



CHILE'S SUSTAINABLE TOURISM PROGRAM

Hotel & Lodging Sector

 COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK



Capstone Workshop Thesis

Master of Science in Sustainability Management

Client: Sustainable Tourism Innovation Program (PITS) formed by the Undersecretary of State for Tourism, National Tourism Service (SERNATUR), Chilean Economic Development Agency (CORFO), and the Federation of Tourism Enterprises (FEDETUR)

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The capstone workshop is a client-based consulting project that students undertake to address critical sustainability management issues. The workshop is specially designed to integrate the program's distinct curriculum areas, including: integrative sustainability management, economics and quantitative analysis, environmental sciences, engineering, and planning, general and financial management, and public policy.

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EXECUTIVE SUMMARY

CHILE'S TOURISM INDUSTRY AND SUSTAINABILITY

As the impacts of climate change become more prevalent, the broader issue of sustainability has been elevated as a key area of focus across public and private sectors. Some companies and governments focus on the risks posed by sustainability related issues; others have chosen to focus on integrating sustainable principles into strategic initiatives. The country of Chile has developed, and is in the process of implementing, a sustainable tourism program, which is an example of how sustainability related opportunities can be used to drive growth in a responsible manner.

In 2010, the Chilean government enacted legislation to officially establish tourism as one of the country's strategic activities. A goal was set to increase the tourism industry's contribution to overall gross domestic product (GDP) from \$7.97B USD (3.2% of GDP) to \$15.5B USD (6% of GDP) by 2020 (Gobierno de Chile, 2012). The country of Chile views sustainability as an imperative strategy in the development and operation of tourism as reflected in the National Strategy for Tourism 2012 – 2020. The vision of the strategy states: “by 2020, Chile will be recognized as a world class destination, being admired and known for its attractive, varied, sustainable and high quality tourism” (Gobierno de Chile, 2012).

A sustainable tourism label, in conjunction with its governing body, was developed as a means to achieve the aggressive target of tourism growth. In other countries, similar programs have been established to recognize companies within the tourism sector that offer sustainable products or services. These products and services are certified based on a set of criteria established by the certification's governing body. With the implementation of a credible sustainable tourism label, Chile is hoping to protect the environment, gain competitiveness in international markets that offer similar destinations, and attract higher-spending tourists looking for sustainable destinations. To further advance the creation and implementation of the sustainable programs in Chile, the Sustainable Tourism Innovation Program (PITS) was formally created in 2012, and is conformed of the following private and public stakeholders:

- FEDETUR, the Chilean Federation of Tourism Enterprises, is a not-for-profit trade association that represents over 1,000 member companies that make up the country's tourism industry,
- SENATUR, the National Tourism Service, is the government agency responsible for promoting the tourism sector in Chile,
- CORFO, the public organization dedicated to promote innovation and growth in Chile to provide more job opportunities; and

- Undersecretary of State for Tourism, the government body responsible for elaborating plans, programs and projects for the promotion and development of tourism in the country.

Though Chile's sustainability label has been created and will be launched in May 2013, there are several outstanding issues in the areas of operations, funding, and promotion. As such, this report focuses on these three main structural components to provide recommendations for the governing body, to be named National Council for Tourism Sustainability (NCTS), as well as its label. The focus of the report is specific to the hotel and lodging sector and provides solutions that aim to ensure the long-term sustainability of the program.

To address PITS's issues, various research sources and analytic tools were used to create and support recommendations. Sustainable tourism certification programs from around the world were studied and used to generate case studies. The programs were benchmarked against Chile's proposed program in order to evaluate relevancy across key, macro-level operations, funding, and promotions criteria. A gap analysis between Chile's criteria for certification and each case study countries' certification criteria was performed. Subject matter experts in the field of sustainable tourism were interviewed and literature from academics, NGOs, and consultants related to the subject area were reviewed in order to gain additional insight and perspectives. Field research was also conducted in select case study countries in an effort to garner evidence supporting the relative successes and challenges faced by other country's certification efforts. Lastly, a survey was conducted for program participants in select case study countries in order to determine what elements of the program resonated with the respective participants.

Provided within this report are recommendations that target the three main areas of focus. These have been screened based on Chile's existing political, regulatory, and cultural climate, in order to ensure applicable and optimal solutions.

The recommendations aim to outline a path forward for Chile's sustainable tourism program. In order for the program to meet its goal of certifying 75 lodging providers within its first year of operation (2013), the daily functions of marketing and operations will have to be immediately addressed. Providing PITS with funding recommendations will help them understand the steps towards long term growth and success. Taken individually, the recommendations address specific launch-related solutions to the operations, funding and promotional structures of the program. Taken together, the recommendations provide a sound strategy for continued success of the program and ultimately the development of a sustainable tourism industry in Chile.

SECTION I

INTRODUCTION

PROJECT BACKGROUND

This report was prepared for the Sustainable Tourism Innovation Program (PITS) to provide recommendations for the implementation of the sustainability tourism program, and the sustainability label known as the 'Distinción de Turismo Sustentable'. The objective of the report is to provide recommendations to PITS on key structural components of both the governing body and the sustainability label. This was accomplished through analyses of the operations, funding and promotional structures of established certification programs. The outside programs analyzed, focused specifically upon the hotel and lodging sector.

The objective of this report is to provide strategic recommendations on the following key structural components of the sustainable tourism program of Chile: operations, funding, and promotions.



Overview

Tourism, defined as recreation and business travel, constitutes 9% of gross domestic product (GDP), \$6.6 trillion US dollars globally. One of the largest drivers of employment and development, it provides employment for 260 million people across the globe. Growth within the industry has been rapid, forecast in 2012 to range between 3% (9.4MM) and 4% (1.36B), and expected to reach one billion international tourists travelling the world in a single year. This number is likely to climb to 1.4 billion in 2020 and 1.8 billion by 2030 (United Nations World Tourism Organization, 2011).

Tourism is an inherently unsustainable industry so long as destinations are connected by modes of transportation powered by non-renewable resources. Recent statistics within the global tourism industry reveal an increase in domestic and international travel, resulting in the production of 5% (26,400 million tons) of the world's carbon dioxide (CO₂) emissions (United Nations Environment Programme and World Tourism Organization, 2012), with hotels and other accommodation types accounting for 1% alone (United Nations World Tourism Organization, 2011). Environmental factors such as greenhouse gas emissions, water depletion and pollution,

non-renewable energy use and inefficiencies, and natural resource depletion and habitat destruction, combine with social and cultural issues to produce great challenges for the tourism industry.

Whether it is the increase in consumer demand, development of 'green' programs, or governments creating new policies to encourage sustainable practices, there has been a growing trend towards a more sustainable tourism industry. To meet these challenges and opportunities, the tourism industry has begun to integrate various sustainable practices, especially focused upon air travel and hospitality operations.

The UNWTO defines sustainable tourism as: "Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"

Tourism & Sustainability in Chile

Chile has several key-factors that make sustainability an important consideration for the tourism industry. Specifically, the variety of tourism types, unique geography, diverse landscape and the abundance of natural resources all provide Chile with incentives to ensure the protection of its natural and cultural resources. In fact, 65% of long-haul tourists consider nature as the most influential reason for visiting Chile (Gobierno de Chile, 2012).

Projections indicate that from 2015, emerging economies will receive more international tourists than advanced economies, and that by 2030 international arrivals will exceed 1.8 billion (United Nations World Tourism Organization, 2011). Chile, one of twenty-five countries defined by the International Monetary Fund (IMF) (International Monetary Fund, 2012) as an emerging economy, is seeking to capitalize on this increase.

Chile's Strategy for 2020

“Chile’s vision is to be recognized by 2020 as a world-class destination, admired and known for its attractive, varied, sustainable and high quality tourism”

National Strategy for Tourism

The Chilean government formalized its commitment to tourism as a growth area when, in 2010, it enacted legislation that established tourism as one of the country’s strategic activities and set the goal to increase the tourism industry’s contribution to the country’s GDP from \$7.97B USD (3.2% of GDP) to \$15.5B USD (6% of GDP) by 2020 (Gobierno de Chile, 2012). The tourism industry is currently the 4th largest industry in the country behind the mining, fruit and paper sectors. Chile hopes to position tourism as the 3rd largest by 2020. This strategy aims to increase tourist arrivals to 5.4 million tourists by 2020 up from 3 million tourists in 2011 (Gobierno de Chile, 2012). In addition, Chile also aims to raise average tourism spending 50% from \$68.5 USD per tourist per day in 2011 to \$137 USD per day per tourist, by 2020 (Gobierno de Chile, 2012).

Sustainability Certification Programs

In response to rising concerns about the negative impacts of the tourism industry, one market-based tool to address these issues is the implementation of a sustainability certification program. These voluntary programs seek to recognize those businesses that are adhering to a specific set of standards and indicators of sustainable practices. As a result, and in conjunction with greater consumer demand, increased awareness, and regulatory risks, the tourism industry has begun to make sustainability a key focus. As such, the number of certification programs has grown – especially for the hotel and accommodation sector (Center for Responsible Travel).

“Investing in the greening of tourism can reduce the cost of energy, water and waste and enhance the value of biodiversity, eco-programs and cultural heritage.”

Towards a Green Economy: Pathways to Poverty Eradication

The Global Sustainable Tourism Council (GSTC)

The GSTC is a multi-stakeholder initiative supported by The United Nations World Tourism Organization (UNWTO), along with the United Nations Environmental Programme (UNEP) and the United Nations

Foundation (UNF). The mission of the council is to improve the potential of tourism to be a driver of environmental conservation and socially responsible economic development for both communities and businesses around the world as well as a tool for poverty alleviation. As such, the GSTC has helped address the implementation of such sustainability certification programs through their standard set of criteria; and although the criteria does not ensure that the certification process is credible, it does include minimum requirements to promote sustainability.

The GSTC criteria focuses on the following four overarching themes:

- Effecting sustainability planning
- Maximizing social and economic benefits for the local community
- Enhancing cultural heritage
- Reducing negative impacts to the environment

The GSTC aims to encourage certification standards that acknowledge sustainable tourism practices internationally and locally and grants the following endorsements:

- **Recognized:** This recognizes that a sustainable tourism standard is equivalent to the GSTC Benchmarking Criteria, and is administered by a standard owner that meets GSTC requirements.
- **Approved:** This means that a certification program is using a GSTC-recognized standard and is

following processes and procedures that have been reviewed and approved by the GSTC.

Chile's Label for Sustainable Tourism

Chile has made substantial progress towards the May 2013 launch of a sustainability label for their hotel and lodging sector. The public-private governing body that will be responsible for managing this forthcoming certification program is the National Council for Tourism Sustainability (NCTS). The NCTS will be responsible for:

- Promoting the adoption of sustainable practices among companies
- Disseminating available techniques and processes for that end
- Investigating current international trends
- Formally granting the certificate to applicant companies that satisfy the criteria

Prior to the launch of the NCTS, PITS was formed with the participation of the following public and private stakeholders to further advance the creation and implementation of the sustainable certification program in Chile:

- Tourism Sub-secretariat – the government agency responsible for projects and programs that promote and develop tourism.

- The National Tourism Service (SERNATUR) – the government agency responsible for the tourism sector in Chile.
- Corporation for the Development of Production (CORFO) – the public organization dedicated to promote innovation and growth in Chile.
- Federation of Tourism Enterprises (FEDETUR) – a not-for-profit trade association representing over 1,000 member companies that make up the Chilean tourism industry.

These four agencies established, through consultation with industry experts, a set of criteria for a sustainability certification program for Chile’s tourism industry. The sustainability certification criteria is largely based on the GSTC standard,

which is a universally accepted standard and Chile is in the process of having it “GSTC Recognized” before the launch of the program.

Prior to the launch of the sustainability label in May 2013, PITS has identified the following three outstanding issues that need to be addressed:

- Operational structure of NCTS
- Funding structure of NCTS
- Promotion of the sustainability label

This report provides recommendations that address these three key issues and will provide the credibility, transparency and foundational structure needed for a strong sustainability program.

Highlights from the “Towards a Green Economy” Report

Green tourism has the potential to create new jobs, support the local economy and reduce poverty

- Tourists are demanding the greening of tourism.
- Much of the economic potential for green tourism is found in small and medium-sized enterprises, which need better access to financing for investing in green tourism.
- Destination planning and development strategies are the first step towards the greening of tourism.
- Government investments and policies can leverage private sector actions on green tourism. (United Nations Environment Programme, 2011)



Travel & Tourism Industry Facts

Negative Impacts & Concerns

Environmental

- Contribution to climate change;
- Depletion of natural and precious resources, such as land and water;
- Creation of pollution of all kinds.

Social

- Social changes and dislocation of traditional societies;
- Pressure on cultural heritage sites, natural environments and biodiversity;
- Poor labor conditions and exploitation in parts of the sector.

Positive Impacts

Economic

- A growing opportunity for enterprise development and employment creation, with low barriers for entry;
- Direct and indirect support for local communities, through the provision of jobs, income, services and infrastructure.

Social

- Awareness of natural and cultural heritage and support for their conservation;
- Health, wellbeing and educational benefits for tourists and hosts, which should be accessible to all.

SECTION II

METHODOLOGY

OVERVIEW

The Client presented issues pertinent to operational and funding structure of the NCTS and promotion of the sustainability label. These issues were researched and analyzed and recommendations generated based on research findings and applicability to Chile's tourism industry.

RESEARCH

The research section of the report consisted of the following phases:

- Identifying primary and secondary tourism certification programs
- Case study certification program research
- Surveys to hotel and lodging providers
- Literature review
- Interviews with subject matter experts
- Field research

Identifying primary and secondary tourism certification programs

Regional, country and state sustainability certification programs for the tourism industry were examined. In addition to the certification programs PITS requested, additional ones were examined based on the

following criteria:

- GSTC recognition
- Administration of the program
- Funding of the program
- Promotion to perspective clients

Certification programs were designated as primary or secondary to prioritize programs deserving further study. Primary programs were most applicable to the study and full case studies were conducted to build a body of data in the three focus areas: operations, funding and promotions. Programs were classified as secondary due to gaps in available information; so targeted studies were undertaken in applicable areas of focus. Further detail on primary and secondary program selection is available in the analysis heading of this section.

Case study certification program research

The governing bodies of the selected cases were contacted for interviews focused on their program administration, funding and promotion to both internal and external clients. Additional relevant research topics: political, regulatory and cultural elements were examined to provide additional context.

Surveys to hotel and lodging providers

Surveys were emailed to hotel and lodging providers certified under each primary program. The survey questions covered levels of satisfaction with the program, intent to recertify, the fairness of the fees charged by the program and the overall value that the program provided. The purpose of the lodging provider survey was to understand the advantages and disadvantages of each certification program from a lodging provider's perspective. Market research on lodging providers located in Chile was also performed. Questionnaires were sent querying levels of awareness, willingness to participate, benefits and incentives that would encourage participation, and opinions on pricing, for the new sustainability program.

Literature Review

Literature was reviewed to understand tourism best practices and gain historical perspective. This literature review included Chile's National Tourism Strategy, GSTC protocols & ISO standards, Center for Responsible Travel (CREST) Handbooks, WTTC reports, Agenda 21 Programme of Action for Sustainable Development and data sets.

Interviews with subject matter experts

Interviews were conducted with Dr. Linda Cox, Community Economic Development Specialist of the University of Hawaii; Dr. Louise Twining-Ward, President of Sustainable Travel International; and Amos Bien, Technical Director of GSTC and other subject matter experts. The goal of the interviews was to gain perspective on certification programs by understanding best practices, successful programs and challenges faced by sustainable tourism industry. Feedback provided from SMEs interviewed confirmed the validity of the methodology used in various certification programs.

Field Research

Research also included three field visits to the Netherlands, Costa Rica and Canada. Field research consisted of meetings with certification program stakeholders and visits to hotel and lodging providers certified under the programs previously researched, providing firsthand knowledge and insights on the programs. They also provided cultural and local context to remote research and interviews. Field research was conducted in Chile to understand the applicability of recommendations to Chile's sustainability program. Interviews were conducted with PITS, public agencies, accommodation providers and other stakeholders, to better understand the program's objectives and hotel and lodging provider's expectations.

Table 1: Research Phase Metrics Breakdown

| | |
|------------------------------------|-----|
| Certification programs researched | 12 |
| Hotel and lodging provider survey | 179 |
| Chile | 31 |
| All Other | 148 |
| Subject Matter Experts Interviewed | 7 |
| Countries visited | 4 |

ANALYSIS & FINDINGS

The research phase was immediately followed by analysis. The twelve-certification programs identified were screened and categorized as primary or secondary certification programs, based on the following criteria (Table 2):

- Client requested
- GSTC recognized
- Client parameters
 - Self-funded
 - Significant membership base
- Access to information & robustness
 - Funding
 - Operations
 - Promotion
 - Certification Criteria
 - Field trips
 - Survey Responses

Table 2: Certification Programs Classification

| | Client Requested | GSTC Recognized | Client Parameters | Information Access | Primary or Secondary |
|-----------------|------------------|-----------------|-------------------|--------------------|----------------------|
| Australia | ● | ● | | | II |
| Austria | | ● | | | II |
| Canada | | | ● | ● | I or II |
| Costa Rica | ● | ● | ● | ● | I |
| Florida | | | ● | ● | I or II |
| Hawaii | | | | | II |
| Ireland | | ● | | | II |
| New Zealand | ● | | ● | ● | I |
| South Africa | | ● | ● | ● | I |
| The Netherlands | | | ● | ● | I or II |
| Virginia | | | ● | ● | I or II |
| Wisconsin | | | ● | ● | I or II |

A country or state was identified as a “primary certification program” if it met most of the criteria outlined above and priority was given to those certification programs requested by the Client. Although the client requested Australia be included, there was an inability to source sufficient information on the certification program or make contact with a representative of the governing body to gather the materials necessary to perform a comprehensive analysis for this report; thus, Australia was excluded.

A country or state was identified as a “secondary certification program” if access to all the required information

to properly conduct the analysis was not met. Although such programs did not meet the significant criteria outlined above, the secondary certification programs still provided informative key elements that were applicable to portions of the scope and were referenced where appropriate.

In addition, some certification programs required further review before identifying them as primary or secondary certification programs. The criteria (Table 3) was reviewed to better understand what type of information was available for each certification program.

Table 3: Certification Programs Screen

| | Client Requested | GSTC Recognized | Client Parameters | Information Access | Primary or Secondary |
|-------------|------------------|-----------------|-------------------|--------------------|----------------------|
| Operations | ● | ● | ● | ● | II |
| Funding | ● | ● | ● | ● | I or II |
| Criteria | ● | ● | ● | ● | I |
| Field Trips | ● | ● | ● | | I or II |
| Surveys | ● | ● | ● | | II |

Criteria Gap Analysis

In order to compare the structure and content of the criteria of all case studies, the report included a gap analysis of the criteria of Chile’s program versus those of the GSTC and other certification program’s. The goal of this analysis was to contrast the allocation of criteria to provide the necessary context to better understand those areas of sustainability that are most relevant to every certification program, as well as understand if Chile’s program was structured similarly to other GSTC recognized programs. This analysis was also used to inform the decision on which programs would receive primary versus secondary consideration.

Benchmark

The analysis consisted of benchmarking key statistical data across high-level themes for each certification program researched. For programs that operated in only one

state or country, key information was compared, which included the number of certified lodging establishments versus the total number of establishments in the state or country, total state or country population, total state or country GDP, percentage of tourism to total GDP and whether or not the identified program was GSTC certified.

Given the very unique nature of every certification program combined with the lack of internationally recognized “best practices,” the analysis focused upon identifying common trends within the operational and funding areas

Survey Analysis

Two surveys were conducted. The general survey was sent to hotel and lodging providers certified under the primary programs, and a Chile specific survey to potential participants in the Chilean program. The surveys were analyzed based on geography (by country), size of respondent (measured in number of rooms), and by type of

accommodation. However, the small sample size lessened the statistical significance of survey results. Thus, insights gained from the surveys were used to a limited extent to support final recommendations.

Key Findings

The distillation of the results from the three analysis tools, in addition to key findings from various subject matter experts, literature and field research, helped identify common and synergistic themes relevant to address the Client's issues. Chile's sustainable tourism program will stand to benefit from the collection of these wide-ranging findings, which were used as a foundation for ultimate recommendations. Not only did the analyses result in findings that addressed client-specific issues, but also uncovered additional findings that have the potential to further strengthen Chile's certification program.

Recommendations

The recommendations focused on the issues of both the NCTS and its sustainability label. These solutions

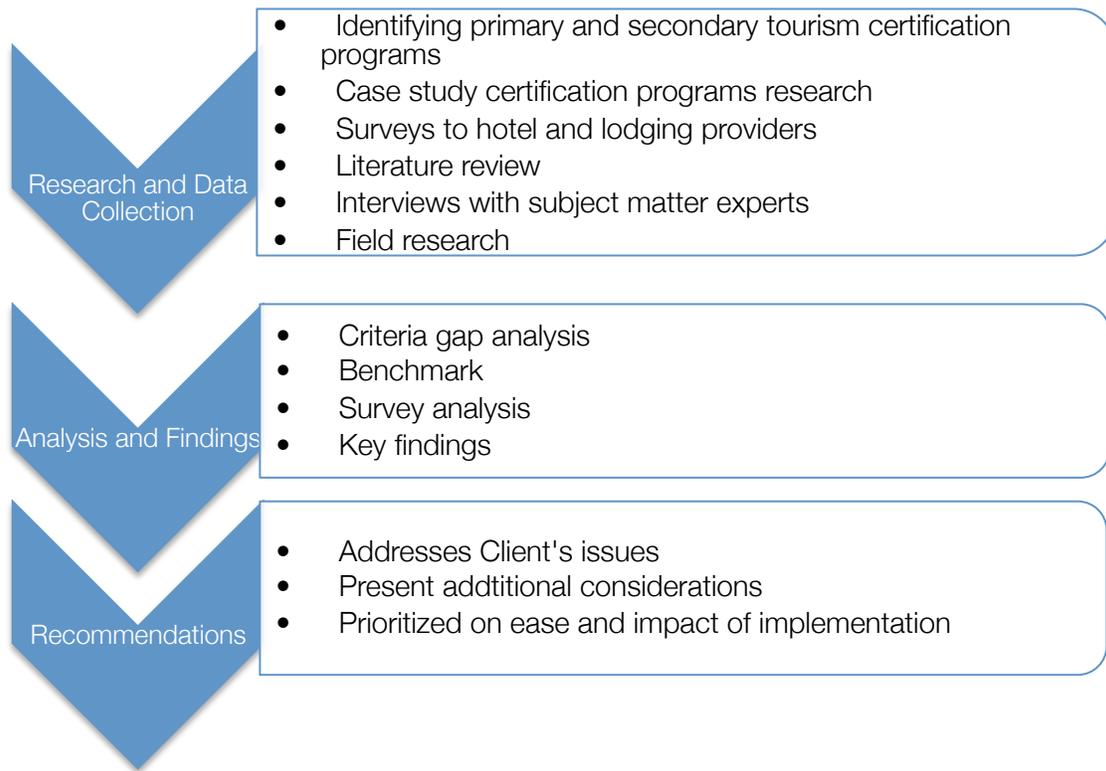
were prioritized based on the impact of implementation and on ease of implementation. Also included were additional recommendations, which support and enhance the NCTS and the certification program's overall mission.

The following three questions were used to generate the findings, which informed the recommendations:

- What are the Client's requirements, limitations and preferences?
- Are the recommendations consistent with the information collected from literature reviews and interviews with subject matter experts?
- Are the recommendations applicable to Chile's situation?

The implementation of these recommendations would enable the Client to achieve the goals set forth for the certification program, to increase competitiveness and attract higher spending tourists while at the same time protecting the very environment on which Chile's tourism industry relies.

