable Tourism Development should be inclusive and benefit the local population. The regulatory framework and business environment in the tourism sector should be shaped such that the local population has a share in the economic gains and does not suffer from adverse effects induced by over-tourism. Women and youth can benefit from the development of tourism sector in particular, as there are many income opportunities which do not require high upfront investments. Examples for this could be homestays, producing and selling of handicrafts and street food. However, gender inequality is still a severe issue in the tourism sector and beyond - and it stagnates social progress. On average, women in the labour market still earn 23 percent less than men globally and women spend about three times as many hours in unpaid domestic and care work as men (UN, 2023). Women represent the majority of the tourism workforce in most regions, but they tend to perform large amounts of unpaid work in family tourism businesses (informal sector). Governments and the private sector have a major role to play in promoting policies that champion equality and women's empowerment.

Promoting gender equality is a transversal theme for SECO and thus it is taken into account in all activities. Gender equality is for example promoted in the support to skills development, in public-private dialogue and when supporting specific businesses or destinations. Figure 3 in chapter 2.2 shows examples for areas of support that target social sustainability.

Promoting environmental sustainability

A healthy environment is of course a goal in and of itself, but it is also one of the biggest assets for a tourism destination. Switzerland itself has recognised the importance of intact natural and cultural environments for its tourism sector and emphasises the importance of its conservation in its own tourism strategy (SECO, 2021). SECO promotes the positive reinforcement effects between high quality tourism and a healthy environment as well as rich biodiversity in its projects.

On the other hand, it is evident that the tourism-sector - as it is today - has some significant negative effects on the environment as well. The sector is growing significantly in many countries around the world and it is projected that it will continue to do so, which makes a transition to more sustainability even more important. The goal of SECO in that context is to mitigate negative effects of tourism on the environment and promote the positive ones, thereby contributing to more overall sustainability in tourism.

Dealing with the effects from tourism mobility on the environment

Mobility in the tourism sector in its current form has a significant negative effect on climate and the environment. As discussed in chapter 1, the journey to and between destinations by air is by far the largest contributor to CO₂ emissions from the tourism sector. However, the decision on where, how much and how to travel lies with the consumer and can only be marginally influenced by projects in international development cooperation. Therefore, the focus is mainly on promoting environmental sustainability within destinations. Nevertheless, SECO-WE tries to limit negative effects of tourism mobility on the environment within its projects wherever possible. First, in cases where a project is contributing to the creation of new or alternative tourism flows to a destination through support in specific marketing

activities, the focus is on markets that are close to the tourism destination, so that tourists can reach the destination through less CO₂-intensive means of transportation. Second, tourism destinations and products should offer incentives for longer stays and thus contribute to fewer trips being made on average.

Dealing with the effects from the stay at the destination on the environment

The stay at the tourism destination can also have significant effects on the environment. However, there are many opportunities where SECO can contribute to mitigate negative impacts, not only on CO₂ emissions, but on the environment as a whole – among other on pollution, on biodiversity and the local landscape. Furthermore, tourism offers unique opportunities to generate economic value with minimal impact on the environment, for example through the formation of marine parks and national parks.

SECO promotes environmental sustainability in its projects in a cross-cutting manner in all the business lines mentioned in previous chapters. In line with SECO's climate strategy, the effect on the environment and potential risks are assessed systematically during the design stage of a project and the project design is adjusted accordingly. Figure 3 in chapter 2.2. shows examples for areas of support that target environmental sustainability. For example, when supporting the development of a tourism strategy, SECO advocates for conservation of natural and cultural heritage. In the area of skills development, sustainability is promoted as a key topic in the curriculum. When supporting tourism business and destinations, a particular focus is paid on their resource efficiency and their impact on nature and biodiversity.

2.5 Contributing to Swiss and Global Initiatives in Sustainable Tourism Development

Besides the support provided to SECO priority countries, SECO also actively contributes to global initiatives in the area of sustainable tourism, which complement the country-specific projects. Furthermore, SECO's Economic Development Cooperation Division coordinates its activities in the area of sustainable tourism development with the Swiss Tourism Policy Section (DSTO) at SECO, which is responsible for regulating the Swiss tourism sector. Tourism is international by nature – many countries face similar challenges and it is important to share experiences and best practices on how to manage tourism in a more sustainable manner. SECO-WE aims to increase awareness around the world for the importance of more sustainable tourism practices.