Figure 1: Methodology Flow Chart



SECTION III

RESEARCH

OVERVIEW

The research aim was to build a knowledge base of existing certification programs, to address the issues presented by the Client. Focusing on the operational and funding structure of the NCTS and promotion of the sustainability label. The research exercise utilized existing certification programs to gain understanding of best practices.



PRIMARY CERTIFICATION PROGRAMS – CASE STUDIES

Canada

The Green Key Eco-Rating Program (Canada) was launched in 1997. Originally funded by the government agency Natural Resources of Canada, it is today Green Key Eco-Rating Program is administered by the Hotel Association of Canada (HAC), and is fully funded by member hotels.

Overview

The Canadian tourism industry amounted for 1.0% of Canada's GDP in 2012, in the amount of \$77.9B US dollars. It is predicted to grow at a rate of 3.6% per annum in the next ten years. The industry, both directly and indirectly, provided 5.3% of Canadian employment, the equivalent of 921,500 jobs in 2012 and is expected to contribute 1,227,000 jobs in the next ten years (World Travel & Tourism Council, 2013).

Country Brief: Canada

Population & Economy

- Population: 34,762,000
- Major industries: transportation equipment, chemicals, processed and unprocessed minerals, food products, wood and paper products, fish products, petroleum and natural gas

(Central Intelligence Agency, 2013)

Travel & Tourism (yr. ending 2012)

- Direct Contribution to GDP: 1.0%
- Dir. Contrib. to Employment: 1.8%

(World Travel & Tourism Council, 2013)



Source: CIA World Factbook 2013

Canada's tourism brand is aligned with five "unique selling propositions," two of which are directly linked with sustainability: vibrant cities at the edge of nature, and active adventure among awe inspiring natural wonders (Canadian Tourism Commission, n.d.). The Canadian government views tourism as a means of simultaneously advancing an understanding of the natural environment and promoting respect for the natural environment (Government of Canada, n.d.). Canada's National Tourism Strategy outlines a collaborative approach between federal, provincial, and territorial governments; as well as industry partners to foster growth within the industry (Government of Canada, n.d.). One of these industry partners is the HAC, which assists its members within the hotel and lodging sector to compete and keeps members up to date on industry information and resources.

Green Key Eco-Rating Program, Canada

The 1992 Earth Summit in Rio de Janeiro gave birth to the idea that eventually became The Green Key Eco-Rating Program. The program was initially launched as the Green Leaf Eco rating program in 1997 and was managed for the HAC by a third party organization. In 2003, through consultation with the private firm CH2M Hill Engineers, the program was revised and rebranded as the Green Key Eco Rating Program. Two years subsequently the HAC made

the decision to manage the program in-house (Canadian Lodging News, 2010).

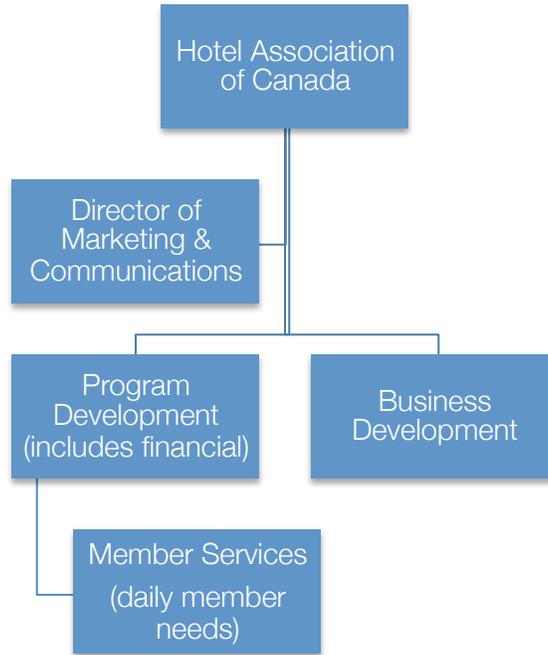
Green Key Eco-Rating Program, a private organization under the Canadian Hotel Association, now administers and manages the program (Myers, 2013). Green Key Eco-Rating Program has complete authority to grant and revoke the certification. Initially the organization received some financial assistance from the government organization, Resources Canada but the program is now funded fully by membership fees (Myers, 2013).

Operations

Governing Body

The Green Key Eco-Rating Program employs three full time staff members: a program development director, a business development director as well as a member services coordinator (Figure 2).

Figure 2: Green Key Eco-Rating Program Organizational Structure



(Myers, 2013)

Criteria

The program assesses the 5 main operational areas of a property and covers nine areas of sustainable practices (Table 4):

Table 4: Green Key Eco-Rating Program Criteria Areas

| |
|------------------------------------|
| Corporate Environmental Management |
| Housekeeping |
| Food & Beverage Operations |
| Conference & Meeting Facilities |
| Engineering |
| Sustainable Practices |
| Energy conservation |
| Water conservation |
| Solid waste management |
| Hazardous waste management |
| Indoor air quality |
| Community outreach |
| Building infrastructure |
| Land use |
| Environmental management |

Certification Process

Hotels complete an on-line assessment and results are processed through the automated program (Figure 3). Ratings are calculated based on associated point value from each question. The score is converted to a percentage that correlates to the number of keys assigned (Myers, 2013). The program is graduated ranging from one key to five keys (Green Key Eco-Rating Program, n.d.).

There is an initial application fee charged, along with a renewal fee that is due one year from the on-site inspection or verification (Myers, 2013). The fee is the same for all Canadian Properties: USD\$390 + Harmonized Sales Tax per year, which ranges from 14 -15% depending on province (Green Key Eco-Rating Program).

The Green Key certification label is valid for a two-year period (Myers, 2013). If membership is terminated or temporarily suspended, hotels must remove all references to the Program from their promotional material and property signage (Green Key Eco-Rating Program)

Figure 3 – Green Key Eco-Rating Certification Process



Source: www.greenkeyglobal.com

Auditing

Audits are conducted every two years (Myers, 2013). The auditors visit properties with a copy of the on-line assessment and properties are required to provide hard copies of any policies and documentation referenced in the on-site survey (Myers, 2013). Auditors from the provincial hotel association bodies conduct the verification audits. The detailed environmental audit and performance report are issued to the respective properties (Myers, 2013).

The impact of the certification on the tourism industry has not been assessed directly, but the annual travel intentions survey includes questions about traveler preferences as they relate to “green properties” Member properties also provide the occasional case study which includes details on energy performance on a voluntary basis (Myers, 2013).

Key Insights: Operations

- One ongoing challenge has been expanding the incentives for hotel and lodging providers to ensure added value to the sustainability label. (Myers, 2013).
- The amount of buy-in from hotel owners and the ability of the program to meet their needs appear to be linked to the level of success the certification achieves.
- Self-funding & a small staff complement seem to have been two of the ultimate operational goals. Resource sharing with the HAC appears to have proved effective for resource sharing.

Funding

Despite a decision several years ago to stop producing an annual report, Andrea Myers – Director of Program Development, disclosed to us the Hotel Association of Canada's annual operating budget is slightly over \$1million and the Green Key Eco-Rating Program accounts for just under half of the total budget.

There are no direct financial incentives to cover the cost of the certification fee. Incentives for capital projects are offered in the different provinces through energy supply companies (ESCOS). Green Key Eco-Rating Program assists in identifying these opportunities (Myers, 2013). The Federal Government of Canada's Accommodation Directory also lists green rated accommodations (both Canadian and US) on their internal directory. Each hotel's rating is highlighted and the government's travel agents are encouraged to book

certified properties. (Member Benefits, n.d.)

Myers estimates that the consulting fees to develop the program were likely the most significant start-up costs. In 1997, much of the processing was done manually. When the program transitioned online in 2004, its development presented a significant expense.

When considering today's ongoing expenses, approximately 75 – 80% of the annual program budget is allotted to inspections (varies from year to year). The rest is earmarked for development, promotion and other incidentals. Green Key Eco-Rating Program has two employees whose salary information was not disclosed.

Green Key Eco-Rating Program's revenue comes almost entirely from membership, the Green Key Meetings Program, and the Green Key Supplier Directory (Meyers, 2013).

Members requesting access to additional self-assessments within a one-year period may be charged an administrative fee in addition to the base membership fee (Green Key Eco-Rating Program, 2010). In the event a member is audited and it is determined they actually deserved a lower Green Key rating then their membership may be suspended.

If permitted to rejoin the program, the hotel must pay the current annual membership fee, plus an advance sum of \$2,000 for an on-site verification inspection. The inspection is based on the recently completed self-assessment of the accommodation (Green Key Eco-Rating Program, 2010).

When hotels first join, they are charged a registration fee and not billed again until one year from the date they complete their assessment, and receive their rating. According to Green Key's terms & conditions, the member hotel pays their registration fees online through the Green Key website, via a major credit card (Green Key Eco-Rating Program, 2010). Annual renewal fees are invoiced to the member, who may provide payment to Green Key Eco-Rating Program via check or credit card.

Besides revenue from membership fees, Green Key offers an annual \$300 basic listing, and a \$350 enhanced listing for green product suppliers to be displayed on Green Key's website (Green Key Eco-Rating Program, 2013).

Like other successful eco-tourism certifications, Green Key also faces some challenges. According to Myers, Green Key Eco-Rating Program operates through the Hotel Association of Canada which is a not for profit organization, thus there is a very limited marketing budget. Therefore, they rely heavily upon building relationships with tourism convention bureaus, educating them on the program and how it can benefit their business. Finally, they provide such entities with monthly updates to further strengthen and maintain the relationships.

Promotions

Communications

Green Key Eco-Rating Program plays a vital role in promotion, by communicating and engaging members individually as well as with corporate chains.

Much of their exposure and promotion comes from peer to peer communication led by hotel owners that participate in local hotel association chapters. Green Key also shares examples of the certification's effectiveness through case studies that are provided for hotels once they become members.

These case studies demonstrate environmental benefits, financial benefits and marketing. In addition, Green Key uses their website heavily for information transfer. The "Tools" section of the member site provides

links to resources under the following headings: General Informational, Financial Tools & Incentives, Technical Tools, and Articles & Case Studies (Member Benefits, n.d.).

Yet another method used to increase recognition for the label is tradeshow presence, by attending these industry conferences they are able to interface directly with hotels (Myers, 2013).

Green Key Eco-Rating Program does not market the label internationally to countries but they do capitalize on exposure from global member companies with hotels internationally. Online marketing and exposure through trusted booking and travel operator sites continue to increase awareness of the rating. Two well-exposed travel agent sites that use Green Key certification as an indicator for sustainability are Travelocity and hotels.com (Myers, 2013).

Incentives

Green Key Eco-Rating Program approaches external stakeholders with the following three benefits of the certification: Environmental Benefits, Financial Benefits and Marketing Benefits. Each of which holds a significant attraction for stakeholders.

The HAC's Green Key Eco-Rating Program Rating Program is a graduated rating program designed to recognize hotels, motels, and resorts that are committed to improving their fiscal and environmental performance.

Based on the results of a comprehensive environmental audit, hotel owners are awarded a 1-5 green key rating and given guidance on how to "unlock" opportunities to reduce operating costs and environmental impacts through reduced utility consumption, employee training, and supply chain management (Environmental Certification Programs, 2012).

There are no government financial incentives available for Green Key Eco-Rating Program. However, there are a number of incentives provided by power authorities for commercial buildings that implement efficiencies with the purpose of mitigating the use of natural resources (i.e. such natural gas, fuel reduction, water reduction) in their operations.

These kinds of projects are valued in the Green Key Eco-Rating Program rating and can be viewed as providing hotels with a competitive advantage. Green Key Eco-Rating Program experiences increased requests for information during August and September, as this is typically the time when public and private businesses shop for hotels and annual contracts are created.

Additional support comes from an accommodations directory that highlights sustainable properties. If properties are green key rated, it enables site users to search by green key rating. It is strongly encouraged by the government of Canada for federal travelers to choose green key rated hotels.

Key Takeaways

- Green Key Eco-Rating Program has shown long-term success and credibility in the marketplace mostly due to the power of robust partnerships. These strategic partnerships include well-known travel operators and industry affiliations.
- Green Key Eco-Rating Program is committed to building affiliations and partnerships that complement their mandate to assist lodging facilities in building and marketing their sustainable day-to-day operations without compromising guest satisfaction (Strategic Partners, n.d).

Costa Rica

Costa Rica's Certification for Sustainable Tourism (CST) is one of the oldest and most distinguished programs of its kind in the world, and plays an integral role in the development and promotion of the nation's tourism sector. Its experience also provides many key insights into the ways to mitigate the myriad challenges faced by sustainability minded hotels owners in a developing country.

Overview

Costa Rica is a leader in adventure travel and ecotourism, and is also a favorite destination for health and wellness tourism, educational tourism and youth tourism. By 2011, US and Canada accounted for more than half of all inbound travellers, followed by travellers from Central America, Europe, and South America. (Costa Rica Tourism Board, 2012)

Country Brief: Costa Rica

Population & Economy

- Population: 4,695,942
- Major industries: Microprocessors, food processing, medical equipment, textiles and clothing, construction materials, fertilizer, plastic products

(Central Intelligence Agency, 2013)

Travel & Tourism (yr. ending 2012)

- Direct Contribution to GDP: 12.3%
- Dir. Contrib. to Employment: 4.5%

(World Travel & Tourism Council, 2013)



Source: CIA World Factbook 2013

Certification For Sustainable Tourism (CST)

During the late 1990s Costa Rica experienced a boom in tourism, particularly from the United States, and a national debate took place about how to balance preservation and promotion of the country's natural resources, wildlife habitats, and indigenous cultures, which are the country's main tourist attractions.

One of the outcomes of this discussion was the launch of the Certification for Sustainable Tourism (CST) program, under the administration of the Costa Rica Tourism Board (ICT).

The goal of the program was to give recognition to efforts being made by small 'eco-lodges' to promote conservation and ecotourism in Costa Rica and teach best management practices across the hotel sector.

Over time, the program has shifted focus from ecotourism to a broader sustainability platform, said Alberto Lopez, program coordinator for CST. Another change has been to move from a hotel-emphasis to include all tourism businesses.

Hotels that were already interested in protecting the environment were the first to join the program, said Lopez. During a "learning phase" from 2001-2008, characterized by many training sessions and creating awareness, an average of only 8 companies per year

joined CST. As the program became more developed – 2009 to the present – it gained in credibility, and is currently growing at a health pace, according to Lopez.

Currently there are 272 companies certified by the CST, including 204 hotels & lodges, 9% of the hotels nationwide. Micro and small hotels represent 70% of the hotels under certification, while medium-scale and large hotel each comprise 15% (Table 5).

Table 5: Categories of Hotels in Costa Rica (by room count)

| | |
|---------------|-------|
| Micro | < 10 |
| Small | 11-20 |
| Medium | 21-50 |
| Large | > 50 |

Additional tourism businesses under certification include travel agencies, tour operators, and car rental agencies. This represents around 30% of the total number of companies in those sectors. A sustainable theme park is also certified.

Operations

Governing Body

Management and promotion of the CST falls under the ICT's Tourism Management Department of Sustainability Programs. The authority

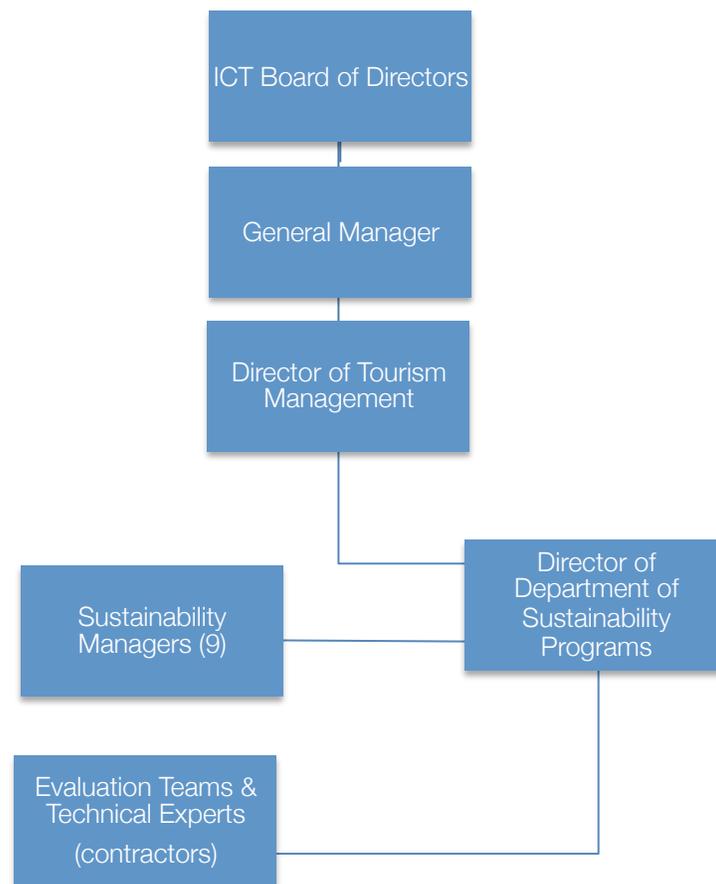
to grant the certification is held by the National Accreditation Committee (NAC), which helped to develop CST criteria and which is also the training and licensing body for auditors.

NAC itself is a public-private partnership that provides a platform for collaboration between the government, the private and education sectors. The government is represented by the ICT, the Costa Rican Environment & Energy Ministry (MINEA) and the Biodiversity Institute (INBIO); the private sector is represented by the National Tourism Chamber, as well as international

organizations including the International Union for the Conservation of Nature (IUCN) and the Earth Council; the educational sector is represented by the Costa Rican University (UCR) and the Central America Business Administration Institute (INCAE).

Staff consists of a program coordinator and 9 sustainability managers who are imbedded in ICT regional offices, as well as in the capital (Figure 4). Until recently the program offices were limited to the capital.

Figure 4: CST Organizational Structure



Source: ICT

Criteria

The CST criterion was developed internally, and has since been recognized by the GSTC. The most recent criteria contain 210 elements, each of which carries a point value from 1 to 3. The criterion is organized into one of 27 categories (Table 6). The categories fall into one of 4 areas: Physical-Biological Environment, Infrastructure & Services, External Client, and Socio-Cultural Environment (Table 7). To achieve the minimum level of certification (one leaf), hotels must meet at least 20% of the criteria in each area, with the lowest rated score determining the hotel's overall level of certification, rated from one to five 'leaves.'

A high level technical committee, and a multidisciplinary team of experts assist the ICT with ongoing development of the programs' parameters and indicators. This committee also establishes the procedures for the assessments and proposes marketing strategies for the program (Certification for Sustainable Tourism, 2010).

Table 6: CST Categories Criteria & Points

| AREA | CATEGORY | CRITERIA | POINTS |
|---------------------------------|------------------------------------|------------|------------|
| Physical-Biological Environment | Environment & Conservation | 7 | 12 |
| | Green Areas | 6 | 10 |
| | Golf Course | 9 | 22 |
| | Natural Areas | 4 | 6 |
| | Protection of Flora & Fauna | 5 | 9 |
| | Historical & Cultural Patrimony | 3 | 7 |
| | Climate Change | 8 | 16 |
| | Water Management | 8 | 15 |
| | Energy Management | 13 | 21 |
| | Waste Management | 8 | 16 |
| | Water Quality | 6 | 12 |
| | Total | 77 | 146 |
| Infrastructure and Services | Business Plan | 4 | 7 |
| | Staff Training & Management | 7 | 13 |
| | Purchasing Policy | 6 | 11 |
| | Food & Drink | 7 | 14 |
| | Cleaning supplies | 6 | 11 |
| | Staff Facilities | 3 | 8 |
| | Emergency Planning | 4 | 5 |
| | Additional Security Elements | 9 | 19 |
| | Total | 46 | 88 |
| External Client | Guest & Client Communications | 11 | 24 |
| | Condition of Guest Rooms | 4 | 8 |
| | Group Tours | 6 | 10 |
| | Measuring Guest Response | 5 | 10 |
| | Total | 26 | 52 |
| Socio-Economic Environment | Human Capital Management | 13 | 23 |
| | Indirect Economic Benefits | 6 | 11 |
| | Health | 8 | 11 |
| | Social & Cultural Development | 14 | 28 |
| | Optional/Bonus Criteria | 20 | 32 |
| | Total | 61 | 105 |
| | Total Criteria & Points | 210 | 391 |

Table 7: CST Area Weights

| Area of Requirement | Category Weight | Point Weight |
|---------------------------------|-----------------|--------------|
| Physical-Biological Environment | 37% | 37% |
| Infrastructure and Services | 22% | 23% |
| External Client | 12% | 13% |
| Socio-Economic Environment | 29% | 27% |

Table 8: Comparative Category Weights – Chile Sustainability vs. CST

| Area of Requirement | Chile Percentage | Costa Rica Percentage |
|---------------------------------|------------------|-----------------------|
| Mandatory | 6% | 2% |
| Economic | 27% | 16% |
| Socio-Cultural | 17% | 44% |
| Environmental | 50% | 38% |
| Total | 100% | 100% |
| Min. points to become certified | 40% | 20% |

Certification Process & Audits

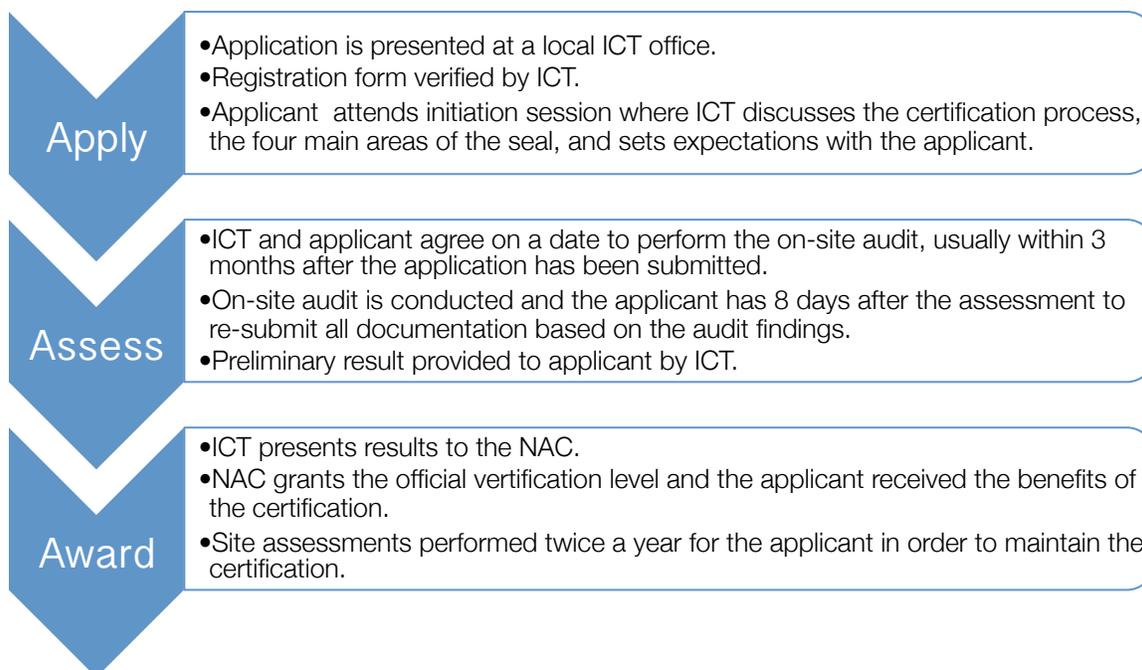
Audits are financed by the ICT and are comprised of teams of at least two persons, including ICT staff and outside technical experts as needed. Having a team of more than one person is important for transparency (Figure 5) (Lopez, 2013).

Audits typically last 5-6 hours, and are meant to be a collaborative effort between the auditing team and the business being evaluated. Auditors are granted some flexibility in their scoring of the business to account for unique circumstances, or ‘object subjectivity’ (Lopez, 2013)

Performance scores from each audit are posted on the CST website and are available to the public. If businesses are found to have fallen below a level of performance required to maintain their certification, or particular level of certification, they are granted a six-month grace period to make the necessary improvements. There have been very few cases of companies having a progressively worse performance. Those hotels and lodges that withdrew cited a loss of interest in the program as the cause (Lopez, 2013).

Businesses that have joined the program have benefited from improved administration, savings in water and energy use, and improved business, said Lopez, although the CST does not conduct statistical analysis to quantify these benefits.

Figure 5: CST Certification Process



Key Findings: Operations

- Lack of infrastructure, lack of information, and government bureaucracy are barriers to entry for many hotels, especially small hotels and lodges located in rural areas (Figure 6).
- Hotels and lodges not located near the capital of San Jose reported that the distance needed to travel or send staff for training, as well as sending water samples for verification were barriers to participation in the program. This is according to hotels that participated in the online survey conducted for this report, as well as those that were included in the field research.
- The recent decision by CST to move staff out of the capital to regional ICT offices around the country may allay some of this concern. However there did

not seem to be much awareness about this change among hotels, highlighting the possible need for improved communications between CST and hotels.

- Several hotels expressed frustration about the educational support provided by ICT. They felt they needed improved lessons to understand how to meet criteria.

Figure 6: Distribution of ICT Offices in Costa Rica



Source: ICT

Funding

The CST program has been fully funded by the government of Costa Rica since its inception (Lopez, 2013). Government funds are channeled through ICT, and are supported through a \$15 exit tax charged to tourists flying out Costa Rica (Chaves, 2013).

The CST operates on a budget of approximately \$1,000,000 a year. These funds cover all administrative and operational expenses, including staff salary, website maintenance, marketing, local educational/speaking events, hotel certification merchandise, and audit expenses

such as food, lodging, and transportation (Chaves, 2013).

The program does not generate any revenue, with program initiation and participation being free of charge (CST, n.d) Because of this, there is an overall emphasis on transparency for the program, so that hotels and other stakeholders do not feel that they are being imposed upon or that the program is attempting to make a profit (Chaves, 2013).

The CST has also leveraged relationships and created strategic partnerships with organizations in order to reduce costs. For example, the program partnered with one of the leading schools in Costa Rica, INCAE, to assist in developing the program (Abigail, n.d.).

Key Findings: Funding

- The program operates under a fairly large budget, with few challenges observed by the Program Coordinator of CST with respect to funding. As the program grows its number of certified properties, it must also increase its budget by obtaining additional funds in order to operate at a greater capacity (Chaves, 2013).
- Many hotels that participated in the online survey conducted for this report, as well as those that were included in the field research expressed concern about the high cost of participation in the program.

- Despite free enrollment, the lack of training and education available to hotels forces them to hire additional staff or specialized consultants in order to meet program criteria, which many small hotels report is prohibitively expensive.

Promotions

The CST program includes a series of direct incentives, where benefits increase for each company in direct proportion to its certification level. This means that as the certification level increases, larger and better benefits will be received; international and national publicity and promotion, specifically designed for the CST; training for its personnel; priority participation in various world tourism fairs and events, etc. (CST website). Certified companies also enjoy with total or partial exemption from the registration fee at international fairs.

Internal promotion is primarily conducted through presentations and educational sessions conducted by the Department of Sustainability of the ICT. At various conferences and talks, case studies are presented in which the ICT displays real and quantifiable benefits of becoming certified, and encourages businesses that have not yet become certified to register.

Incentives

A hotel obtaining certification will benefit from Costa Rica's national

marketing strategy. ICT runs a promotional campaign and features certified accommodations on the national tourism website. Once per year, the ICT publishes a newsletter that recognizes, certified companies and highlights some of their successes. ICT also conducts marketing through magazines, newspapers and social media throughout the year.

Education of future staff within the industry is another important role of the ICT. The county must have a well-trained work force that understands the impacts of their daily duties, and can convey the value of sustainability to the consumers.

standards enforcer, or a promoter of the program and its members. Many hotels expressed opinions that the program is not sufficiently promoted to the general public.

Key Findings: Promotions

- CST certified hotels and lodges that participated in the online survey conducted for this report, as well as those that were included in the field research, expressed varying degrees of dissatisfaction or confusion about the role of the ICT in providing marketing benefits
- Confusion exists as to what ICT's role is within the CST program, as it is unclear if the ICT is a

Netherlands

Green Key International is currently the most widely adopted eco-label in the Netherlands for hotels, convention centers, guest houses, campgrounds, public recreation facilities, and other tourism-related businesses.

The experience of the program offers insights into the promotion of a sustainable tourism label. It also presents a counterpoint to the government-sponsored program model, shedding light on ways in which a government program could be strengthened.

Country Brief: The Netherlands

Population & Economy

- Population: 16,730,632
- Density: 493.63 m²
- Land/marine areas protected: 12%
- Major industries: Mining, metalworking, oil refining, chemical, food processing

(Source: Index Mundi, 2012)

Travel & Tourism

- Direct Contribution to GDP: 2.1%
- Dir. Contrib. to Employment: 6.8%

(Source: World Travel & Tourism Council, 2011)



Source: CIA World Factbook 2013

Overview

Leisure travel makes up more than two thirds of direct travel and tourism sector GDP, with the remainder primarily business travel. Domestic travel spending represents slightly more than half of the total.

Neighboring countries are the most important source of non-domestic travelers, with the largest number coming from Germany, followed by Great Britain and Belgium. The United States is the fourth largest inbound market. Most inbound

travel visits are to Dutch cities, while most domestic travel is primarily for outdoor recreation and camping.

The Dutch tourism industry has been heavily affected by the world economic recession, with low consumer confidence continuing to drive low demand. Forecasts predict continued modest growth in the long term however, with an overall sector turnaround as early as 2015 (Euromonitor International, 2012).

Climate change is forecasted to exert a continued challenge for the industry. Not only in terms of direct costs, but also as a result of increased taxes and environmental levies aimed reducing transportation emissions; including the recent introduction of a European Emissions Trading Scheme. Some analysts predict that the scheme will make air travel to the Netherlands more expensive relative to its regional competitors (Netherlands Board of Tourism, 2013).

Green Key Netherlands

Green Key International was formed when the Dutch sustainable tourism label, Milleubarometer, was incorporated into the international Green Key International program in 2006. Harro Boekhold, is a project developer for the sustainable tourism consultant Contour Projects, and was part of the early leadership team of Green Key Netherlands. He explained that Milleubarometer organizers felt that participation in a label scheme with broader appeal outside of the Netherlands was necessary to attract larger numbers of hotels, and the Green Key International program had a very similar concept and design, so it made sense to combine efforts.

The initiative to launch a sustainable tourism label in the Netherlands originally came from business owners, according to Boekhold and the input of these owners was instrumental in formulating label criteria. A private organizational structure that recognizes this initiative is integral to maintaining Green Key's International's autonomy and credibility in the eyes of hotel owners, said Boekhold, in accordance with the Dutch saying: 'he who pays, decides'.

Governmental regulations and standards tend to be based on best practice discovery by private business rather than the reverse, according to Boekhold. He pointed to a pilot project with the city government of Amsterdam to illustrate his point. That project guaranteed hotel owners would not be subject to environmental audits by the city for five years if they achieved Green Key certification within two years.

Operations

Governing Body

The KMKV Foundation, a member of the non-profit Federation for Environmental Education (FEE), manages Green Key International (Netherlands). FEE sponsors the Green Key label at the international level. With nearly 600 hotel and tourism-related businesses certified, Green Key Netherlands is the fastest growing program in the combined Green Key International portfolio. Nearly 600 organizations were certified by Green Key Netherlands by the spring of 2013, twenty percent more than the year prior, and double the number from 2010.

The Netherlands program expands the international focus on hotels, campsites and convention centers to include 10 additional tourism business categories, including pool facilities, amusement parks, zoos, museums and public events (Table 9).

Table 9: Growth of Green Key Netherlands

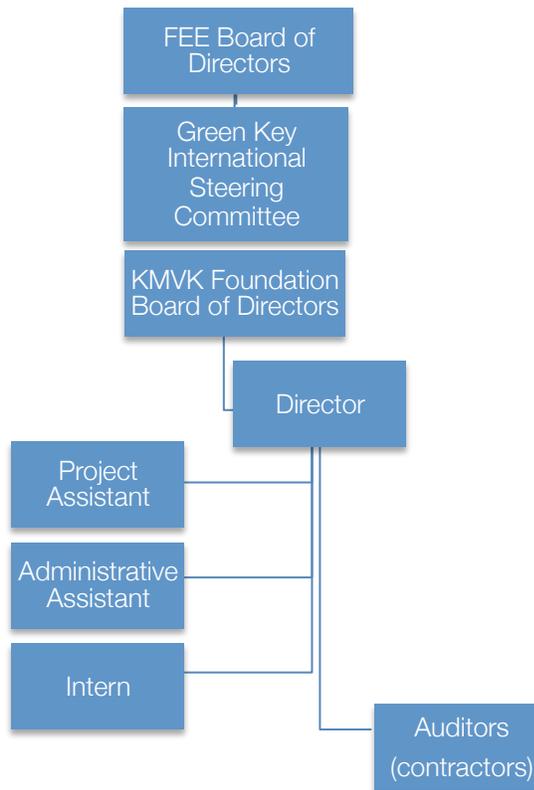
| Year | Certified Businesses |
|-------------------------|----------------------|
| 2007 | 162 |
| 2008 | 200 |
| 2009 | 228 |
| 2010 | 264 |
| 2011 | 310 |
| 2012 | 471 |
| 2013 | 589 |
| Change from 2012 – 2013 | + 20% |
| Hotels | 371 |

Source: KMKV Foundation; Green Key

Sixty-two percent of the organizations currently certified are hotels. These hotels are predominantly larger ones with meeting facilities. A further 21% are campgrounds, 9% guest houses, and 8% others tourism-related businesses. The number of hotels certified is only 12% of the total number hotels in the Netherlands (3,102), but as certified hotels tend to be larger operations with meeting facilities, they account for a higher share of total guest rooms available.¹

The staff of KMKV consists of a director, two assistants, and a trainee (Figure 7). Five independent auditors are hired to provide consultation to hotels during the initial certification phase, and to audit hotels to evaluate their progress in preparation for re-certification.

Figure 7: Green Key Netherlands Organizational Structure



Certification process

To become certified, hotels must meet sustainability, environment, and CSR criteria, which are divided between 43 mandatory and 39 optional standards (Table 10). Criteria topics include internal and external communications, sustainable

¹ Netherlands Board of Tourism & Conventions. (2012). Key Figures 2012.

procurement standards, energy, water and waste management, emissions reductions, and food & beverage, and landscaping policies.

Table 10: Green Key Netherlands Categories

| Area of Requirement | Points | Percentage |
|--|-----------|-------------|
| Environmental Management | 7 | 9% |
| Environmental Staff Awareness | 4 | 5% |
| Communication with Guests | 4 | 5% |
| Water Management | 7 | 9% |
| Environmental Cleaning | 8 | 10% |
| Waste Management | 6 | 7% |
| Lighting | 19 | 23% |
| Food & Beverage | 7 | 9% |
| Landscaping | 2 | 2% |
| Transportation | 5 | 6% |
| Sustainable Office Supplies | 8 | 10% |
| Social Commitment | 5 | 6% |
| Total | 82 | 100% |
| Min. points to become certified | 43 | 52% |

Table 11: Comparative Weights – Sustainability vs. Green Key Netherlands

| Area of Requirement | Chile Percentage | Netherlands Percentage |
|--|------------------|------------------------|
| Mandatory | 6% | 9% |
| Economic | 27% | 23% |
| Socio-Cultural | 17% | 16% |
| Environmental | 50% | 52% |
| Total | 100% | 100% |
| Min. points to become certified | 40% | 52% |

Green Key International has three levels: Bronze, Silver and Gold (Table 12). To achieve higher levels, a business must demonstrate that they have excelled in the program’s optional criteria. The more criteria met, the higher the award. By early 2013, nearly 70% of Green Key-certified businesses had reached the Gold level.

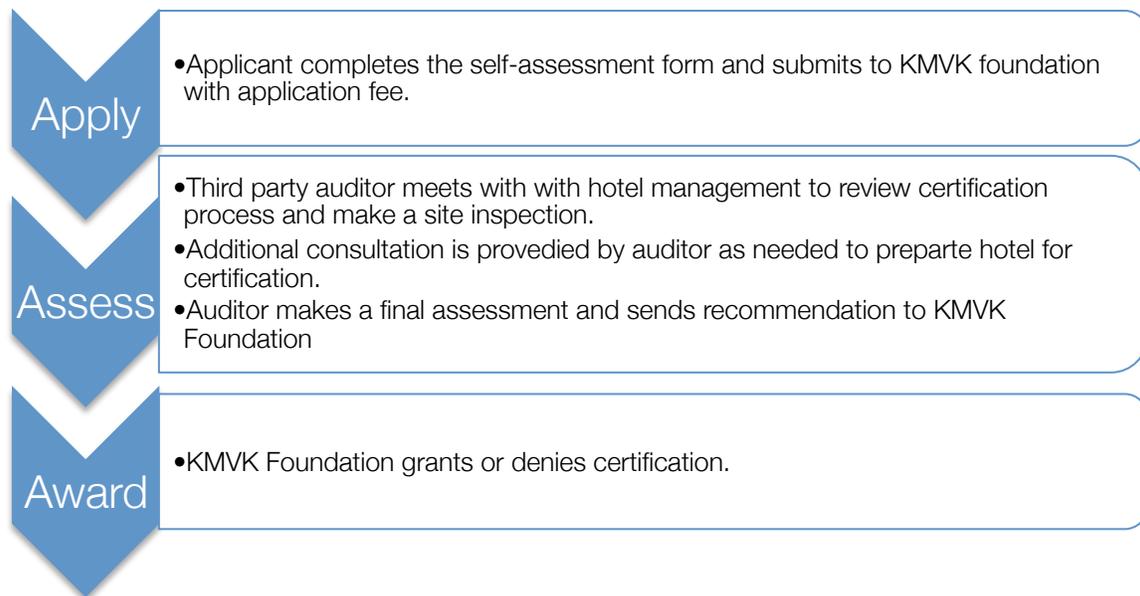
Table 12: Green Key International (Netherlands) Level of Certification

| | | | |
|------------------------|--------|--------|------|
| Points | 43 | 52 | 59 |
| Level of Certification | Bronze | Silver | Gold |

For a hotel to receive the Bronze, or minimum level of certification, it must meet 17 of the mandatory criteria. To achieve the next level of Silver, it must meet 25 standards (or 26 if a swimming pool is present). Hotels that meet at least 33 standards are awarded Gold certification. This tiered structure is meant to encourage hotels to meet progressively higher levels of commitment through an ongoing process of engagement with program staff and third party consultants.

On average, it takes 3 months to a year for businesses to meet the criteria needed to reach Bronze certification, said Marco Ouwerkerk, a third party auditor from Greenliesure who works with Green Key.

Figure 8: Green Key International (Netherlands) Certification Process



To add credibility to the certification, a panel of judges that include technical, environmental, and tourism experts must review each application before the label is awarded. Once a company is certified, baseline metrics of their performance are registered with Green Key International for comparison during re-certification, as well as to measure against their peers. Access to benchmark data is only available to certified businesses.

Audits are performed in coordination with ‘Green Teams’ at each member business, and are intended to enforce compliance as well as to provide advice. During the re-certification process, businesses are also encouraged to adopt optional criteria to increase their level of certification.

Hotels support the stepped certification levels, said Ouwerkerk, because it gives them a means to meet government requirements, document their improved energy and water use, as well as waste separation and other measures. Additionally, the larger hotel groups join to attract government convention business, he said.

Key Findings: Operations

- Based on feedback from hotels that participated in the field research for this report, a private consultant-client relationship model between program auditors and accommodations creates strong incentives for hotels to re-certify and to improve their level of certification.

Funding

All funding for Green Key comes from certification fees and annual membership fees. The fee structure has three levels, based on the gross revenue of the certified business (Table 13).

Table 13: Membership Fee Structure

| Type of Fee | Annual Revenue (USD) | Fee |
|---------------------------|----------------------|------------|
| Registration fee: | | USD 260.00 |
| Membership fees: | | |
| Small hotel | < \$130K | USD 385.00 |
| Medium hotel | \$131 - 1,575K | USD 580.00 |
| Large hotel | > \$1,575K | USD 910.00 |
| Non-member consultations: | | USD 525.00 |

Fee Discounts:

- 5% off if company has 2 or more buildings inspected for certification at same location
- 20% off if company has 2 or more components (i.e. hotel and conference center) certified

Key Findings: Funding

- The experience of Green Key International shows that a certification program funded entirely from fees charged to members can be highly successful.

Promotion

Communications

Green Key International has support from the official Netherlands tourism website, which lists it as the primary reference for green lodging and conferences, and has a section dedicated to marketing Green Key International member hotels.² Member hotels and conference centers in the Netherlands are also very active in promoting their involvement with the program through their websites, via press releases, and by displaying the Green Key logo prominently at the entrance or in the lobby of their establishment.³

Key Findings: Promotions

- As the Green Key International program matures and becomes widely accepted as the local standard for sustainable tourism certification in the Netherlands, our field research found that the marketing appeal of the program for hotels may need strengthening to ensure continued growth

² Website: www.holland.com/global/Meetings/Green-Meetings/Green-Key-hotels-venues.htm

³ Examples of how the label is promote by members can be found on hotel websites such as the Martini Hotel Groningen <http://en.martinihotel.nl/green-key-page/>; the Amrâth Hotel Maarsbergen http://www.amrathhotels.nl/maarsbergen/amr%C3%A2th-hotel-maarsbergen-receives-gold-green-key-news_viewItem_56-en.html; and the Maastricht Exhibition and Conference Center <http://www.maastrichtconventionbureau.com/news/mecc-maastricht-is-awarded-golden-green-key>

New Zealand

Overview

Qualmark is the New Zealand tourism industry's official quality assurance agency. The role of Qualmark is to help New Zealand's tourism industry achieve the goal of enhancing their reputation as a world-class visitor destination (Tourism New Zealand, 2011).

Country Brief: New Zealand

Population & Economy

- Population: 4,365,113
- Major industries: Food processing, wood and paper products, textiles, machinery, transportation equipment, banking and insurance, tourism, mining

(Central Intelligence Agency, 2013)

Travel & Tourism (yr. ending 2012)

- Direct Contribution to GDP: 14.9%
- Dir. Contrib. to Employment: 6.0%

(World Travel & Tourism Council, 2013)



Source: CIA World Factbook 2013

As the second largest contributor to national GDP, tourism holds a valued position in the country's economy. The New Zealand Tourism Strategy 2015, launched in 2007 by the Ministry of Tourism, identifies four industry goals: delivering a world-class visitor experience, ensuring prosperity and attracting ongoing investment, protecting and enhancing the environment and working together with communities towards a mutual benefit (New Zealand Tourism Strategy 2015, 2007).

Qualmark New Zealand

Qualmark is New Zealand's quality assurance designation, which includes the Enviro Award comprising star grading and endorsements. The star-grading program applies to venues and lodging establishments and the endorsements apply to other companies within the industry, tour operators, activities and other visitor services, for example (Tourism New Zealand, 2013).

The Qualmark star grading is a measure of customer service, facility standards, business operations, safety and responsible tourism and environmental practices (Tourism New Zealand, 2013).

The responsible tourism and environmental practice component incorporates a measure of minimum environmental performance that includes the presence of on site recycling facilities, waste, energy and water consumption reduction programs. This does not affect the overall star grade. The Enviro Award program is issued to "high performer" licensees with more robust energy efficiency, waste management, water conservation programs along with focuses on community support and environmental conservation (Tourism New Zealand).

Operations

Governing Body

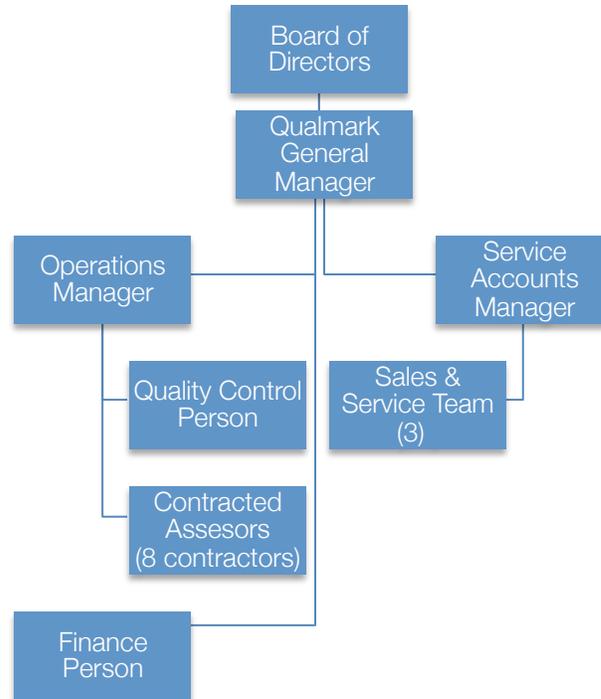
Qualmark New Zealand Limited is a public-private partnership between Tourism New Zealand, a government-owned entity, and the privately owned New Zealand Automobile Association. It is run on a not-for-profit basis. Tourism New Zealand 60% ownership while the New Zealand Automobile Association has 40% (Tourism New Zealand, 2012).

Qualmark has the right to grant licenses and to cancel them if the license holder has not fulfilled the obligations as outlined in the Qualmark License Agreement Terms and Conditions (Qualmark New Zealand Limited, 2012).

When the program was first launched, the human resource capital for the start up of Qualmark was substantial. The government established the quality assurance label to respond to an industry desire for long-term quality within the tourism industry and committed to funding the label at the onset to achieve this (Keeling, 2013).

The heavy staffing model has since contracted seven direct employees (Figure 9). The General Manager reports directly to the Tourism New Zealand Board of Directors and leads the team of six. The Service Accounts Manager directs a staff of three sales and service team members and the Operations Manager oversees both the staff member responsible for quality control and the eight independently contracted assessors.