Promote a common understanding and framework for sustainability in tourism

The tourism sector must transition towards more sustainability. In order to set accurate goals, choose the right approaches to achieve them and track progress along the way, it is crucial to define and measure economic, social, environmental and cultural sustainability in tourism. There are many frameworks and initiatives to define sustainability in tourism, but the Global Sustainable Tourism Council (GSTC) provides one of the most widely recognized and applied set of criteria in that regard.

Furthermore, there are initiatives that come up with specific quantitative indicators along those criteria, which allow to measure sustainability in tourism and track progress. SECO-WE contributes to development and harmonization of different initiatives in Switzerland and at the global level. In Switzerland, SECO-WE coordinates these activities with DSTO at SECO and monitors the developments from other stakeholders, such as the Federal Statistics Office or the Competence Centre for Sustainability (KONA) of the Swiss Tourism Association. At the same time, SECO promotes the harmonization of key performance indicators at the international level. Relevant initiatives in that regard are for example the Tourism Impact Alliance, which aims to harmonize key performance indicators among tourism sustainability standards and businesses. Another promising

initiative is the Statistical Framework for Measuring the Sustainability of Tourism (SF-MST), which is supported by UN Tourism. It provides an integrated framework describing the main concepts, definitions and data organizations structures to support the production and organization of internationally comparable data on the impacts and dependencies of tourism on the economy, society and the environment. Switzerland proactively supports that initiative and is recognized as a pilot country for SF-MST.

Support voluntary sustainability standards and certification

Voluntary sustainability standards and certifications in tourism can help consumers to navigate towards more sustainable destinations, businesses and services. However, certification is still quite a niche phenomenon in tourism and only a small number of companies are certified. Furthermore, there are over 150 sustainability labels in the sector and most of them lack official accreditation. This can be confusing and overwhelming for consumers, undermining the very logic of certification of having a simple label that should guide towards sustainable choices. Better collaboration between stakeholders and leveraging efficiency through digitalization provide a unique opportunity to transform the certification landscape in tourism. Through a cooperation with the Tourism Impact Alliance (TIA), SECO supports the harmonization of standards and measurability of sustainability and aims for more credible certification and increased accreditation in the sector. An important milestone in that endeavour is the foundation of the Tourism Sustainability Certifiers Alliance (TSCA), a collaboration between the largest tourism certifiers, to which SECO contributed through its partnership with the TIA.

Switzerland itself has already pioneered an innovative approach to communicate sustainability efforts in tourism more clearly to the consumer. The Swisstainable sustainability program cooperates with existing sustainability standards under a common framework. It thereby gives visibility to the commitment of the Swiss tourism sector and supports tourism service providers in their efforts towards the comprehensive sustainable development of Swiss tourism. The initiative is launched, operated and further developed through a successful partnership between the public and the private sector.

3. Conclusion

Promoting the development of more sustainable tourism remains an important pillar of SECO-WE's trade promotion activities. The tourism sector is of significant economic importance – it has a high potential for job creation and poverty alleviation and is therefore an important entry point for supporting partner countries in their sustainable economic growth, in line with SECO-WE's overall strategy. Tourism also has substantial effects on the society and the environment. These can be positive or negative and the overall effect largely depends on how tourism it is managed. Forecasts on the future development of the tourism sector clearly indicate that visitor numbers will continue to grow. In this context, it is important to assist partner countries and to contribute to the sustainable management of tourism, with the aim to support the transition to a resilient and sustainable tourism sector that results in positive effects for people, planet and prosperity.

Switzerland – with its longstanding expertise in tourism and hospitality, and a high awareness on the importance of sustainability in tourism - is well positioned to support its partner countries in that endeavour. SECO-WE builds on its previous experience in sustainable tourism development. Assistance is guided by the established principles and in line with SECO-WE's overall strategy and business lines for support. Comprehensive support on different levels, tailored to the needs of partner countries, can contribute to the transformation of the sector towards greater sustainability. Thereby, it is essential to have a balanced approach and to equally consider all three dimensions of sustainability in tourism development. The focus is thereby on promoting sustainability within the destinations, as this is where we can provide most added value through our projects.

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