Figure 9: Qualmark Organizational Structure



(Keeling, 2013)

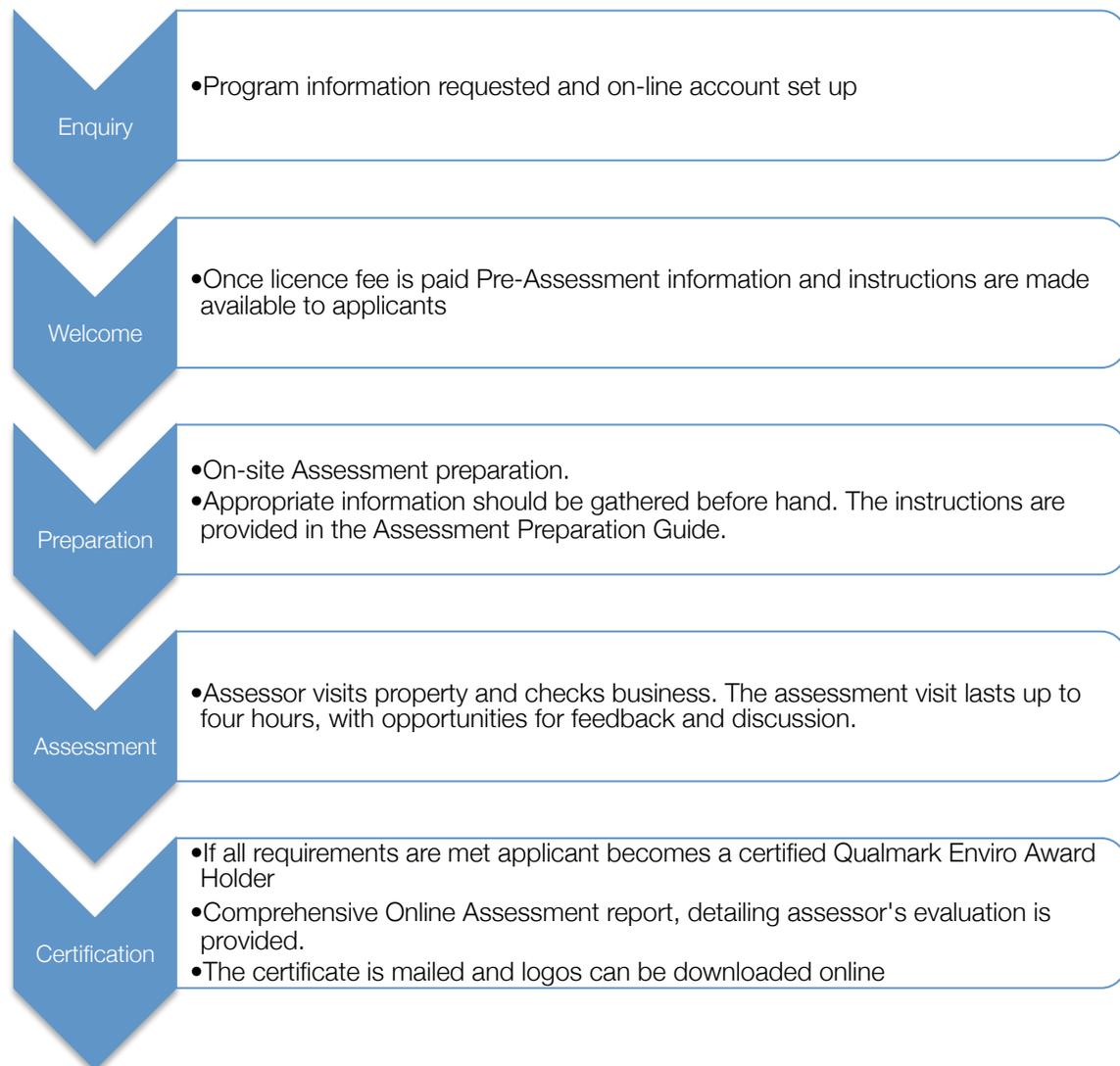
The licensing process involves five steps. In the initial enquiry phase Qualmark transmits program information, criteria details and application materials to interested companies.

This is followed by the welcome phase in which applicants pay the license fee and receive pre-assessment information and instructions. In assessment preparation, prospective licensees prepare for the site assessment visit and gather all property specific paperwork needed to facilitate the assessment.

Qualmark assessors then conduct the on-site assessment and once the established requirements are met, the license is granted and is valid for one year (Keeling, 2013).

If the property does not comply with the Qualmark criteria, the business can be charged for another assessment and if they are still not compliant the license can be revoked (Figure 10) (Qualmark New Zealand Limited, 2012).

Figure 10: Qualmark Certification Process



Auditing

Assessments are conducted roughly every year, unless there has been a reported problem. There are some efficiencies in place with respect to the assessment, business with a strong track record may not necessarily receive a yearly assessment. However the assessment is one component of the license, monitoring information from

the property is another component monitored throughout the year (Keeling, 2013). Assessors review business practices against over 160 individual industry-developed, sector-specific criteria. Independent assessors, contracted by Qualmark, perform audits (Keeling, 2013). Assessments are paid for and issued to licensees.

Key Findings: Operations

- The impact of the mark has not been measured empirically but Qualmark defines its success by the expansion of the mark beyond tourism accommodations to include endorsements for other businesses within the tourism industry and in 2008 to include the responsible tourism baseline component. The license is the only star-rating supplier in New Zealand and is intended to be fully self-funded (Keeling, 2013).
- Maintaining a sustainable business model has been the biggest challenge. At the end of the growth and acquisition phase, the government could not continue to fully fund the program. Ensuring that the quality assurance and environmental assurance product was commensurate with the needs and desires of the industry has been a challenge. The mark has also been and continues to be susceptible to the changing political and industry climates. (Keeling, 2013).

Funding

In 1993, the government of New Zealand funded and established Qualmark as the country's official quality assurance certification for their tourism industry. It was not until 2008 with the launch of the "Qualmark Enviro Award" that leadership in sustainability was recognized amongst the wide range of tourist accommodations.

Today, Qualmark is partly funded by the government agency Tourism New Zealand (60% share) and private company New Zealand Automobile Association (40% share) and endorsed by other leading tourism industry organizations (Tourism New Zealand, 2011).

In the absence of Qualmark's detailed operation budget, estimates of the most recent base budget were publicly available (Tourism New Zealand, 2011). Specifically, we identified a \$484,000 (NZ Dollar) allocation to Qualmark. Since this allocation represents 60% of Qualmark's funding, we can estimate an additional \$322,666 (or 40%) allocation from NZ Automobile Association. Therefore, we estimate Qualmark's total annual budget for 2010-2011 to be \$806,000. To put this budget allocation in perspective, it is worth noting, that the Tourism New Zealand total annual budget for 2011-2012 funding of \$99 million, which makes Qualmark less than 1% of their total budget.

The long-term goal is for Qualmark to be 100% privately funded by the tourism industry (Keeling, 2013). In 2010, just two years after Qualmark introduced their Enviro Award, Tourism New Zealand documented a restructuring charge of \$30,000 to Qualmark. This charge coincided with their organization of Qualmark's operations and management structure, which was completed in 2011.

This reorganization reflected a downsizing of Qualmark's staff from 30 employees down to 8 permanent

employees and 8 outside contractors. This change is noteworthy since it reflected the need for significant staffing during the first two years of the Enviro Award's existence, but a reduction in staff once the certification was well established.

One cost center not impacted by the restructuring was marketing since Qualmark does not market themselves, rather they leverage Tourism New Zealand's web platform and encourage hotel members to market the Qualmark label on their respective websites and physical promotions. Finally, Qualmark cohabitates with Tourism New Zealand and as a result are able to leverage Tourism New Zealand's significant

resources at technically no cost to the Qualmark budget

The primary source of revenue for Qualmark comes from a variety of base and variable fees charged to certified accommodations. According to Qualmark's website, a Qualmark license holder is able to use the Qualmark logo for a 12-month period (Qualmark, 2013). The price of an annual Qualmark license is based on the size and accommodation type. However, all new Qualmark license applicants must pay a minimum base fee of \$650 (plus 15% GST). Seen in Table 14 is the breakdown of Annual fees and Rewards available across all accommodation types.

Table 14: Qualmark Annual Fees and Rewards

| Accommodation | Base fee | Variable fee | Long Tenure Reward (applicable for members in their third plus years) | Loyalty Reward (available for members of an exclusively Qualmark group) |
|-----------------------|----------|--------------------------------------|--|--|
| Backpacker | \$335.76 | \$2.52 per bed | 3-10% | 10% |
| Guest & Hosted | \$377.73 | \$22.60 per room | 3-10% | 10% |
| Holiday Home | \$402.91 | \$230.84 per additional Holiday Home | 3-10% | 10% |
| Hotel | \$671.52 | \$5.04 per room | 3-10% | 10% |
| Motel | \$377.73 | \$8.39 per unit | 3-10% | 10% |
| Apartment | \$377.73 | \$8.39 per apartment | 3-10% | 10% |
| Student Accommodation | \$419.70 | \$2.52 per bed | 3-10% | 10% |
| Venue | \$377.73 | \$1.26 per PAX | 3-10% | 10% |

All new Qualmark license applications incur a minimum base fee of \$545.61. All prices shown exclude a 15% GST.

Source: <http://www.qualmark.co.nz/pricing.html>

Qualmark also allows licensed hotels and lodges with two or more distinct consumer offerings to obtain a “dual Qualmark license.” Likewise you could have popular Qualmark 3 Star Motel units, while still marketing Qualmark 4 Star Apartment accommodation. A Dual Qualmark license is a cost effective means of ensuring a Qualmark rating is represented on both properties” (Qualmark, 2013).

Each secondary hotel or lodge license costs \$500 (plus 15% GST), as long as it is the smaller of the two hotel and lodging types. Seen in Table 15 is a more detailed breakdown of the dual Qualmark license annual fees and potential rewards.

Table 15: Qualmark Dual-license Annual Fees

| Endorsements | Base fee | Variable fee | Additional criteria (maximum fee of \$400) | Loyalty Reward (available for members of an exclusively Qualmark group) |
|-------------------|----------|------------------|---|--|
| Visitor Activity | \$503.64 | \$16.79 per FTE* | \$167.88 | 3-10% |
| Visitor Service | \$503.64 | \$16.79 per FTE* | \$167.88 | 3-10% |
| Visitor Transport | \$503.64 | \$16.79 per FTE* | \$167.88 | 3-10% |

All new Qualmark license applications incur a minimum base fee of \$545.61. All prices shown exclude a 15% GST.

Source: <http://www.qualmark.co.nz/pricing.html>

Table 16: Qualmark Full Time Equivalent Staff

*To calculate Full Time Equivalent (FTE) staff – Enter the number of staff of each type of employee, and multiply by the number in each row to get the A, B and C totals. Add all of these together to calculate the Full Time Equivalent (FTE) staff numbers:

| | | |
|----------------------------------|-----------|-------------|
| Full time staff | () x 1.0 | = Total A |
| Permanent part time staff | () x 0.5 | = Total B |
| Fixed term/seasonal staff | () x 0.4 | = Total C |
| Full time equivalent (FTE) staff | A+B+C | = Total FTE |

Source: <http://www.qualmark.co.nz/pricing.html>

If the Qualmark licensee uses multiple brands in its marketing, Qualmark reserves the right to charge an additional license fee. As previously described, the Qualmark certification alone is primarily a quality assurance certification. For those hotels or lodges wanting to pursue the Qualmark Enviro Award, a fee of \$150 (plus 15% GST) is added to their 'base' Qualmark membership, both of which are good for 12-months. Furthermore, according to Qualmark's terms and conditions:

- 12.1 - All fees paid to Qualmark are non-refundable and non-transferable.
- 12.2 - In most cases License Holders are invoiced annually and are due on the anniversary of the date the Application for a Qualmark License is filed with Qualmark (not the Assessment date) and in all cases payment is due upon receipt of the invoice unless payment terms have been agreed prior to the due date and in writing.
- 12.3 Qualmark may charge a cancellation fee for cancelled or postponed assessment appointments or where aspects of the License Holder's Business required to properly complete the assessment are not made available to the assessor at the agreed time (Qualmark New Zealand Limited, 2012).

Qualmark's successes over the years have not always been without challenges. The last three years have been focused on consolidation, partly due to a change in government administration and anticipated

reductions of governmental funding (Keeling, 2013). He went on to point out that funding ultimately drives the level and intensity of the auditing capabilities.

The fundamental challenge is to balance the auditing process with that of the fees the tourism industry is willing to pay to achieve the certification. Unless, the government is willing and able to fund the certification program indefinitely, the value of the certification is critical so that the tourism industry's willingness to fund the certification is sustainable (Keeling, 2013).

Finally, according to Tourism New Zealand 2010-2011 annual report, the New Zealand government would have provided ongoing financial support sufficient to enable Qualmark to meet its obligations when they fell due. Based on a 2010-2011 assessment, Tourism New Zealand determined the likelihood of being required to significantly increase the level of funding to Qualmark as low.

Promotions

Internal and External Communications

Qualmark's purpose is to highlight and accredit quality reflected in the '100% Pure New Zealand' campaign. The label is not marketed through any external or internal marketing channels. They depend on stakeholders such as industry corporations like Accor and Hilton and partnerships with the New Zealand Automobile Association to help promote the label within their own

domain (Keeling, 2013).

The environmental label states to measure the following: energy efficiency, water conservation, waste management, conservation initiatives and community activities. Though the green part of the label uses these 5 sections as indicators, licensees are not required to report their cost reductions or environmental benefits. Therefore, there are no measured benefits for the green label by Qualmark (Keeling, 2013).

They do target the biggest incoming tourists, China, by providing information through New Zealand Tourism. They provide info during big tourism destination trade shows (Keeling, 2013). Qualmark opens the door to valuable exclusive business opportunities, such as inclusion with ADS China tours, access to cruise passengers through the Port of Tauranga i-SITE, and Tourism New Zealand's Kiwilink initiatives. (Qualmark, n.d.)

All 90 i-SITE visitor information centers throughout New Zealand strongly support Qualmark. Properties are also featured in popular printed guides and travel planning tools. Lastly, credible New Zealand and international booking websites recognize and promote Qualmark licensees. (Qualmark)

For tourism businesses, Qualmark provides exclusive marketing and publicity opportunities to attract customers.

Key Takeaways

- Qualmark works as the quality accreditation label that translates to stakeholders in star ratings that most travelers are familiar with.
- Star accreditation can be a valuable marketing tool to attract customers.
- Properties with the Qualmark label also obtain priority listing on New Zealand's website, providing a competitive advantage (Keeling, 2013).
- The Green Label of Qualmark does not have separate exposure from the Qualmark quality label. This division is a disadvantage to the credibility of the label as far as sustainability benefits and implementation.

Incentives

New Zealand does not provide hotels with any incentives to finance the certification fee or any capital investment needed to comply with energy or water conservation measures.

South Africa

Overview

Fair Trade in Tourism South Africa (FTTSA) is a GSTC recognized, non-profit run certification program for the tourism industry. The program awards businesses for their commitment to equality, democracy, transparency and sustainability, as well as related criteria including fair wages and working conditions, respect for human rights, culture, and the environment.

Country Brief: South Africa

Population & Economy

- Population: 48,601,098
- Major industries: mining (world's largest producer of platinum, gold, chromium), automobile assembly, metalworking, machinery, textiles, iron and steel, chemicals, fertilizer, foodstuffs, commercial ship repair

(Central Intelligence Agency, 2013)

Travel & Tourism (yr. ending 2012)

- Direct Contribution to GDP: 9.8%
- Dir. Contrib. to Employment: 10.3%

(World Travel & Tourism Council, 2013)



Source: CIA World Factbook 2013

Operations

Governing Body

A four-person board of directors governs the FTTSA along with an operational staff of eight, and one intern (FTTSA, 2012). The full-time positions include a general manager, marketing manager, bookkeeper, and stakeholder relations' coordinator.

In the certification process, an independent certification panel reviews each application and makes the final decision on whether or not to certify the application (FTTSA, 2012). The role of the Certification Panel is to provide an independent review of each application. The panel includes experts from South Africa's National Department of Tourism, South Africa's National Park service, an anthropologist, a zoologist and the marketing manager for FTTSA. Three panel members meet on a monthly rotational basis to "review and render decisions on applications and site assessments" (FTTSA, 2012).

Certification Process

The certification process for a business has three stages: application, site assessment and adjudication (Figure 11) (FTTSA, 2010). During the first stage the business completes and submits an online form that reflects the basic operational areas of performance.

The first stage is broken out into two phases: a preliminary test and a secondary test. The preliminary test acts as a litmus test for the applicants

and consists of questions that give the applicants an indication of whether or not they are an ideal candidate for certification.

The secondary test is more detailed and consists of nine different sections. FTTSA's certification standards fall into 16 areas: legal and general, labor standards, human resource practice, skills development, employment equity, ownership and control, procurement, community benefits, cultural sensitivity, environmental management, health and safety, quality and reliability, workplace culture, HIV and AIDS related issues, equity and social impact of tours and voluntourism, a unique aspect of FTTSA's certification (Free Trade in Tourism South Africa, 2010).

Voluntourism is the combination of community service with traditional leisure tourism (Via International, 2011). The goal of a voluntourism experience is for the volunteer or volunteer group to travel to a destination in order to perform a community service project while at the same time incorporation the traditional elements of leisure travel such as arts, culture, geography, history, and recreation (Via International, 2011).

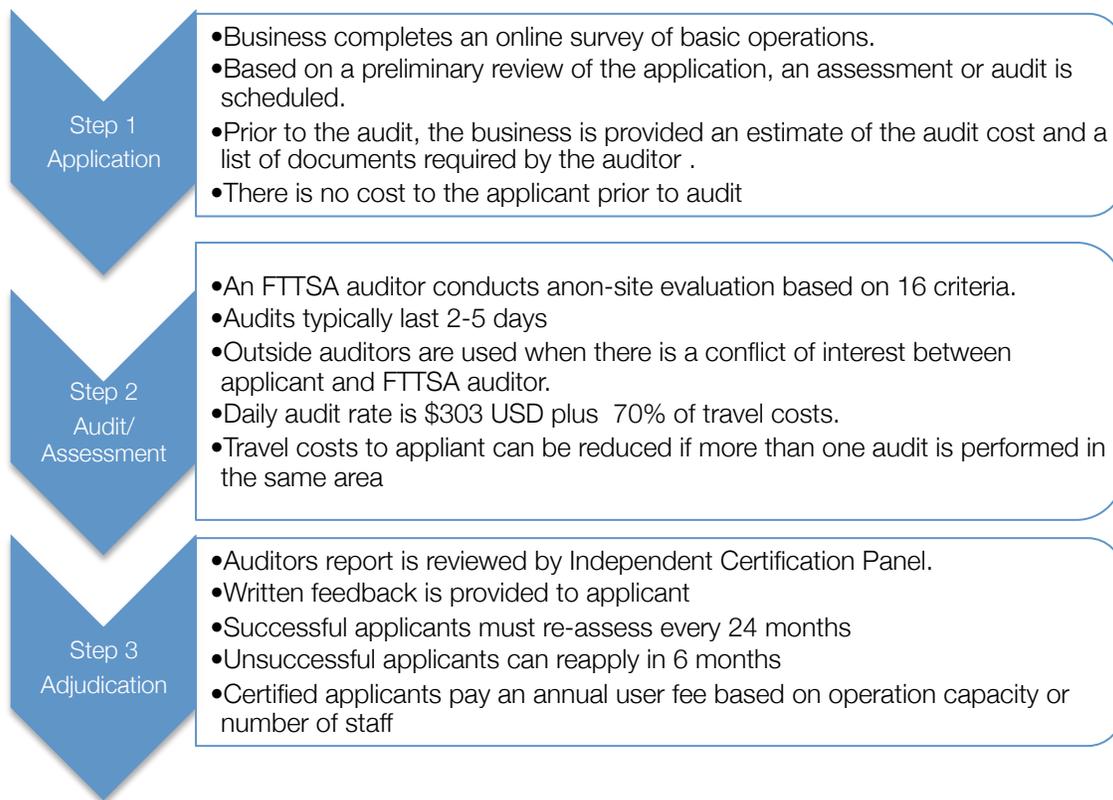
Once the preliminary application has been reviewed the applicant is informed whether or not an assessment has been awarded (FTTSA, 2010). If an assessment has been awarded, a FTTSA assessor or an external consultant conducts an onsite evaluation (FTTSA, 2010). The onsite evaluation consists of verification of details provided in the application as

well as interviews with staff members and observations of daily operations (FTTSA, 2010). All fees associated with the assessor's work, as well as 70% of the assessor's travel-related costs, are paid by the applicant (FTTSA, 2010).

The final step in the process is a review of the assessor's report by an

independent certification panel. The certification panel uses a weighted scorecard to assess an application's validity. Once an applicant has been certified, they must undergo a re-assessment every 24 months. An unsuccessful applicant receives written feedback and can reapply in six months (FTTSA, 2010).

Figure 11: FTTSA Certification Process



Funding

Grants

Fair Trade in Tourism South Africa presents an example of how a sustainable tourism certification can use grant money to fund its operations. Since 2006, an average of 89% of FTTSA's budget has been financed through grant money. A major source of the grant money that FTTSA has been receiving is from

organizations operating in the Netherlands. The Dutch NGO, the Interchurch Organization for Development and Cooperation (ICCO) “has provided the FTTSA with core funding since 2006.” (Interchurch Organization for Development and Cooperation, 2013) ICCO’s website states that their 2008 annual report lists the Dutch Foreign Office as a principle source of funding. In 2008 the Dutch Foreign Office contributed 118 million of ICCO’s 139 million Euros in funding (Interchurch Organization for Development and Cooperation, 2013). This indicates that the primary source of funding for FTTSA is actually the Dutch Foreign Office.

Another NGO that has contributed to FTTSA is Solidaridad Netherlands. Solidaridad Netherlands is one of nine regional networks and is part of the larger Solidaridad Network whose mission is “to combat structural poverty and promote peace and justice.” Their vision is “inspired by the vision that sustainable production in agriculture and industry, combined with fair trade in the products of these activities, can make a significant contribution to combating poverty and preserving people's environment” (Solidaridad, 2013). The Solidaridad Network’s 2011 annual report does not disclose its sources of funding, other than indicating that of the nine members of the network, that Solidaridad Netherlands contributed 83% of the Network’s funding in 2010 and 75% in 2011 (Solidaridad Network, 2013).

In 2012, the Swiss government was a large donor to FTTSA through the Swiss State Secretariat for Economic Affairs (SECO). According to the World Bank, “the SECO is the (Swiss) Confederation's competence centre for all core issues relating to economic policy” (The World Bank Group, 2012).

The International Cotton Advisory Committee states that the “Swiss State Secretary of Economic Affairs (SECO) is the Swiss federal government's centre of expertise for all core issues relating to economic policy. Its aim is to ensure sustainable economic growth by putting in place the necessary regulatory and economic policy conditions” (International Cotton Advisory Committee, 2010).

While the government of South Africa is not a primary source of funding for the daily operation of FTTSA, through direct and indirect channels, the governments of the Netherlands and Switzerland are both major sources of funding for FTTSA.

[Additional Revenues Sources](#)

While grants make up an average of 89% of FTTSA’s budget, the organization was able to generate revenue from other places as well. Fees for assessments, professional services, user licensing as well as other income such from interest on savings generated the remainder of FTTSA’s revenues.

FTTSA’s daily fee for an internal auditor is \$303 USD per day (FTTSA, 2010). Each audit lasts between two and five days. Certified businesses also pay an annual

enrollment fee. The annual enrollment fee structure is based on either the number of staff a business has or the daily capacity of the business (FTTSA, 2012). Enterprises assessed based on staffing are classified on a scale of Micro, having 1-5 staff members, to Very Large, having 201 or more staff members (Table 17) (FTTSA, 2012).

Table 17: Annual User Fee (Based on Staff Numbers)

| Overview of Minimum Annual User Fee Based on Number of Staff | | | | |
|--|-------------------|-------------------|-------------------|--------------------|
| | Number of staff | March 08 - Feb 09 | March 09 - Feb 10 | March 10 - Current |
| Micro enterprise | 1 - 5 staff | \$ 61 | \$ 67 | \$ 73 |
| Very small enterprise | 6 - 10 staff | \$ 121 | \$ 133 | \$ 146 |
| Small enterprise | 11 - 50 staff | \$ 275 | \$ 303 | \$ 333 |
| Medium enterprise | 51 - 100 staff | \$ 550 | \$ 605 | \$ 666 |
| Large enterprise | 101 - 200 staff | \$ 1,210 | \$ 1,331 | \$ 1,464 |
| Very large enterprise | 201 or more staff | \$ 1,815 | \$ 1,997 | \$ 2,108 |

The second method for calculating fees – that based on rack rates and capacity (as per the table below) – will not be adjusted, as these fees will increase organically as you increase your rack rates

Table 18: Annual User Fee (sliding scale based on rate & capacity)

| Category | Daily capacity (e.g. number of beds or seats that can be filled in one day) | Weight (W) | User Fee = W (weight) x R (where R is the highest daily rack rate charged, per person) |
|----------|---|------------|--|
| A | 1 - 4 | 1.0 | \$ x 1.0 |
| B | 5 - 12 | 1.2 | \$ x 1.2 |
| C | 13 - 24 | 1.5 | \$ x 1.5 |
| D | 25 - 52 | 2.0 | \$ x 2.0 |
| E | 53 - 104 | 2.5 | \$ x 2.5 |
| F | 105 or more | 4.0 | R x 4.0 |

Source: http://www.fairtourismsa.org.za/certified_costs.html

Businesses that are assessed based on daily capacity are classified in different categories ranging from Category A, having 1-4 beds or seats that can be filled in one day, to Category F, having 105 or more beds or seats that can be filled in one day (Table 18). A dollar amount is applied to each category and the business pays based on an annual user fee that is the greater of the two calculations. Businesses

must pay for a site assessment and also pay 30% of the travel costs for an assessor (FTTSA, 2012).

Annual Budget

Since 2006, FTTSA's annual budget has averaged \$514K USD, with a high of \$708K USD in 2010-2011 and a low of \$377K USD in 2007-2008 (Fair Trade in Tourism South Africa, 2007). Over this period, the number of certified businesses has increased from 15 in 2005 to 62 in the year ending 2012. The amount spent per business has averaged \$11K USD, and has declined from \$12 USD in the year ending 2007 to \$9.5K USD in the year ending 2012. In all years, the major source of spending for FTTSA was salaries for employees including directors, which averaged 42% of the total budget. The second largest area of spending came from consultants, with 15%. Over the last three years, expenditures on marketing have increased from 8% of the budget in 2008-09 to 11% of the budget in 2011-12 (Fair Trade in Tourism South Africa, 2007-2012). Travel and office space rental also make up significant portions of FTTSA's annual budget.

Promotions

FTTSA's 2012 annual report details the measures that FTTSA has taken to promote their certification at domestically and internationally. These activities include promotion via traditional media outlets such as television, radio and print, creating marketing collateral, engaging in public relations activities and partnering with

outside organizations (FTTSA, 2011-2012).

All of the measures that FTTSA has taken to promote the certification standard are tracked as a part of the process. FTTSA explains to potential applicants that the benefits of the certification are both development and marketing related (FTTSA, 2011-12). FTTSA's presence at tourism events and contributions to discussion and debate on tourism related issues have been primary methods of engagement. Tourism exhibitions and conferences provide FTTSA an opportunity to "promote the benefits" of the certification as well as raise "awareness of the principles of Fair Trade and sustainable tourism" (FTTSA, 2011-2012). During the 2011-2012 reporting year, representatives from FTTSA attended a number of national and international conferences including the Hotel Investment Conference Africa (HICA), the Green Spa Workshop, the Tourism and Hospitality Industry Colloquium and the International Tourism Bourse (ITB) in Berlin, Germany (FTTSA, 2011-2012).

As a part of their awareness raising campaign, FTTSA has created marketing collateral and maintained effective partnerships with outside organizations (FTTSA, 2011-12). A means of measuring the success of FTTSA's promotional activities has been to track the number of unique monthly website visitors, the value of local and international media

appearances versus the prior year, and the number of active subscribers to FTTSA's newsletter. Along with an online and traditional media presence, in the 2011-2012 operating year FTTSA created media collateral to promote FTTSA-certified tourism businesses. FTTSA's media collateral consisted of an online travel guide, South Africa: A Fair Trade Travel Guide, and a series of postcards that highlight "the ways in which Fair Trade Tourism benefits people, business and the environment" (FTTSA, 2011-2012).

staff retention and better overall operations" (FTTSA, 2012).

The creation of marketing collateral is only one part of FTTSA's marketing and development benefit package. From a development perspective, FTTSA offers members access to a "network of local and international industry partners" that are working with European tour operators to create Fair Trade travel packages (FTTSA, 2012). FTTSA touts the additional development benefit of improved human resources that should lead to "enhanced staff morale, greater

Wisconsin

Overview

Travel Green Wisconsin (TGW) is a model example of a sustainable tourism certification administered by a state-level government agency that is both well funded the ‘triple bottom line’ in it’s focus. Its sophisticated marketing platform also provides an excellent example of how to develop a dual industry and green tourism communications strategy.

At the time of this report, 15 US states had sustainable tourism or green lodging certification programs in operation, managed variously through environmental protection or tourism departments, by private business associations, third party consultants, or by some combination of these groups (See chart in Appendix E for a complete list of state programs.)

“We don’t just market our tourism industry, we market the state as a whole.” Sarah Klavas, Travel Green Wisconsin

State Brief: Wisconsin

Population & Economy

- Population: 5,726,398
- Density: 34 m²
- Land/marine areas protected: 17%
- Major industries: Manufacturing, agriculture, healthcare

(Sources: US Census Bureau, 2013; Wisconsin Legislative Reference Bureau)

Travel & Tourism

- Direct Contribution to GDP: 2.1%
- Dir. Contrib. to Employment: 6.8%

(Source: Wisconsin Economic Impact, 2012)



Source: Mapsof.net

State profile: Wisconsin

Travel & Tourism Industry

Wisconsin's travel and tourism industry plays a significant role in the state economy. Bed and breakfasts and small hotels account for the majority of available accommodations. Local residents make up 52% of tourists, while regional inbound travelers make up an additional 45%. International visitors, the majority of which come from Canada, comprise just 3% of all inbound guests. Most travel – nearly 88% - is for leisure travel rather than for business.

The wine, dairy, and culinary industries of the state, are closely linked with travel and tourism. Food and beverage spending comprises nearly a quarter of all sector revenue. Sector direct contribution to state GPD was 3.2% in 2011, slightly higher than the national average, while its total share of state GDP was 6.3% (Tourism Economics, 2012).

Travel Green Wisconsin

Background

Travel Green Wisconsin was the first US sustainability certification for hotels to be administered and funded through a state tourism department rather than through a local environment protection agency.

In line with the state's economic development goals, TGW considers conservation and sustainable business development to be important catalysts for state growth (Ferguson, 2013). A joint-effort tourism-marketing model is used for promotion. This broad-based strategy is a defining element of the program, said TGW coordinator and tourism department Brand Manager Sarah Klavas in an interview for this report. "We don't just market our tourism industry," said Klavas, "we market the state as a whole."

The program was initially launched in a pilot, or 'beta-test' in 2006. To achieve quick and plentiful buy-in from business, an advisory council was established to assist in promotion. The council was comprised of representatives from the tourism industry, non-profit organizations, and government agencies including the tourism department and the Department of Natural Resources. Following the pilot phase, the program was introduced statewide in 2007.

At the beginning of 2013 there were 369 hotels and lodges, parks, golf courses, museums and other attractions certified by TGW. Hotels, cabins and cottages in the program make up just 38% (141 hotels and lodges) of total membership. While most other state certification programs are hotel-oriented, Klavas explained they "...don't want to focus on lodging only – we want all tourism businesses to join our program."

Organizational Structure

As a program launched and sponsored by the tourism department, TGW does not have a dedicated staff that works for the program as their primary function (Figure 12). Instead, the Industry Relations & Services Bureau Director manages the program with support from one part-time administrative assistant, and four Regional Tourism Specialists.

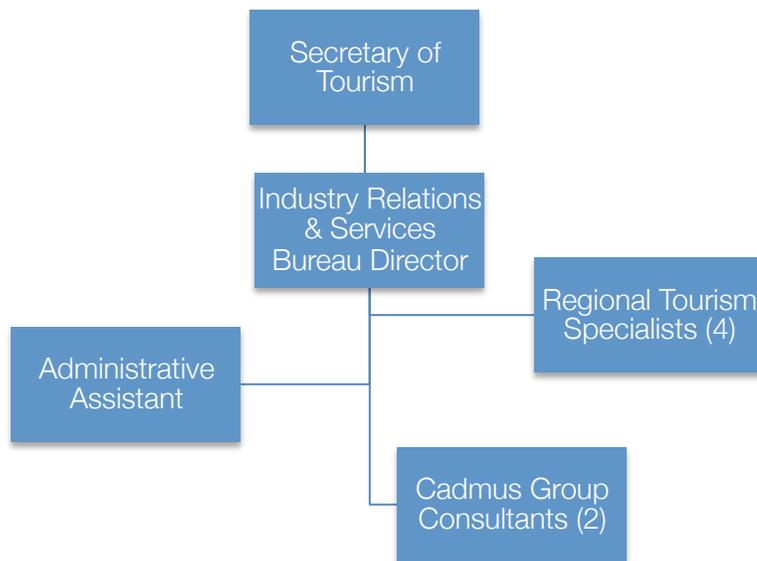
The specialists act as program promoters whose duties include giving presentations, raising awareness of the program, and conducting business-to-business and business-to-consumer outreach. The director is in charge of

overseeing marketing and budget for the program.

Third-party verification for applications is provided through two contractors from the Cadmus Group, a private consulting firm that has been contracted to establish environmental benchmarks for program participants, conduct research, provide the director with marketing and brand integration recommendations, and to stay abreast current sustainability best practices.

Further expertise and training can be requested from the state Department of Natural Resources as needed.

Figure 12: TGW Organizational Structure



Criteria

When TGW was first conceived, the emphasis was primarily on conservation, but this later developed into a broader sustainability approach (Klavas, 2013). The current program has 141 criteria spread across 9 categories. Half of the criteria have an environmental theme, while the remainder are split 30/20 between socio-cultural and economic themes.

Rather than a tiered structure, TGW uses a point program to assign

members a numerical score (Table 19). To become certified, businesses must meet at least 7 criteria points in the first category of Communication & Education, plus an additional 28 criteria points from other categories, for a total of 35 points. Certain criteria are weighted by being given extra points, bringing the total number of possible points that a hotel can achieve to 179 (Table 20).

Table 19: TGW Criteria Categories

| Area of Requirement | Points | Percentage |
|--|------------|-------------|
| Communication & Education | 26 | 15% |
| Waste Reduction | 21 | 12% |
| Energy Efficiency | 41 | 23% |
| Water Management | 17 | 9% |
| Air Quality | 12 | 7% |
| Wildlife & Landscape Management | 23 | 13% |
| Transportation | 13 | 7% |
| Purchasing | 13 | 7% |
| Local Community Benefit | 13 | 7% |
| Total | 179 | 100% |
| Min. points to become certified | 35 | 20% |

Table 20: TGW Categories Weights

| Area of Requirement | Points | Percentage |
|---------------------|------------|-------------|
| Mandatory | 7 | 4% |
| Economic | 41 | 23% |
| Socio-Cultural | 45 | 25% |
| Environmental | 86 | 48% |
| Total | 179 | 100% |

Table 21: Comparative Weights - Chilean Label Vs. TGW

| Area of Requirement | Chile Percentage | Wisconsin Percentage |
|--|------------------|----------------------|
| Mandatory | 6% | 4% |
| Economic | 27% | 23% |
| Socio-Cultural | 17% | 25% |
| Environmental | 50% | 48% |
| Total | 100% | 100% |
| Min. points to become certified | 40% | 20% |

On the department of tourism’s website, each business has their point score displayed as a meter reading: ‘55% of goal reached,’ etc., and a list of the initiatives that the business has undertaken is also displayed. This format creates competition and incentives for businesses to continuously improve (Klavas, 2013).

three steps: 1) registration and completion of self-assessment form, which is then sent to the Department of Tourism by mail, along with the application fee; 2) Cadmus Group consultants review the application on behalf of the Department of Tourism, and drafts a recommendation for the director; 3) the director grants or denies certification (Figure 13).

Certification Process

The certification process for TGW has

Although they technically work for the department, that fact that the reviewer is not a TGW or state employee is

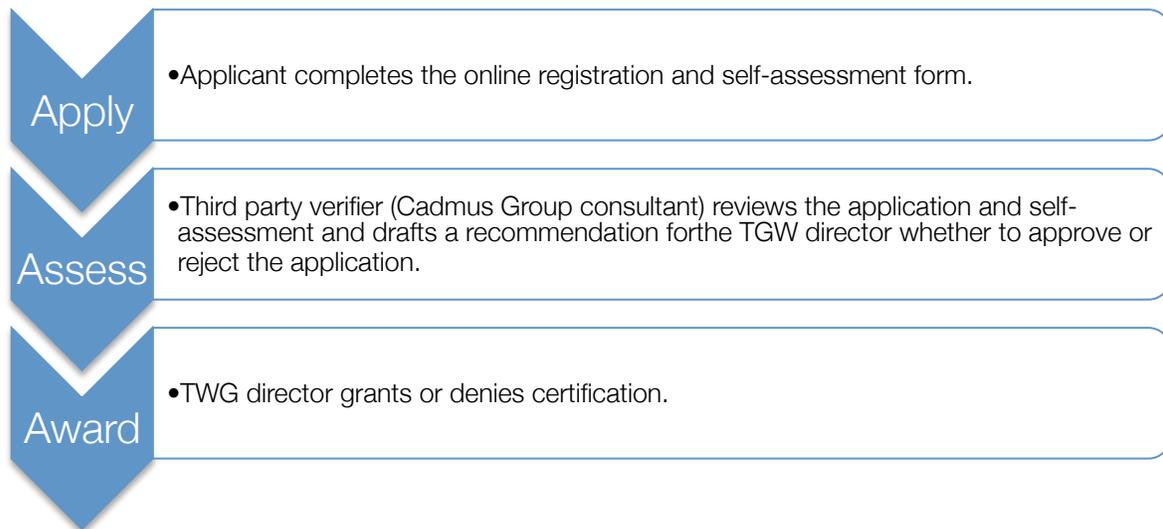
viewed by TGW as important to maintaining the credibility and objectivity of the review process (Klavas, 2009).

Audit

No audit or on-site visit is conducted on the business seeking certification during the initial certification phase. They are also not conducted later to check member progress before recertification. “Compliance is very important for the program, [but] we don’t have a policing program nor do want one,” said Klavas.

The “prestige and marketing benefits associated with membership are so strong that businesses want to comply,” she said, noting that the program’s regional promoters regularly visit member business to maintain personal ties with the owner and senior staff. Another check program in place to ensure that companies are implementing the measures they claim to be. Part of the application form is customer feedback. Hotel guest are encouraged to report any instance of false advertising. “We don’t have problems with companies failing to comply,” said Klavas.

Figure 13: TGW Certification Process



Key Takeaways

- TGW enjoys a solid political foundation by being promoted through the tourism department.
- The sophistication of its marketing strategy, both for businesses and for travelers, is a factor in TGW's success.
- By being nestled in tourism, a key economic industry for the state of Wisconsin, TGW is able to position sustainability themes elements in a pro-growth strategy both for businesses and for the state. Thus, it is well positioned to defend its funding even during difficult economic times.
- The website is an excellent model of dual industry and external communications. One portion of the site is dedicated to marketing research, others to resources for business, while others target 'green' consumers. The website includes links to sustainability and environmental businesses, events, general resources, and includes a green travel planner for travellers.

Funding

TGW's funding is a hybrid of public and private funding (Klavas, 2013). The program was originally intended to be financially self-sufficient, with all revenues coming from participant's membership fees. However, it has since recognized that additional state funding is required to sustain the program (Klavas, 2013).

The state provides \$15,000,000 annually to the Wisconsin Department of Tourism. \$80,000 of that is allotted to the Industry Relations and Service Director's budget for business to consumer marketing, which includes the TGW (Klavas, 2013). The remainder of the program's budget comes from membership fees from participating hotels.

For the first five years of the program,

the fee structure was scaled based on participant size, which was measured by the number of employees (a scale of 100 -1,000 employees) (Klavas, 2013). This however, proved to be too expensive for the smaller participants and the program changed the fee structure to from scaled to a "pay to play" model, with a first-time application fee of \$95 and a renewal fee of \$75 required every two years (Table 22) (Klavas, 2013).

Table 22: TGW Fee Structure

| | |
|------------------------|-----------------|
| Application Fee | USD\$ 95 |
| Renewal Fee | USD\$ 75 |
| Total | USD\$170 |

Prior to the program being implemented, a consultant was hired to help develop the state's ecotourism

strategy and develop the TGW program (Klavas, 2013). Though the costs associated with these consultants are unknown, they did play a large role in the start-up phase of the program. Program staff consists of one full-time director, one part-time assistant, and four full time promoters (Klavas, 2013). It is also important to note that the majority of expenses related to marketing are offset, as promotions come in the form of cross promotions or earned media (Klavas, 2013).

It was confirmed through discussions with the TGW Coordinator that the program is sufficiently funded through the mix of state and fee revenues and there are no future concerns with regards to funding (Klavas, 2013).

Promotions

When the program was first launched, said Klavas, “we wanted to answer three questions: how do we define strategy, how do we become a leader, and how do we implement?”

Certification was established as the cornerstone of the program’s efforts, but is only part of the overall strategy (Table 24).

The key elements of the TGW promotions strategy are cross-promotions, and the marketing of hotel members on its website. The tourism department has been able to reap ‘incredible’ marketing benefits. Achieved through a very strong public relations program that has generated as

much as \$7 million in ‘earned media’ through cross-promotional relationships with local destination-travel promoters, green events and associations (Klavas, 2013). Partner associations for promotions include renewable energy advocates, organic food coops, and guides such as the AAA road maps (Klavas, 2013).

The tourism department also provides Joint Effort Marketing (JEM) funds for local non-profits to cross promote activities such conventions, sporting events, and educational activities (Klavas, 2013).

Table 23: TGW Marketing Tools

| |
|-----------------------------|
| Direct communication |
| Media |
| Web |

Table 24: TGW Direct Marketing Strategy

| |
|-----------------------------|
| Presentations |
| Raising awareness |
| Business to business |
| Business to consumer |

The website meanwhile features a full accommodations section, in which each business is highlighted including overview, location, features, attractions, etc. Besides the display of member businesses scores, information about green innovations that the company has developed are also recognized.

Certification Programs Case Studies

Summary Tables 25-27: Primary Country Comparative Data

In our evaluation of the strength of each program, the impact of economic development, population density, tourism spending and type of tourism were considered. Following is a summary of our findings.

Table 25: Economic development & contribution of tourism to GDP

| Country/State | 2013 population ¹² | 2012 HDI Rank | 2012 Tourism direct share of GDP | 2012 Tourism total share of GDP ¹³ | 2012 % of total investment |
|------------------------------|-------------------------------|---------------|----------------------------------|---|----------------------------|
| Canada | 34,568,211 | 11th | 1.0% | 4.4% | 2.3% |
| Chile | 17,216,945 | 40th | 2.9% | 8.3% | 8.4% |
| Costa Rica | 4,695,942 | 62nd | 4.8% | 12.3% | 3.5% |
| Netherlands | 16,805,037 | 4th | 2.1% | 5.8% | 3.1% |
| New Zealand | 4,365,113 | 6th | 3.4% | 14.9% | 4.6% |
| South Africa | 48,601,098 | 121st | 3.2% | 9.8% | 8.3% |
| US/Wisconsin ¹⁴ | 5,726,398 | n/a | 3.9% | 6.3% | n/a |
| USA (national) ¹⁵ | 316,611,000 | 3rd | 2.8% | 8.6% | 6.4% |

Table 26: Tourism Spending

| Country/State | % Leisure spending | % Business spending | % Domestic spending | % International spending |
|---------------|--------------------|---------------------|---------------------|--------------------------|
| Canada | 65% | 35% | 69% | 31% |
| Chile | 84% | 16% | 82% | 18% |
| Costa Rica | 81% | 20% | 39% | 61% |
| Netherlands | 83% | 17% | 51% | 49% |
| New Zealand | 81% | 20% | 64% | 36% |
| South Africa | 67% | 33% | 58% | 42% |
| US/Wisconsin | 88% | 12% | 94% | 12% |

¹² CIA World Factbook (2013)

¹³ World Travel & Tourism Council (2013)

¹⁴ Population data from US Census Bureau; economic data from Tourism Economics (2012)

¹⁵ US Census Bureau (2013)

Table 27: Market penetration of program in hotel and lodging sector

| Country/State | Total # hotels & lodges | Total # hotels & lodges rooms | # hotels & lodges in program | Year program started | % of total hotels & lodging program |
|----------------------------|-------------------------|-------------------------------|------------------------------|----------------------|-------------------------------------|
| Canada | 8,508 | 461,537 | 1,229 | 1997 | 14% |
| Chile | 4,126 | 73,132 | -- | 2013 | -- |
| Costa Rica | 2,497 | 45,531 | 231 | 1997 | 9% |
| Netherlands | 3,100 | 97,108 | 371 | 1998 | 12% |
| New Zealand ¹⁷ | 2,874 | n/a | 1,000 | 1993 | 35% |
| South Africa ¹⁸ | 1,077 | 61,000 | 62 | 2002 | 6% |
| US/Wisconsin | 1,137 | 80,333 | 141 | 2007 | 12% |

¹⁶ Tourism Economics (2012)

¹⁷ www.hotelscombined.com

¹⁸ Travelocity (2013)

SECTION IV

ANALYSIS & FINDINGS

This section presents the analysis of best practices for sustainable tourism certification programs utilizing quantitative and qualitative information. The tools used to create this analysis included:

- Criteria gap analysis
- Primary country and state benchmark report
- Hotel surveys
- Interviews with subject matter experts
- Review of key literature
- Field research in Chile, Canada, Costa Rica, and the Netherlands

Key findings identified for each area of analysis are described in greater detail below.

Criteria Gap Analysis

A comparative gap analysis of criteria included in the country and state programs chosen for this report was conducted to establish primary and secondary ranking – primary countries and state programs were examined in more depth, including field research and hotel surveys – and to highlight any differences found with Chile’s criteria.¹⁹

Three factors were considered to determine ranking: 1) The inclusion of criteria that address environmental, economic and social (triple bottom-line) issues; 2) similarity with the criteria chosen for the sustainability label certification; 3) GSTC recognition.

Based on these considerations, primary countries and states were identified as Canada (Green Key Global Eco-Rating), Costa Rica (Certification for Sustainable Tourism), Netherlands (Green Key International), New Zealand (Qualmark Enviro), South Africa (Fair Trade in Tourism South Africa, or FTTSA), and Wisconsin (Travel Green Wisconsin).

Secondary states were identified as Australia (ECO), Florida (Florida Green Lodging), Hawaii (Green Business Program Hawaii), Seychelles (Seychelles Sustainable Tourism Label), and Virginia (Virginia Green).

¹⁹ The gap analysis did not include programs for which a complete list of criteria was not available for this report, including Ireland’s EcoTourism and Austria’s TourCERT.

Key Findings: Gap Analysis

- Lack of criteria addressing wastewater in Chile's sustainability label: The GSTC's Standard criterion D2.3 provides a framework for wastewater treatment (Wastewater, including greywater, is effectively treated and is only reused or released safely, with no adverse effects to the local population and the environment.) (Global Sustainable Tourism Council, n.d.). Currently no tourism sustainability criteria match or address this standard.
- Similarity with Green Key (International) criteria: Among the programs non-GSTC recognized, The Netherland's Green Key program, member of the Green Key international standard, is the most similar to Sustainability label in terms of economic and environmental requirements. The Green Key international program, which Green Key in the Netherlands is a part of, is administered by the Foundation for Environmental Education (FEE). FEE itself is a GSTC recognized environmental education program, which could explain some of the similarity in criteria.
- Strong-cultural criteria: Socio-cultural requirements constitute 17.2% of Chile's criteria. In comparison, they make up less than 9% of the criteria of Green Key International Netherlands, Travel Green Wisconsin, Green Key Global Eco-Rating (Canada), and Qualmark Enviro (New Zealand).
- Less emphasis on environmental requirements: Environmentally-focused criteria constituted more than 60% of the criteria of the Green Key Global Eco-Rating (Canada), Florida Green Lodging, the Green Business Program Hawaii (GBPH), Seychelles Sustainable Tourism Label (SSTL), Virginia Green, and Travel Green Wisconsin. In comparison, Chile's environmental requirements constitute 50% of its total criteria.
- With the exception of Florida Green Lodging and Virginia Green, all the certifications studies have criteria with a socio-cultural emphasis.

Table 25: Gap Analysis: GSTC, Costa Rica CST, FT TSA

| | Chile | % of total | GSTC | % of total | Costa Rica | % of total | South Africa | % of total |
|--|-----------|---------------|-----------|---------------|------------|---------------|--------------|---------------|
| MANDATORY REQUIREMENTS | 4 | 6.3% | 2 | 3.7% | 2 | 4.0% | 1 | 2.3% |
| ECONOMIC REQUIREMENTS | 17 | 26.6% | 13 | 24.1% | 13 | 26.0% | 14 | 31.8% |
| Economic Feasibility | 2 | | 1 | | 1 | | 2 | |
| Supply Policy | 4 | | 3 | | 3 | | 3 | |
| Local Prosperity | 2 | | 2 | | 2 | | 2 | |
| Quality Employment | 6 | | 6 | | 6 | | 6 | |
| Visitor Satisfaction | 3 | | 1 | | 1 | | 1 | |
| SOCIO-CULTURAL REQUIREMENTS | 11 | 17.2% | 11 | 20.4% | 9 | 18.0% | 10 | 22.7% |
| Contribution to Local Development | 2 | | 2 | | 2 | | 2 | |
| Community Welfare | 4 | | 4 | | 2 | | 4 | |
| Development of Cultural offer with Cultural Elements | 3 | | 3 | | 3 | | 3 | |
| Protection of the Socio-Cultural Heritage | 2 | | 2 | | 2 | | 1 | |
| ENVIRONMENTAL REQUIREMENTS | 32 | 50.0% | 28 | 51.9% | 26 | 52.0% | 19 | 43.2% |
| Water Management | 7 | | 7 | | 5 | | 3 | |
| Energy Management | 7 | | 5 | | 6 | | 1 | |
| Contamination Reduction | 7 | | 7 | | 6 | | 6 | |
| Carbon Footprint | 3 | | 3 | | 2 | | 2 | |
| Preservation of Bio-diversity | 8 | | 6 | | 7 | | 7 | |
| TOTAL REQUIREMENTS | 64 | 100.0% | 54 | 100.0% | 50 | 100.0% | 44 | 100.0% |

Table 26: Gap Analysis: Green Key Netherlands, Travel Green Wisconsin, Green Key Global Eco-Rating (Canada)

| | Chile | % of total | Netherlands | % of total | Wisconsin | % of total | Canada | % of total |
|--|-----------|---------------|-------------|---------------|-----------|---------------|-----------|---------------|
| MANDATORY REQUIREMENTS | 4 | 6.3% | 3 | 7.5% | 2 | 5.4% | 1 | 2.8% |
| ECONOMIC REQUIREMENTS | 17 | 26.6% | 11 | 27.5% | 8 | 21.6% | 7 | 19.4% |
| Economic Feasibility | 2 | | 1 | | 1 | | 0 | |
| Supply Policy | 4 | | 4 | | 4 | | 3 | |
| Local Prosperity | 2 | | 2 | | 1 | | 0 | |
| Quality Employment | 6 | | 4 | | 1 | | 3 | |
| Visitor Satisfaction | 3 | | 0 | | 1 | | 1 | |
| SOCIO-CULTURAL REQUIREMENTS | 11 | 17.2% | 3 | 7.5% | 3 | 8.1% | 3 | 8.3% |
| Contribution to Local Development | 2 | | 1 | | 2 | | 2 | |
| Community Welfare | 4 | | 2 | | 0 | | 1 | |
| Development of Cultural offer with Cultural Elements | 3 | | 0 | | 0 | | 0 | |
| Protection of the Socio-Cultural Heritage | 2 | | 0 | | 1 | | 0 | |
| ENVIRONMENTAL REQUIREMENTS | 32 | 50.0% | 23 | 57.5% | 24 | 64.9% | 25 | 69.4% |
| Water Management | 7 | | 5 | | 5 | | 7 | |
| Energy Management | 7 | | 7 | | 7 | | 7 | |
| Contamination Reduction | 7 | | 6 | | 5 | | 7 | |
| Carbon Footprint | 3 | | 3 | | 3 | | 2 | |
| Preservation of Bio-diversity | 8 | | 2 | | 4 | | 2 | |
| TOTAL REQUIREMENTS | 64 | 100.0% | 40 | 100.0% | 37 | 100.0% | 36 | 100.0% |

Table 27: Gap Analysis: ECO (Australia), Florida Green Lodging, Virginia Green.

| | Chile | % of total | Australia | % of total | Florida | % of total | Virginia | % of total |
|--|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|
| MANDATORY REQUIREMENTS | 4 | 6.3% | 2 | 7.4% | 0 | 0.0% | 0 | 0.0% |
| ECONOMIC REQUIREMENTS | 17 | 26.6% | 8 | 29.6% | 9 | 26.5% | 3 | 12.0% |
| Economic Feasibility | 2 | | 3 | | 1 | | 1 | |
| Supply Policy | 4 | | 1 | | 3 | | 1 | |
| Local Prosperity | 2 | | 1 | | 0 | | 0 | |
| Quality Employment | 6 | | 2 | | 4 | | 1 | |
| Visitor Satisfaction | 3 | | 1 | | 1 | | 0 | |
| SOCIO-CULTURAL REQUIREMENTS | 11 | 17.2% | 6 | 22.2% | 4 | 11.8% | 0 | 0.0% |
| Contribution to Local Development | 2 | | 1 | | 2 | | 0 | |
| Community Welfare | 4 | | 1 | | 1 | | 0 | |
| Development of Cultural offer with Cultural Elements | 3 | | 3 | | 1 | | 0 | |
| Protection of the Socio-Cultural Heritage | 2 | | 1 | | 0 | | 0 | |
| ENVIRONMENTAL REQUIREMENTS | 32 | 50.0% | 11 | 40.7% | 21 | 61.8% | 22 | 88.0% |
| Water Management | 7 | | 1 | | 6 | | 5 | |
| Energy Management | 7 | | 3 | | 6 | | 7 | |
| Contamination Reduction | 7 | | 2 | | 6 | | 6 | |
| Carbon Footprint | 3 | | 2 | | 2 | | 3 | |
| Preservation of Bio-diversity | 8 | | 3 | | 1 | | 1 | |
| TOTAL REQUIREMENTS | 64 | 100.0% | 27 | 100.0% | 34 | 100.0% | 25 | 100.0% |

Table 28: Gap Analysis: Seychelles Sustainable Tourism Label, Hawaii Green Business Program, and Qualmark Enviro New Zealand

| | Chile | % of total | Seychelles | % of total | Hawaii | % of total | New Zealand | % of total |
|---|-----------|---------------|------------|---------------|-----------|---------------|-------------|---------------|
| Mandatory Requirements | 4 | 6.3% | 2 | 11.1% | 0 | 0.0% | 3 | 25.0% |
| ECONOMIC REQUIREMENTS TOTAL | 17 | 26.6% | 2 | 11.1% | 4 | 13.3% | 4 | 33.3% |
| Economic Feasibility | 2 | | 0 | | 0 | | 1 | |
| Supply Policy | 4 | | 0 | | 1 | | 0 | |
| Local Prosperity | 2 | | 1 | | 1 | | 1 | |
| Quality Employment | 6 | | 1 | | 2 | | 1 | |
| Visitor Satisfaction | 3 | | 0 | | 0 | | 1 | |
| SOCIO-CULTURAL REQUIREMENTS | 11 | 17.2% | 3 | 16.7% | 3 | 10.0% | 1 | 8.3% |
| Contribution to Local Development | 2 | | 0 | | 2 | | 1 | |
| Community Welfare | 4 | | 2 | | 0 | | 0 | |
| Promotion and Protection of Culture | 3 | | 1 | | 0 | | 0 | |
| Protection of the Socio-Cultural Heritage | 2 | | 0 | | 1 | | 0 | |
| ENVIRONMENTAL REQUIREMENTS | 32 | 50.0% | 11 | 61.1% | 23 | 76.7% | 4 | 33.3% |
| Water Management | 7 | | 2 | | 6 | | 1 | |
| Energy Management | 7 | | 2 | | 7 | | 1 | |
| Waste Reduction | 7 | | 2 | | 6 | | 1 | |
| Carbon Footprint | 3 | | 0 | | 2 | | 1 | |
| Preservation of Bio-diversity | 8 | | 5 | | 2 | | 0 | |
| Total Requirements | 64 | 100.0% | 18 | 100.0% | 30 | 100.0% | 12 | 100.0% |

Primary Certification Programs Benchmark Report

A benchmark was created in order to establish macro-level themes in the areas of operations, funding, and promotions to comparative processes planned for Chile's sustainability label with those of the primary certification programs.

Key Findings: Benchmark

Based on the comparative analysis of these certifications, as seen in Tables 29 - 31, the benchmark report found that there is no one program whose experience is uniformly applicable to Chile's sustainability label, as each program has been tailored to the unique level of economic development, regulatory environment, primary tourism markets, and culture. However, this analysis is useful for comparing the selection of criteria chosen for Chile's sustainability label in the context of established practices.

Operations

Certification programs tend to operate with ten or less employees, and have been in operation for an average of seven years (Table 29). The majority of programs reviewed contain a balance of criteria meant to address environmental, economic and social issues, although a few have an environmental and economic, or strictly environmental focus. The majority of programs have a progressive tiered certification structure.

All but three programs require audits of their participants.

Funding

Program funding structures include public financing, private, or a combination of both (Table 30). The program with the largest operating budget is CST (Costa Rica), which has approximately \$1M in annual funding and is fully funded by a government tax, with no fee for certification or membership.

Promotions

All of the primary certification programs utilize print and international trade shows for promoting their respective programs while only 50% utilize online travel agents (Table 31).

The majority of certification programs advertise the following benefits for members:

- Cost savings
- Operational improvements and efficiencies
- Promotional tool
- Increased sales
- Environmental benefits
- Staff education

Table 29: Primary Programs Benchmark – Operations

| Program Name | Country/State | Years in Operation | % of state or national certified | OPERATIONS | | | | | |
|---|-----------------|--------------------|----------------------------------|---|--|-------------------------------------|-------------------|-------------------------------|---------------------------------|
| | | | | Sustainability Focus Areas | Operating Body (Private, Public or Hybrid) | Certification Type (Tiered, Points) | Audits Conducted? | Auditor | Current Number of Member Hotels |
| Sustainability Program | Chile | 0 years (2013) | TBD | Economic, Socio-cultural, Environmental | Hybrid | Tiered - 3 levels | Yes | Independent contractors | N/A |
| Green Key Global Eco-Rating | Canada | 16 years (1997) | 14% | Environment | Private | Tiered - 5 levels | Yes | Provincial hotel associations | 1229 |
| Certification for Sustainable Tourism (CST) | Costa Rica | 16 years (1997) | 9% | Environment, Economic, Social | Public | Tiered - 5 levels | Yes | Program Administrator (ICT) | 272 |
| Qualmark Enviro | New Zealand | 6 years (2007) | 35% | Environment, Social | Hybrid | Tiered - 3 levels | Yes | Independent contractors | 1000 |
| Green Key International | Netherlands | 7 years (2006) | 12% | Environment, Economic, Social | Private (non-profit) | Tiered - 3 levels | Yes | Independent contractors | 371 |
| Fair Trade in Tourism | South Africa | 8 years (2005) | 6% | Environment, Economic, Social | Private | No | Yes | Program Administrator | 36 |
| Travel Green Wisconsin | Wisconsin (USA) | 7 years (2006) | 12% | Environment, Economic, Social | Public | Point system | No | Independent contractors | 141 |

Table 30: Primary Programs Benchmark – Funding

| Program Name | Country/State | FUNDING | | | |
|---|-----------------|--------------------------|---|---|----------------------------|
| | | Fee Charged for Members? | Fee Structure | Type of Funding (Private, Public or Hybrid) | Annual Operating Budget |
| Sustainability Program | Chile | Yes | No membership fee but hotels pay for audit | Hybrid | TBD |
| Green Key Global Eco-Rating | Canada | Yes | Fixed annual fee; Marketing ad space for sale | Private | Approx. \$500k (2012-2013) |
| Certification for Sustainable Tourism (CST) | Costa Rica | No | No certification or membership fee | Public | Approx. \$1mill |
| Qualmark Enviro | New Zealand | Yes | Contingent fees per room/bed/unit/apt | Hybrid | Approx. \$806k |
| Green Key International | Netherlands | Yes | Registration & membership fee | Private | n/a |
| Fair Trade in Tourism | South Africa | Yes | Registration & membership fee | Hybrid | \$600k (2012) |
| Travel Green Wisconsin | Wisconsin (USA) | Yes | Yes - registration & membership fee | Hybrid | n/a |

N/A indicates information that was not available at the time this report was published.

Table 31: Primary Programs Benchmark – Promotion

| Program Name | Country/State | PROMOTIONS | | | | | | | | | | | |
|---|-----------------|---------------------------|---------------------------|-------------------|-------|--------------|--------------------------|--------------------|----------------------|----------------------|---|---|---|
| | | Internal Marketing Budget | External Marketing Budget | Website Placement | Print | Social Media | International Tradeshows | Training/Workshops | Online Travel Agents | GSTC Accreditation | Operational Improvements/Efficiencies, Promotional Tools, Increased Sales, Environmental Benefits, Staff Education) | Incentives to cover certification fee | Incentives to cover capital investments |
| Sustainability Program | Chile | Yes | No | Yes | TBD | TBD | TBD | TBD | TBD | They plan to achieve | TBD | Yes, co-pay by SERNATUR for first 2 years | TBD |
| Green Key Eco-Rating Program | Canada | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes - all | No | Yes |
| Certification for Sustainable Tourism (CST) | Costa Rica | No | No | Yes | Yes | No | Yes | Yes | No | Yes | Yes - all | No | No |
| Qualmark Enviro | New Zealand | No | No | Yes | Yes | Yes | Yes | No | Yes | No | Yes - all | No | No |
| Green Key International | Netherlands | No | No | Yes | Yes | Yes | Yes | Yes | No | No | Yes - all | Yes –volume discount | No |
| Fair Trade in Tourism | South Africa | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes - all | No | No |
| Travel Green Wisconsin | Wisconsin (USA) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes - all | No | No |

N/A indicates information that was not available at the time this report was published.

Survey Analysis

Two surveys were completed to inform recommendations. A general survey was sent to hotels certified under existing primary country and state programs, and a separate survey was sent to potential participants of Chile's program. The surveys were analyzed based on the type of hotel and lodging establishment, location, and size (measured in number of rooms).

The general survey was sent to 2,055 hotels and lodges of various sizes, with 148 replies and a 7.2% response rate. The general survey was sent to members of the following certification programs:

- Green Key Global Eco-Rating (Canada)
- CST (Costa Rica)
- Green Key International (Netherlands)
- Green Globe and Qualmark Enviro (New Zealand)
- FTTSA (South Africa)
- TGW (Wisconsin, USA)

While the surveys are from a small sample of hotels, and do not constitute a completely comprehensive analysis, the responses gathered nonetheless provide many insights into the experiences of hotel operators and staff currently enrolled in sustainable tourism certification programs, and the expectations of Chilean hotels considering becoming certified.²⁰ These

²⁰ While the survey was sent to a select group of hotels in Chile, as well as all hotels listed under the certification programs of Canada, Costa Rica, Netherlands, New Zealand, South Africa, and Wisconsin, there were significant differences in the way the survey was introduced as well as

insights were used to support the recommendations in Section V of this report. Full details of survey response answers can be found in Appendix J.

Key Findings: General Hotel Survey

General

- Green Globe and Qualmark Enviro had the highest response rate, with 37% of those surveyed responding.
- Green Key in the Netherlands had the lowest response rate at 2.4%.
- Although Green Key Global Eco-Rating (Canada) certified hotels had only a 5.8% response rate, they represented the largest total number of replies, due to the volume of surveys sent out to members of that program (1229). Responses from Green Key Global Eco-Rating hotels accounted for 48% of the total responses we received from all programs surveyed.
- Of all survey respondents:
 - 43% of all responses came from hotels with 91 rooms or more.
 - 16% of responses came from hotels with 31-90 rooms.
 - 12% of responses came from to mid-size hotels (16-30 rooms)

the timing of when the surveys were sent that may have impacted the level of response from each location. In Canada, the HAC distributed the survey and in other countries there was no comparable support. This is reflected in the large number of Canadian hotels that participated in the survey.

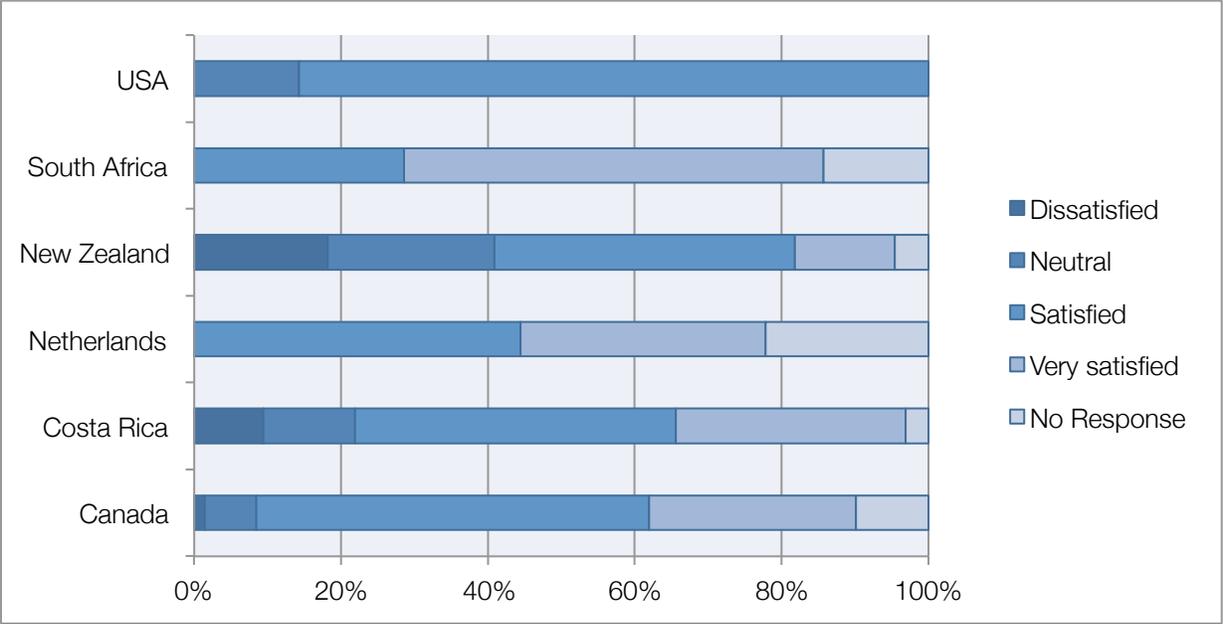
- 29% of responses came from very small and micro hotels (15 rooms or less)
- 57% of responses came from hotels and lodges that identified themselves as hotels, while those identifying as lodges accounted for 17%.
- When asked how they heard about their respective certification program, 54% of very small or micro hotels (15 rooms or less) heard about it from government, while 38% of larger hotels (91 rooms or more) heard about it from a local hotel association.
- At opposite ends of the spectrum, 42% of hotel owners in Canada heard about the privately administered Green Key Global Eco-Rating certification from local hotel associations, while in Costa Rica 51% of hotel and lodge owners heard

about the government-sponsored CST program from the government.

Satisfaction level

- Overall, the majority of respondents were either satisfied or very satisfied with their respective certification program. Members of FTTSA (South Africa) and Green Key (Netherlands) reported the highest level of satisfaction, with no respondents answering that they were dissatisfied or neutral.
- Larger hotels (91 rooms or more) were more likely to be satisfied.
- Qualmark Enviro (New Zealand) had the lowest amount of satisfaction, with 18% of respondents responding that they are dissatisfied with the program.

Figure 14: Respondent satisfaction with existing certification program by country/state*



*Note: Wisconsin is represented as USA in this chart

- 53% respondents reported that they were satisfied with the value brought to their business by the certification program, and 29% said they were neutral. 5% said they were 'dissatisfied' with their certification, and 10% said they were very dissatisfied.
- Some members of Green Key International (Netherlands) program reported that they liked that the certification pushed them to continuously improve themselves.
- 95% of CST and FTTSA respondents said they planned to recertify.
- Qualmark Enviro certified hotels and lodges had the lowest level of satisfaction.
- Bed & breakfasts, hotels and lodges with less than 15 rooms represented the largest group that indicated they would not re-certify.
- The benefit that was least chosen by hotels was that since becoming certified there was an increase in tourist visits, or higher occupancy.
- Respondents in countries or states where government employees are required to stay in certified hotels found that their occupancy rates had increased since becoming certified.

Use of certification

Perceived value

- 88% of respondents report that they are using certification as a marketing tool, including all respondents from South Africa and from Wisconsin
- Although 85% of respondents specified that they were using their certification as a marketing tool, 61% indicated their clientele was somewhat aware of their certification. Only 23% stated their clientele was very aware of the certification. Hotels and lodges in the CST (Costa Rica), FTTSA (South Africa), and Green Key International (Netherlands) programs reported the highest rates of awareness among their clientele.
- 71% respondents indicated environmental benefits as a reason they joined their certification program.
- Competitive advantage was also seen as a reason to join by 66% of respondents.
- Only 33% joined for cost saving purposes, while 12% cite a regulatory requirement as a reason to join.
- Many hotels and lodges also indicated that they joined a certification program out of a sense of moral obligation.
- Others also indicated that they were implementing sustainability initiatives on their own before becoming certified.
- Partnerships were seen as the greatest incentive to becoming certified. This was especially true for large hotels.
- Feedback about which incentives convinced hotel owners to become certified indicated that most signed up either from a sense of social responsibility or for the potential marketing benefits.
- The largest benefit to all sizes of hotels and lodges since becoming certified was increased staff awareness and engagement.
- A quarter of respondents also indicated that they had realized operational improvements since becoming certified.

certified and that certification was a means to communicate these initiatives to their clientele.

Room for improvement

- When asked what they would change about their certification program, 79% of the survey respondents said they would like to change aspects of the promotion or marketing. 74% said they would change the indicators/criteria, or assessment/auditing.
- No trends were visible by hotel or lodging type, size, or country. However, when respondents were analyzed based on their overall level of satisfaction, hotels and lodge owners that had indicated that they were satisfied or very satisfied were much more likely to desire that the program be developed or changed to better serve their needs.
- A majority of hotels participating in New Zealand's Qualmark Enviro certification felt that the program lacked credibility when it came to criteria for certification.
- A common complaint amongst all certifications was that no consideration is given in criteria requirements for differences in the size, age, locale climate or other differences between hotels. Many hotel and lodge owners expressed the opinion that certification criteria were easier to meet for larger hotels than for smaller ones.

Fees

- Overall, 58% of respondents found the fees or costs (auditors, staff training, facilities upgrades, etc.) associated with their program are reasonable, while 26% of all respondents found them to be expensive.
- For hotels or lodges with 15 rooms or less, 45% felt that costs and fees were expensive, while 43% felt that they were reasonable. Among responses from hotels with 91 rooms or more, 75% felt that costs and fees were reasonable.
 - Green Key Global Eco-Rating (Canada) fees and associated costs of participation were thought to be reasonable by 79% of respondents.
 - CST (Cost Rica) associated costs of participation were thought to be expensive by 58% of respondents.
 - Green Key International (Netherlands) fees and participation costs were thought to be reasonable by 57% of respondents and inexpensive by 43%.
 - Qualmark Enviro (New Zealand) fees and associated costs of participation were thought to be expensive by 29% of respondents, while 66% found them reasonable.
 - FTTSA (South Africa) fees and associated costs of participation were thought to be expensive by all respondents except one, who thought the fees were reasonable.
 - Response to TGW (Wisconsin) fees and participation costs was split nearly evenly, with a slight majority finding them reasonable.

Key Findings: Chile Hotel Survey

General

- With a 16% response rate, the survey sent to Chilean hotels and lodges had a higher level of response than the general survey did.
- Hotels accounted for 62.5% of all responses, including accommodations identified as hotels, apart-hotels, bed and breakfasts, or cabins, with 28% of respondents identified themselves as other. The remaining 9.4% of respondents identified themselves as lodges.
- Hotels and lodges with 16-30 rooms comprised 32% of respondents, and represented the largest group.
- Hotels and lodges located in Santiago accounted for 32% of all responses, with 10 replies.
- 56.5% of respondents were aware of the Sustainability label program, while 43.5% of responses were unaware.
- 30% of respondents listed environment as area of sustainability that meant the most to them.
- Economic and socio-cultural areas were mentioned as the most important by 22% and 9% of respondents, respectively. 52% answered that all three areas of sustainability were important to them.

Current marketing

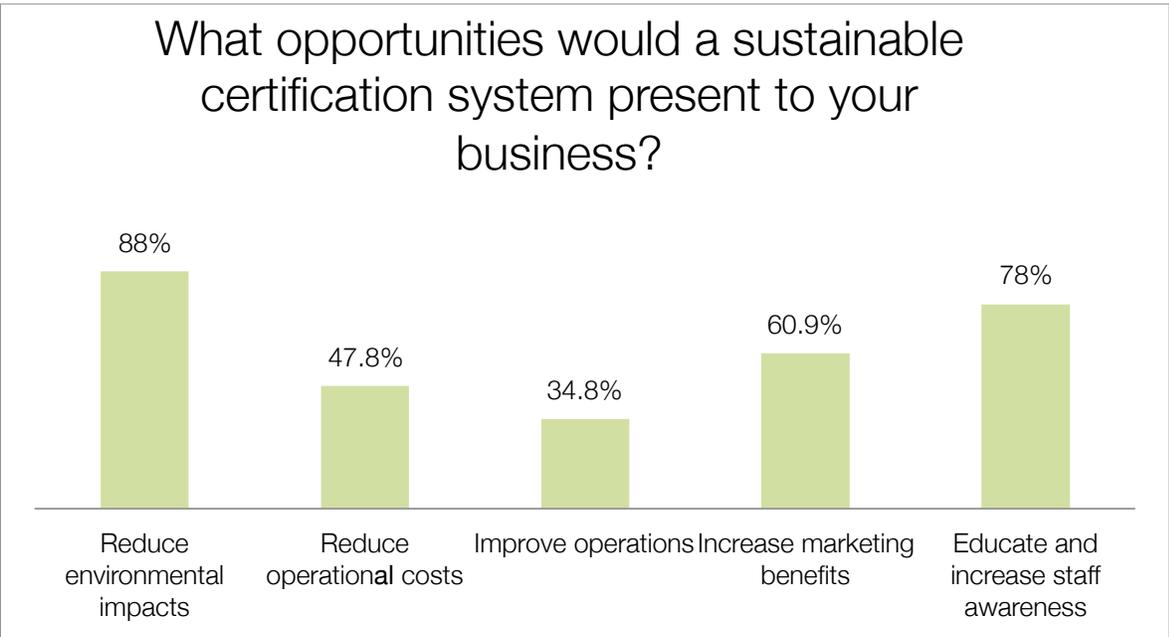
- All respondents indicated they have website sites which they use for marketing.
- Two-thirds of respondents market through travel websites and travel agencies.
- One-third of the respondents market their hotel through media.
- Respondents also indicated that they use the following resources to generate business:
 - Radio, newspapers, magazines
 - Special events, through printed press and radio
 - La Segunda newspaper, Post magazine, To Make Family magazine
 - Travel and tour fairs
 - Online travel agencies, internet, magazines
 - Social Networks, coupon websites
 - Customer feedback and word of mouth recommendations

Perceived Risks and Opportunities

- 70% of respondents said energy was their biggest environmental risk, 52% indicated waste, while 35% indicated water scarcity. Additionally, 35% said their carbon footprint and greenhouse gas emissions are a risk.

- Almost all respondents measure water and power consumption. However, only a quarter are measuring waste or recycling volume.
- 100% of respondents viewed having certification as a competitive advantage. When asked if someone in their company is managing sustainability issues, 39% of respondents said yes, while 61% said no.
- 88% of respondents indicated that an opportunity to reduce environmental impacts presented to greatest opportunity for their business, followed by 78% who named creating education and staff awareness, 47.8% reducing operating costs, 34.8% improving operational procedures, and 60.9% increasing marketing benefits (Figure 15).
- 54% indicated they have the capital to achieve the certification, while 46% indicated they do not.
- 27% answered they know of any incentives that might help them cover the investments in order to become certified; while 73% answered they did not.
- Incentives that respondents were aware of those available through CORFO and SERCOTREC.

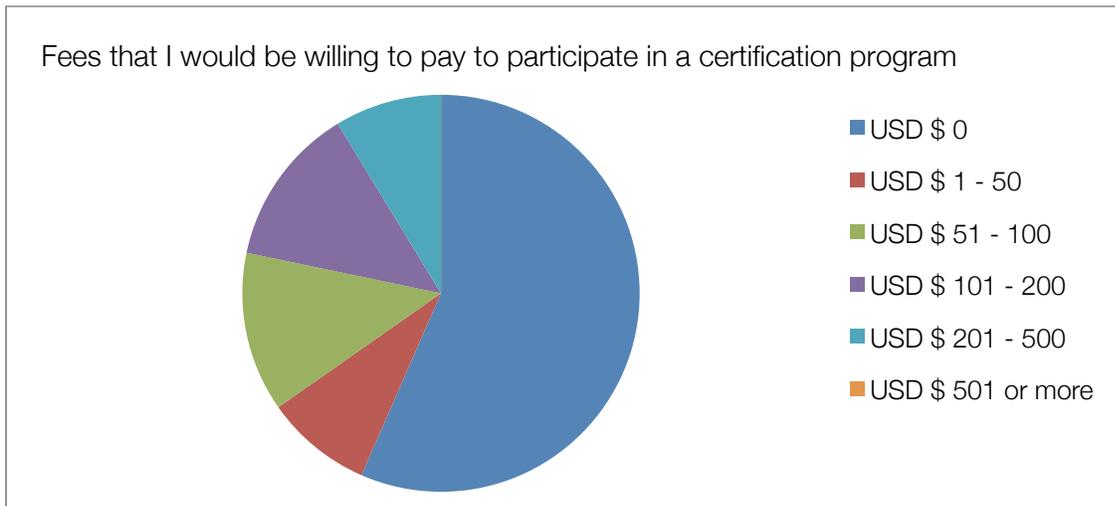
Figure 15: Perceptions benefits of enrolling in a sustainability certification program



Fees

- When asked how much they would be willing to pay to participate in the program, 56% of respondents answered free (nothing), and 26% indicated somewhere between \$50-200 USD (Figure 16).

Figure 16: Respondents' Willingness to Participate in a Paid Program



Subject Matter Expert Interviews

Interviews with subject matter experts were conducted in order to gain additional perspectives on best practices in the operations, funding, and promotions of a sustainable tourism certification program. These experts were:

- Amos Bien, Technical Director, Global Sustainable Tourism Council (GSTC)
- Dr. Linda J. Cox, Community Economic Development Specialist, University of Hawaii at Manoa, College of Tropical Agriculture and Human Resources
- Dr. Louise Twining-Ward, President, Sustainable Travel International
- Jose Miguel Friz, Sustainability Consultant, Valor Sostenible & EarthCheck
- Leilani Latimer, Head of Product Marketing & Operations, Sabre Hospitality Solutions
- Hans Pfister, Co-Owner, Cayuga

Sustainable Tourism; Regional Vice President, Cornell Hotel Society

- Harro Boekhold, Project Developer, Contour Projects; Secretary of VISIT association for tourism eco-labels
- Ronald Sanabria, Sustainable Tourism Vice President, Rainforest Alliance

Key Findings: Subject Matter Expert Interviews

Operations

A key theme from all the interviews was the importance of the certification program being seen as credible by hotel owners. According to Amos Bien, credibility comes from good practice and is bolstered by both government participation as well as input from international NGOs such as GSTC.

Several experts argued that audits help support the credibility and transparency of the program. It was however mentioned by Harro Boekhold that audits

only cover a particular moment of operation that may not be indicative of the standard performance or activities at the hotel.

With respect to the ownership and governance of the program, the interviewees were unanimous in their support for a public-private partnership model. Ronald Sanabria noted that a key area of success for the program in Costa Rica was garnering the trust of the private sector and expanding the types of businesses that could be certified, for instance.

Harro Boekhold said that some pitfalls to avoid in the design of a certification program include the risk of oversimplicity, of potentially ignoring local, regional, and national differences in the design of criteria, the risk of creating administrative burdens for tourism businesses, and the risk that the label will be seen as an aim rather than a tool for business.

Funding

All interviewees agreed that the program should not be free and a fee should be charged to participants. As noted by Leilani Latimer, there is no advantage to a free certification, as it does not translate into any value for the participant. It is evident that financial support from the government is key in funding the certification program; this point was underscored by Dr. Louise Twining-Ward, who stressed that government funding creates a stronger business case for the program. It was also indicated by Jose Miguel Friz that third party alliances are

critical when it comes to training new staff members of the operating the certification program, auditors, etc.

Marketing

All interviewees mentioned community and the importance of the program's impact on the local community. Hans Pfister noted that the connection with the community is what sets apart the sustainable hotel and lodging providers from others and this includes consideration of people, land, and suppliers. Marketing is also something that needs to be tailored to the audience and Dr. Louise Twining-Ward further articulated this point by noting that the hotel and lodging profile should dictate the type of marketing used to sell program membership. She specified that smaller properties can be sold on the cost savings available through resource management; medium sized properties can be sold on the marketing benefits and opportunity to grow their businesses; and larger international properties can be sold on CSR risk avoidance. Additionally, Dr. Linda Cox noted that the program should have a champion, a public figure, who can help generate interest in the program as it continues to grow and build momentum.

Literature Review

Several different sources of literature were reviewed in an effort to identify key trends and best practice recommendations. One key observation from the literature review was that the number of literature pieces related

specifically to sustainable tourism are limited, and that many of them are outdated as the industry is changing rapidly. Though several sources of literature were reviewed, key findings identified were limited to the following sources: A Simple User's Guide to Certification for Sustainable Tourism and Ecotourism (Bien), Practical Steps for Funding Certification of Tourism Businesses (Russillo), Practical Steps for Marketing Tourism Certification (Russillo), and Financing Tourism Certification Programs (Abigail).

Key Findings: Literature Review

Operations

- The implementation of training and education programs in addition to on-site audits help maintain the credibility of the program. - Financing Tourism Certification Programs
- The certification sets standards and helps distinguish genuine ecotourism and sustainable tourism businesses from others that make empty claims. - A Simple User's Guide to Certification for Sustainable Tourism and Ecotourism

Funding

- The program should have partnerships with a variety of organizations, including the tourism industry, governments, media and non-profit organizations, which can contribute funding or provide in-kind support, such as marketing and promotion. - Financing Tourism

Certification Programs

- Donors, 'green' funds, and NGOs with missions of social equity, poverty alleviation, and conservation can "invest" in certification through grants, loans, and technical assistance. - Practical Steps for Funding Certification of Tourism Businesses

Marketing

- Most sustainable tourism certification programs are nationally based, operate only regionally, and have limited consumer recognition. - Practical Steps for Marketing Tourism Certification
- While surveys show consumer support for environmentally and socially responsible tourism, there is also evidence of a "green gap" between what consumers say they would do and actual behavior. - Practical Steps for Marketing Tourism Certification
- The program should promote reduced costs in terms of the hotel's operations as a means to promote certification. - Practical Steps for Marketing Tourism Certification
- The positive impacts of the program should be documented and promoted. This will serve to attract other businesses that want to become certified, as well as to encourage intermediaries and consumers to use certified businesses and products. - Practical Steps for Marketing Tourism Certification

Field Research

Field research was conducted in the Netherlands, Canada, and Costa Rica in order to get a more comprehensive understanding of the successes and challenges of established programs in those countries. Field research was also conducted in Chile. Research activities included interviews with owners and staff of hotels, both certified and not, as well as with other key stakeholders (from the public and private sectors, academia, and other trade associations).

Key Findings: Field Research

Operations

- In Costa Rica, lack of infrastructure, lack of information, and government bureaucracy are barriers to entry for many hotels, especially small hotels and lodges that are far from major cities.
- Several hotels in Costa Rica also expressed frustration about the education and training provided by the government-run program, and the cost of private consultants needed to understand how to meet the criteria.
- In contrast, hotels in the privately run Green Key International (Netherlands) program, mentioned frequent communication from program auditors and staff as an incentive to join the program.

Funding

- In Canada, an ongoing challenge for Green Key Global Eco-Rating administrators has been to ensure that there is continually increase in the added value to hotel members.
- The amount of buy-in from hotel owners and the ability of the program to meet their needs appear to be linked to the level of success the certification achieves.
- Resource sharing with the Hotel Association of Canada (HAC) appears to have proved an effective strategy for Green Key Global Eco-Rating program.

Promotions

- Green Key Global Eco-Rating has shown long-term success and credibility in the marketplace mostly due to the power of robust strategic partnerships with well-known travel operators and industry affiliations.
- In Costa Rica, confusion over the purpose and benefits of the program was evidenced by a divided opinion between those hotel owners who are frustrated with how the CST program and members are promoted, and those who feel that the program exists to promote standards rather than serve as a marketing tool.

Key Interview Takeaways: Ronald Sanabria, Vice President of Sustainable Tourism, Rainforest Alliance

Promotions

Internal and External Marketing:

- Programs should outsource marketing.
- Rainforest Alliance has as a goal to assist existing programs improve their systems and make themselves more marketable.
- The most successful thing that the CST has done has been to win trust of the private sector and to continue to expand the types of business that can be certified.

Operations

Ownership and Management:

- The advantage of government program is that the state has the ability to give the program high visibility; private sector must feel that the label is theirs - that they have ownership; a concern that many businesses have is that when governments change programs sometimes get cut - they need to feel the label will be around for the long haul.
- Rainforest Alliance has a supportive role to play with government-run programs: many programs lacked credibility at the international level, despite being popular locally due to lack of uptake, and in some cases light audit data.
- To gain global recognition programs should be recognized by GSTC.

Auditors:

- “Programs should outsource auditing, a multi-stakeholder approach key to transparency in audit reports; main challenge of accurate success metrics is to convince businesses that it is valuable to collect data. Establish indicators for companies and establish rules for collecting data, the value for the business should not just economic but also to transform the business.”
- Rainforest Alliance training programs for businesses serve 2 purpose – “create local capacity and portfolio of clients for sustainable tourism programs.”

Granting of Certification:

- One mistake governments have made is to feel that they have the only right to launch programs, that there is only room for one label.
- The program’s agenda will move faster if government creates rules and enabling conditions for private business to select the seal that is best for them.
- The government should not be afraid of competing programs because everything will help country move sustainability faster in the country.

Key Interview Takeaways: Dr. Louise Twining-Ward, President, Sustainable Travel International

Promotions

Internal and External Marketing:

- Accommodation Profile should dictate the type of marketing strategy used to sell program membership:
 - Smaller properties can be sold on the cost savings available through resource management.
 - Medium sized properties can be sold on the marketing benefits and opportunity to grow their businesses.
 - Larger international properties can be sold on CSR risk avoidance.
- The program should have a champion, a public face, who will help build interest in the certification, as it gains momentum until it reaches a tipping point.
- The promotional system should be based on the objective of the system - destination marketing or hotel marketing?

Operations

Ownership and Management:

- The operation should be administered by a public-private partnership. Private sustainability certifications in the industry offer a poor business case and lose money while government-funded operations run the risk of being subject to political will. The ideal structure would have public sector support with private sector leadership.

Auditors:

- Auditors should be trained by the certification body and should be thought of more as assessors than auditors. They should also foster a two-way communication with properties and certification body, thus providing feedback rather than simply performing an ISO checklist.
- Accommodation property should pay for the assessment and it should be low. External auditors should be used to avoid perception of conflicts of interest and perceptions of bribery of government officials.

Granting of Certification:

- The certification should be based on an international standard to establish validity but screened for place-based relevance to ensure it is applicable to the country, and even further to regions within the country. At the same time, consideration should be given so as not to discount criteria without detailed analysis.
- Minimum criteria should be those that all parties view as critical.
- A grievance system should be put in place to deal with potential disagreements and disputes, for example point differentials.
- A multi-tiered system provides an incentive for properties to re-apply.

SECTION V

RECOMMENDATIONS

OVERVIEW

These recommendations are the culmination of comprehensive research and analysis phases, including the benchmark analysis, survey responses, subject matter expert interviews and literature review. Recommendations are given based on the Client issues pertinent to operational and funding structure of the NCTS and promotion of the sustainability label. These issues were researched and analyzed and recommendations generated based on research findings and applicability to Chile's tourism industry. This process takes into account Chile existing political, regulatory, and cultural environment, to ensure applicability of recommendations and solutions; all of which is working toward the goal of helping to raise the sustainability level of Chile's tourism industry.

The following rating for prioritization and ease of implementation to the recommendations provided has been applied (Table 32 and Table 33). PITS should use these ratings in determining which recommendations to implement and when.

Table 32: Rating for Prioritization

| | |
|--------|--|
| High | A recommendation that will have a significant impact on the program and should be implemented in the first year following the program launch |
| Medium | A recommendation that will have an impact on the program and should be implemented at the end of the first review period. |
| Low | A recommendation that will impact the program and should be implemented in the long term based on the program's progress. |

Table 33: Rating Scale for Ease of Implementation

| | |
|---|--|
| 1 | Implementation of recommendation requires little to no additional time and/or resources. |
| 2 | Implementation of recommendation requires a limited amount of time and/or resources. |
| 3 | Implementation of recommendation requires a substantial amount of time and/or resources. |

OPERATIONS RECOMMENDATIONS

The following recommendations are informed by the research and analysis sections of this report, and address the following issues (Table 34-35):

- Role of council members and relationship with government
- Sustainability Label process and timeline
- Auditing structure, if applicable (it is applicable because it is required by GSTC)

High Priority

Role of advisory council, relationship with government, program administration

- NCTS governing council – It is recommended to be formed as planned.

The establishment of a governing board for the NCTS, as proposed, meets the program’s goal of providing a forum for input from industry, government, and academia. It is recommended that the creation of a board should be implemented as proposed. Per the existing proposal, the board would enjoy representation from high levels of government. Including the Under-Secretary of State for Tourism, and the Under-Secretary of State for the Environment, as well as representatives from the National Council for Culture and Arts, and FEDETUR. The involvement of these individuals will be critical to ensuring any political challenges can be addressed.

Research has indicated that government involvement is critical in order to advance the program’s brand, demonstrate the government’s commitment, and underline the gravity of compliance. The research suggests that the inclusion of representatives from industry, academia, and community-based groups on the governing board will be critical to establishing the credibility of the program (Sanabria, 2013). The proposed representatives from industry will ensure that hotels and lodges participating in the sustainability program will have an equitable stake. Representation from these industry organizations will allow the NCTS to ensure that their feedback is incorporated into the sustainability program and improve satisfaction.

One of the three pillars of sustainability considers egalitarianism. The research concludes that the NCTS’ inclusion of representatives from indigenous groups, as well as labor organizations, ensures that the sustainability program is sustainable from a social-cultural standpoint (Cox, 2013). Additionally, one of four themes for GSTC criteria is “maximizing social and economic benefits for the local community” (Global Sustainable Tourism Council, 2013).

- Management – It is recommended for a full time Executive Director to be appointed with operational authority over staffing, workflow, and promotional strategy. Additionally, the Executive Director is to appoint a Marketing Manager and an Operations Manager.

The appointment of a chief executive is a standard practice in most sustainability programs currently operating. Regardless of differences in title, it is common for one individual to possess similar and comparable responsibilities throughout the various sustainability programs researched. This position will have managerial authority over daily operations of the NCTS, including decisions pertaining to staffing, administrative structure, and workflow. The Executive Director will also be responsible for overseeing promotions and funding activities. Both a Marketing Manager as well as an Operations Manager should support the Executive Director. Depending on available funding, the Executive Director can hire additional support staff. Support staff duties could include reviewing applications, accounting, marketing, educational outreach/training, and assisting hotels with questions or concerns about meeting criteria. This will enable the Executive Director to focus on the larger objectives of the program. Delegating staffing and operational decisions to the Executive Director will enable the NCTS to remain dynamic as the program grows, and priorities change. The research and analysis found that operational autonomy, and a small staff, were found to be contributing factors to success amongst the sustainability programs.

High Priority

Sustainability Label Process and Timeline

- Sustainability Label process and timeline – It is recommended that the proposed process fits best practices found in research.

Research of best practices for sustainability label processes as implemented by other programs was conducted, and is detailed in the research section of this report. Based off this research, an independent exercise was carried out to determine best practices and lessons for Chile. These were compared to the sustainability programs' process, and found that all best practices and recommendations were currently satisfied. It was found that the sustainability label timeline for primary sustainability programs correlated directly with the length of time required for an auditor to conduct a site visit within that country. It was assumed that when Chile's proposed timeline for the sustainability label was being created, they took into consideration the amount of time required to perform these sustainability program audits. Therefore, the sustainability label process and timeline for the sustainability program should be implemented as proposed.

Generating critical mass of certified hotels and lodges in the industry should be balanced with upholding a high standard of credibility. A sustainability label that requires limited effort

or commitment on the part of the hotel owner will have the lowest barriers to achieving the sustainability label. However, it will also have the lowest impact on improving the sustainability of Chile's tourism sector, and thus will lack integrity.

High Priority

Auditing Structure

- Audits – It is recommended for audits to be performed by certified third party auditors and the auditing fees be paid directly to the auditors. In addition, the auditors for the sustainability label program should be different than those used for the quality label program.

It is concluded that fees should be paid directly to the assessors. A list of certified assessors should be provided to hotels and lodges so that they can choose an auditor best suited to their location and budget.

It is understood that some auditing firms have already been identified to perform the initial audits for the sustainability label. These firms already perform audits for Chile's quality label. While using these auditors is a convenient way to launch the sustainability program, it is recommended that those conducting the sustainability label audits be independent from those who conduct audits for the quality label. Criteria for Chile's quality label are different from that of the sustainable label. The research suggests auditors tend to look at sustainability as a checklist rather than as a holistic assessment. Sustainability must be examined through a different lens than through quality. Having separate personnel complete the sustainability label audit will reduce ambiguity in public perceptions between the sustainability label, the quality label, and other government labels. It will also allow those conducting the sustainability label audits to focus on sustainability, which should increase the quality of the audits.

- Survey – It is recommended for a survey to be conducted on regular basis for members to provide formal feedback to NCTS on their experience with the sustainability program process, including audits.

The primary research suggests that after undergoing an audit, members should be provided with a survey in which they can provide feedback to the NCTS regarding their experience with the auditing process. Eventually, it would be useful to build an online tool to conduct these surveys. NCTS should have the authority to dismiss auditors from their contracts as a result of feedback from members. This will ensure that authorized auditors meet the professional standards of the NCTS. This is essential to maintaining the reputation of the NCTS, as the auditors will be representing the NCTS by association.

Medium Priority

Role of advisory council, relationship with government, program administration

- Annual fellowship program – It is recommended to create an annual fellowship within the program for students or young professionals.

To support the sustainability program’s educational and promotional efforts, the Executive Director and his staff can implement an annual fellowship program targeted at university students and young professionals. It can be an employment track to foster promotions within other tourism organizations. These fellows can act as program ambassadors to the local communities and business groups throughout the country. They can host workshops about the program and run trainings in conjunction with regional SERNATUR offices. These trainings will educate hotel owners on how they can become more sustainable, meet the program criteria, and achieve the sustainability label. Trainings can also provide best practices on how to track and measure the benefits after adopting procedures required by the criteria. Measuring improvement will allow business owners to see the value in adopting the criteria requirements. Interactions between sustainability program staff and hotel and lodging employees will also foster relationships by increasing the level of accessibility to sustainability program personnel. Columbia students, through Columbia’s Global Center in Santiago, could make up the first students for a pilot program. Similar university programs, such as Stanford’s “Stanford in Government, Non-Profit Enterprise and Self-Sustainability Team” in Santiago, are precedent for such a program (Stanford University, 2013).

Medium Priority

Sustainability Label Process and Timeline

- Tiered program – It is recommended to plan for the tiered program to be implemented as planned.

It is concluded that Chile should continue with the tiered scoring program already proposed. It was found that the best sustainability programs appropriately awarded hotels and lodges for their achievements through a tiered program. As noted during our analysis, a tiered program continually incentivized hotels and lodges to achieve higher results in subsequent renewals. Programs that do not differentiate between the sustainability performances of member hotels and lodges undermine the credibility and marketing impact of the sustainability program. Of hotels and lodges surveyed for this project, 88% reported they were using their sustainability program as a marketing tool. A tiered approach motivates hotels and lodges that are driven by marketing purposes, to strive for higher sustainability program status to differentiate them from competitors, and highlight their unique or innovative sustainability efforts to customers.

Auditing Structure

- Conduct training – It is recommended for all approved auditors to conduct training and require that all auditors complete the training conducting any sustainability label program audits.

Assessors for the sustainability label should receive sustainability training through the NCTS before being certified by NCTS to perform sustainability audits for potential members. Regional SERNATUR offices could be used as a venue to conduct these trainings, and could be given by students in the aforementioned fellowship program. The importance of auditor education was made apparent in the research.

- Engage with participants – It is recommended to engage with participants after an audit to discuss the results and provide guidance and feedback based on the findings and goals of the participants.

Based on research conducted, the results of the audit should be shared with the hotels and lodges to provide insight as to how their score can be improved. Education materials should be made easily available based upon the individual needs of hotels and lodges. The role of those performing sustainability audits should be to both verify the information listed on applications, as well as offer insights on areas of potential improvement for hotels and lodges revealed in the audit. This can therefore advise which supplementary educational materials should be provided to hotels and lodges by the NCTS.

Low Priority

Auditing Structure

- Geographic region assignment – It is recommended for auditors to be assigned by geographic region.

This system of managing assessments from a regional perspective has worked successfully for multiple sustainability programs where audits are conducted by provincial hotel associations with direct knowledge of the region-specific tourism environment. This reduces carbon emissions, and travel expenses, attributed to the sustainability program process. In turn this should lower the cost of sustainability program services for hotel and lodging providers. This will also ensure that regional specific considerations are fully understood by those performing sustainability program audits. If the current proposal to select auditors from international firms like SGS and Bureau Veritas continues, it is imperative that firms with regional offices are used. Auditors should be assigned by geographic region (north, central, and south) in alignment with SERNATUR's current groupings.

Table 34: Operations Recommendations- Governing Body

| Issue Addressed | Recommendation | Analysis | Implementation Impact | Ease of Implementation | Priority |
|--|---|---|--|------------------------|----------|
| Role of Council Members and Relationship with Government | <ul style="list-style-type: none"> •NCTS governing council to be formed as planned. | Informed by New Zealand's Qualmark, Costa Rica's CST, Travel Green Wisconsin, Virginia Green Lodging, TourCert. SME Ronald Sanabria, Sustainable Tourism Vice President at Rainforest Alliance. Literature review. GSTC criteria. | Influential figures from government agencies will ensure long-term government support for the sustainability program. Academics and technical experts will make sure the board is aware of best practices, and criteria stays current. Industry representatives will ensure stakeholder feedback is considered. Having non-governmental representation will help to the council avoid the appearance of being a regulatory body. | 1 | High |
| Role of Council Members and Relationship with Government | <ul style="list-style-type: none"> •Appoint a full time Executive Director with operational authority over staffing, workflow, and promotional strategy. Additionally, the Executive Director is to appoint a Marketing Manager and an Operations Manager. | Informed by three SMEs, the experience of the CST program in Costa Rica, Green Key in the Netherlands, Virginia Green Lodging, the Austrian TourCert program, and Wisconsin Green Travel | This will allow the program to remain flexible and dynamic as it grows by creating operational autonomy. The support of a Marketing and Operations Manager will create an effective management structure for the administration NCTS. | 2 | High |
| Role of Council Members and Relationship with Government | Create a yearlong fellowship within the program for students or young professionals. | Insights gained from survey responses. The Stanford in Government, Non-Profit Enterprise and Self-Sustainability Team in Santiago. | This would help reduce the amount of administrative burden for staff members and better position the program for long-term growth. In addition, the position would foster community engagement. | 2 | Medium |
| Sustainability program Process and Timeline | Proposed tiered system for the label. This is a best practice, and is to be implemented as planned. | Informed by Green Key Global and Ecotourism Ireland | Distinction between each level is easy to understand for prospective members and stakeholders. Program participants are incentivized to continuously improve their performance and competition is generated amongst participants | 2 | Medium |
| Sustainability program Process and Timeline | The proposed sustainability program process and timeline fits best practices found in research. | Informed by all primary countries | The process in place already incorporates all the suggestions we would have had from our research. | 1 | High |

Table 35: Operations Recommendations- Sustainability Label

| Issue Addressed | Recommendation | Analysis | Implementation Impact | Ease of Implementation | Priority |
|--------------------|--|---|---|------------------------|----------|
| Auditing Structure | <p>The audits are to be performed by certified third party auditors and the auditing fees be paid directly to the auditors.</p> <p>In addition, the auditors for the sustainability program are to be different than those used for the quality label program.</p> | Qualmark, Green Key Global, SME's Jose Miguel Friz, Leilani Latimer, SME Dr. Louise Twinig, Survey feedback | Having the audits performed by a third party bolsters the integrity of the program. Engaging with audits that are different from the quality label will ensure that the work performed is more focused on sustainability issues and are better tailored to the needs of program participants. | 2 | High |
| Auditing Structure | Conduct training for all approved auditors and require that all auditors complete the training conducting any sustainability program audits. | Abigail Rome and Martha Honey in our literature review, and recommended by one out of six SMEs. | This will increase auditor knowledge, and ensure quality and consistency of the audits performed. | 3 | Medium |
| Auditing Structure | Engage with participants after an audit to discuss the results and provide guidance and feedback based on the findings and goals of the participants. | Informed by CST, Green Key Global, Green Key (Netherlands), Travel Green Wisconsin, and TourCert. | Engaging with the participant after the audit process will help the program to better understand where and how they can improve their performance. | 1 | Medium |
| Auditing Structure | A survey is to be conducted on regular basis for members to provide formal feedback to NCTS on their experience with the sustainability program process, including audits. | CST, Wisconsin, SME Dr. Linda Cox, and survey | The solicitation of formal feedback would help ensure participant satisfaction and allow the program to make strategic changes if necessary. | 1 | High |
| Auditing Structure | Auditors are to be assigned by geographic region. | Green Key Global and TourCert | This would reduce the overall cost of the audits for participants as well as the environmental impact of conducting the audit as travel is reduced. | 2 | Low |

FUNDING RECOMMENDATIONS

Establishing strategic funding mechanisms are essential to providing the sustainability label with economic and reputational strength, as well as ensuring its long-term success. In accordance with the project scope, the following recommendations are informed by the research and analysis sections of this report, and address the following issues (Table 37-38):

- Revenue structure of the sustainability program
- Alliances and partnerships
- Funding structure of the sustainability label process and the governing body

In addition, recommendations regarding the overall budget of the program were also made.

High Priority

Revenue Structure of the Sustainability Program

- Membership Fees – It is recommended the program charge members a fee to join as well as an annual membership fee.
 - The primary objective of this recommendation is to provide the sustainability program with a predictable revenue stream.
 - The membership fee-based structure reduces reliance on a single revenue source and allows the participant to clearly associate a good or service with a price so that the monetary value is clear.
 - 60% of the researched programs charged membership fees.
 - Subject matter expert Dr. Louise Twining-Ward of Sustainable Travel International agrees that membership fees are necessary and that they signal value to lodging providers.
 - Membership fees may account for less than 10% of the program’s annual budget per FTTSA annual reports.

Partnerships and Alliances

- Partnership Opportunities – It is recommended that the program look to engage with local, national and international stakeholders for funding opportunities including pro bono work.
 - The primary objective of this recommendation is to ensure the program receives adequate funding for short-term and long-term economic sustainability.
 - The program is to leverage relationships with government agencies, multilateral development banks. The Center for Ecotourism and Sustainable Development’s handbook, Financing Tourism Sustainability programs, identifies the Inter-

American Development Bank, NGOs such as the US Agency for International Development (USAID), and other non-profit organizations and private foundations such as the Ford Foundation, Packard Foundation, Wallace Global Fund and the Rockefeller Brothers Fund as potential partners for operating budget funding. In addition, the program should also engage with local universities and create partnerships so that students could assist in performing pro bono work.

- Grant funding would provide a critical source of funding for the program and leveraging universities for pro bono work would reduce operating costs of the program and foster innovation. Ultimately, both recommendations allow the program to engage with key stakeholders as well as the community.

Funding Structure of the Sustainability Program

- Non-profit organization – It is recommended that the program be structured as a non-profit organization. 89% of the sustainability programs that were researched had a non-profit structure. Subject matter experts were split in their recommendations in this area. Leilani Latimer, head of Product, Marketing & Operations at Sabre Hospitality Solutions was in favor of a public/private partnership while Amos Bien, Technical Director, Global Sustainable Tourism Council (GSTC), spoke of the need for credibility, regardless of funding structure.
 - The primary objective of this recommendation is to organize the sustainability program structure to be best positioned to allow for outside grant funding.
 - A non-profit organization when compared to a for-profit sustainability program is expected to strengthen the sustainability program's credibility and independence, especially in the eyes of the public and lodging operators.

Medium Priority

Partnerships and Alliances

- Corporate Discounts – It is recommended that the sustainability label form partnerships with private renewable energy companies to offer discounted services to certified lodging establishments.
 - The primary objective of this recommendation is to reduce financial barriers for capital investment in projects, such as renewable energy generation, to both prospective and existing certified lodging establishments.

Funding Structure of the Sustainability Program

- Overhead – It is recommended that the number of people responsible for operating the program should be kept at a minimum.

- The primary objective of this recommendation is to reduce annual operating costs by minimizing overhead.
- Based on the projected size and scope of the Chilean program, 3 persons should be employed; a program director, a marketing manager, an operations manager. (See write-up for position details).
- By reducing overhead expenses, a larger percentage of the sustainability label's annual budget can be allocated to marketing the label in Chile and abroad.

Low Priority

Revenue Structure of the Sustainability Program

- Marketing Revenue – It is recommended that the program use marketing as a vehicle in which to drive additional sources of revenue.
 - The primary objective of this recommendation is to diversify and increase revenue opportunities for the sustainability program.
 - Selling advertising space through the program's website or other program related external communications would help create additional revenue and further diversify the funding structure of the program, ensuring financial longevity.
 - For example, the program could sell online banner advertising or newsletter advertising space to lodging participants or outside businesses that are complimentary to sustainable tourism in Chile.

Partnerships and Alliances

- Leveraged Resources – It is recommended the program leverage existing office space used by the government in which to operate the program.
 - The primary objective of this recommendation is to help reduce overhead costs for the program.

Funding Structure of Sustainability Program

- Regional Auditor Training – It is recommended the program provide loans to local start-up sustainability program audit companies or individuals to cover their initial costs and training.
 - The primary objective of this recommendation is to create regional independent auditors to provide sustainability program audits with reduced distances to travel, thus reducing costs to perspective lodging operations and overall carbon emissions.

Sustainability Program Budgeting

Research did not uncover a large amount of detailed information on the details of sustainability programs annual budgets. However, research did uncover detailed information for a GSTC certified program, Fair Trade in Tourism South Africa, as well as budgeting guidelines from the Center for Ecotourism and Sustainable Development.

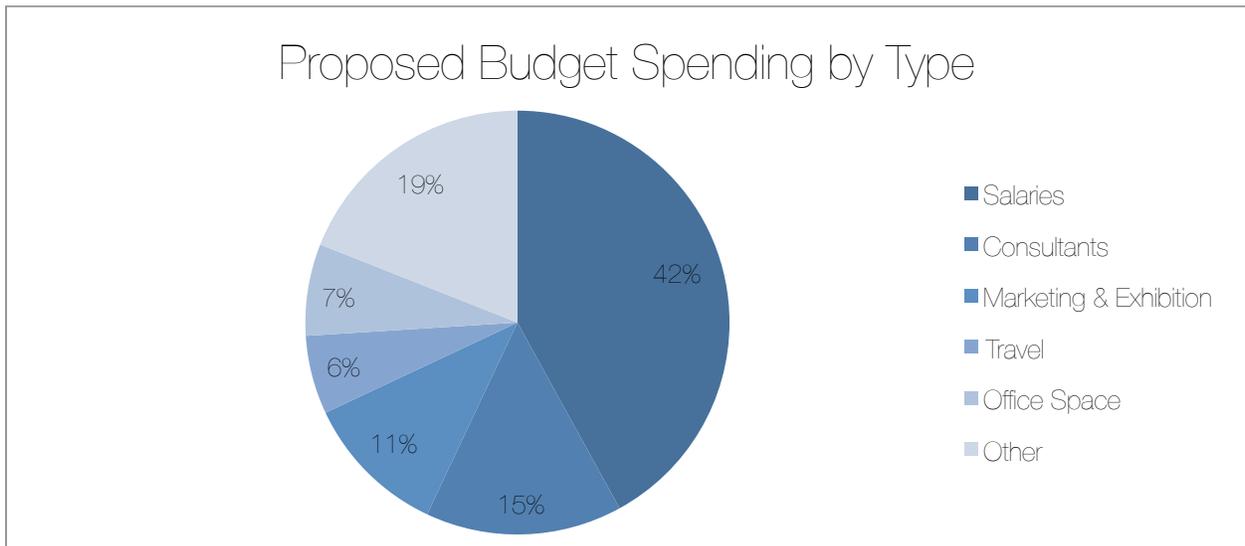
One of the largest sources for budget expenditures for a sustainability program relates to its audit function. A strong audit component will require that a large percentage of a program's budget be used for internal or external auditing as well as travel for these auditors. The travel component will be influenced greatly by the geographic displacement of the businesses that are being audited in respect to the auditors. A program that has a strong marketing component will spend a large percentage of its budget on marketing expenses including but not limited to, advertising in trade magazines and with outside websites, expenses associated with promotion of the sustainability program at various trade conferences which may include travel, promotional material, and trade show vendor fees.

Because detailed budget information was not available for most of the sustainability programs that were studied, the recommendations for percentage of spending by budget area were influenced largely by the percentages available in FTTSA's annual report (Figure 17). By and large, salaries for sustainability program staff were the major spending area for FTTSA. Staff salaries comprised

an average of 42% of the total budget for the fiscal years 2006-07 through 2011-12. FTTSA's organizational structure includes an in-house auditor and per GSTC sustainability program guidelines, all certified businesses must be audited. An additional 15% of FTTSA's annual budget was also directed to consultants. FTTSA's annual report details the use of consultants in FTTSA's operations and explains that consultants are used for audit and oversight purposes. Additionally, FTTSA's salary budget includes salaries for FTTSA's board of directors. Chile's organizational structure will greatly influence the percentage of the sustainability program's annual budget that is used for salaries.

The country of South Africa shares a number of key features with Chile that make its sustainability program structure comparable. South Africa's topographical variances from north to south can be directly compared with Chile's north/south differences. From an audit or travel perspective, South Africa's percentage of budget used for travel can be directly compared to the potential travel expenditures for Chile. Additionally, South Africa's focus on smaller establishments is comparable to the number of micro and small lodging establishments in Chile.

Figure 17: Proposed Budget Spending by Type



Summary

The process for creating a budget for a sustainability program is largely informed by the goals and structure of the program itself. The following budget proposal (Table 36) should only be used as a framework for creating a budget and should not be substituted for a formal, detailed budget process.

(71) of Chile’s identified lodging providers fit into the micro and large designations respectively. Assuming seventy-five lodging providers sign up in the first year and a tiered fee structure, the number of lodging providers per revenue distinction was calculated. Funding from other sources including NGO grants (\$250K), government funds (\$150K) and revenue from advertisers (\$50K) completes the remainder of the first year funding source recommendation.

Methodology

An estimate of the percentage of the program’s budget from fees (10%), grants (50%) and government funds (30%) is based on the approach outlined by the CESD. Using a possible budget of \$500K, the percentage of the system’s annual budget from fees would be \$50k. Chile has 5,823 lodging establishments of which, 2,402 have been identified as fitting into annual revenue size designations from micro to large. Sixty-three percent (1,508) and three percent

The proposal for annual spending by cost center is based on data from FTTSA. Salaries account for 30% (\$150K) of the program’s annual spending and should be adjusted based on staffing decisions. The percentages allocated for travel, office space rental, and consulting will vary based on organization factors including staff size and the number and type of conferences that the staff might attend in a given year.

Assumptions

Sustainability program program charges a tiered fee based on revenue designation (micro to large) the program's annual budget is \$500,000 and will grow by 15% each year. The percentage of the outlined budget allocated for salaries, marketing, office space and travel is based on actual spending by FTTSA. The program will be funded primarily from NGO grants and government funding. Funding a program primarily with NGO grants and government funds is consistent with the approach outlined by the Center for Ecotourism and Sustainable Development and FTTSA.

The percentage of the system's budget from fees will grow from 10% in the first year to 20% in year five. The percentage of the system's budget from advertisement will grow from 10% in the first year to 20% in year five. The

percentage of the system's budget from the government will decline from 30% in the first year to 20% in year five. The percentage of the system's budget from NGO donations will decline from 50% in the first year to 40% in year five.

Key Points

- Organizational structure will greatly influence percentage of budget that is used for employee's salaries
- Low headcount is the best way to manage expenses in the early stages of the program.
- Differences in costs for office space, labor and marketing efforts can greatly influence the annual budget of a program.

Table 36: Proposed Program Budget

Certification System Potential Budget

| Lodging Size | Count | % of Total |
|--|--------------|-------------|
| Large (More than \$2,100,000) | 71 | 1% |
| Medium (Between \$520,001 and \$2,100,000) | 135 | 2% |
| Small (Between \$520,000 and \$50,000) | 688 | 12% |
| Micro (Less than \$50,000) | 1,508 | 26% |
| No Information | 3,421 | 59% |
| Total | 5,823 | 100% |

| Lodging Size | Count | % of Total | Fees from | | Fee Per | |
|--|--------------|-------------|-------------------|-------------------------|------------------|------------|
| | | | Lodging Providers | First Year Participants | Lodging Provider | % Increase |
| Large (More than \$2,100,000) | 71 | 3% | \$ 1,478 | 1 | \$ 1,478 | |
| Medium (Between \$520,001 and \$2,100,000) | 135 | 6% | \$ 2,810 | 3 | \$ 937 | 58% |
| Small (Between \$520,000 and \$50,000) | 688 | 29% | \$ 14,321 | 21 | \$ 682 | 37% |
| Micro (Less than \$50,000) | 1,508 | 63% | \$ 31,391 | 50 | \$ 628 | 9% |
| Total | 2,402 | 100% | \$ 50,000 | 75 | | |

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Proposed Annual Funding Sources % | \$ 500,000 | \$ 575,000 | \$ 661,250 | \$ 760,438 | \$ 874,503 |
| % from Fees | 10% | 10% | 15% | 15% | 20% |
| % from Advertisers | 10% | 10% | 15% | 15% | 20% |
| % from Donors- government | 30% | 30% | 25% | 25% | 20% |
| % from Donors- NGO | 50% | 50% | 45% | 45% | 40% |
| Total | 100% | 100% | 100% | 100% | 100% |

| Proposed Annual Funding Sources \$s | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fees | \$ 50,000 | \$ 57,500 | \$ 99,188 | \$ 114,066 | \$ 174,901 |
| Advertisers | \$ 50,000 | \$ 57,500 | \$ 99,188 | \$ 114,066 | \$ 174,901 |
| Donors- government | \$ 150,000 | \$ 172,500 | \$ 165,313 | \$ 190,109 | \$ 174,901 |
| Donors- NGO | \$ 250,000 | \$ 287,500 | \$ 297,563 | \$ 342,197 | \$ 349,801 |
| Total | \$ 500,000 | \$ 575,000 | \$ 661,250 | \$ 760,438 | \$ 874,503 |

| Proposed Annual Spending | % | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Marketing and Advertising | 15% | \$ 75,000 | \$ 86,250 | \$ 99,188 | \$ 114,066 | \$ 131,175 |
| Salaries | 30% | \$ 150,000 | \$ 172,500 | \$ 198,375 | \$ 228,131 | \$ 262,351 |
| Consulting | 15% | \$ 75,000 | \$ 86,250 | \$ 99,188 | \$ 114,066 | \$ 131,175 |
| Travel | 10% | \$ 50,000 | \$ 57,500 | \$ 66,125 | \$ 76,044 | \$ 87,450 |
| Office Space | 5% | \$ 25,000 | \$ 28,750 | \$ 33,063 | \$ 38,022 | \$ 43,725 |
| Other | 25% | \$ 125,000 | \$ 143,750 | \$ 165,313 | \$ 190,109 | \$ 218,626 |
| Total | 100% | \$ 500,000 | \$ 575,000 | \$ 661,250 | \$ 760,438 | \$ 874,503 |

Table 37: Funding Recommendations

| Issue Addressed | Recommendation | Analysis | Implementation Impact | Ease of Implementation | Priority |
|---|--|--|---|------------------------|----------|
| Alliances and Partnerships | <p>The program should look to engage with local, national and international stakeholders for funding opportunities including pro bono work.</p> <p>For example, the program should leverage relationships with government agencies, multilateral development banks, NGOs, and other non profit organizations for potential operating budget funding in the form of grants or loans.</p> <p>In addition, the program should engage with local universities and create partnerships so that students could assist in performing pro bono work.</p> | Informed by Free Trade in Tourism South Africa (FTTSA) and Financing Tourism Sustainability programs | Grants would provide a critical source of funding for the program and leveraging universities for pro bono work would reduce operating costs of the program and foster innovation. Ultimately, both recommendations allow the program to engage with key stakeholders as well as the community. | 2 | High |
| Alliances and Partnerships | The program should look to partner with private renewable energy companies to offer discounted services to certified hotels. | Green Key Global | This will help in attracting hotels to the program and provide added value to program participants. | 2 | Medium |
| Alliances and Partnerships | Existing office space occupied by the government should be leveraged to operate the program. | Informed by Qualmark | This will help reduce overhead costs for the program. | 2 | Low |
| Revenue Structure of the Sustainability program Program | <p>Adapt a fee-based structure where members are charged fees for various services, such as membership fees, advertising fees, and audit fees.</p> <p>In addition, we recommend that the program keep fees pre-determined and standardized if possible, such as the audit fees.</p> | Financing Tourism Sustainability programs, Green Key Global, Jose Miguel Friz | The fee-based structure reduces reliance on a single revenue source and allows the participant to clearly associate a good or service with a price so that the monetary value is clear. Having standardized audit fees would facilitate a consistent audit approach and service. | 2 | High |
| Revenue Structure of the Sustainability program Program | Use marketing as a vehicle in which to drive additional sources of revenue. For example, the program could sell online banner advertising or newsletter advertising space to hotel participants or outside businesses that are complimentary to sustainable tourism in Chile. | Financing Tourism Sustainability programs, Green Key Global, Jose Miguel Friz - EarthCheck | Selling advertising space through the program website or other program derived external communications would help create additional revenue and further diversify the funding structure of the program, ensuring financial longevity. | 2 | Low |

Table 38: Funding Recommendations

| Issue Addressed | Recommendation | Analysis | Implementation Impact | Ease of Implementation | Priority |
|--|--|---|--|------------------------|----------|
| Funding Structure of the Sustainability program Process and the Governing Body | The program should be set-up as a non-profit. | Amos Bien, Jose Miguel Friz | The non-profit structure will allow for outside grant funding and strengthen credibility and independence. | 3 | High |
| Funding Structure of the Sustainability program Process and the Governing Body | The number of people responsible for operating the program should be kept at a minimum. Based on the projected sized and scope of the Chilean program, 3 persons should be employed (as indicated in the operations recommendations as well) | Informed by Green Key Global, EcoTourism Ireland and TourCert | Limiting the operations staff will reduce overhead expenses and allow for a larger percentage of the annual budget to be allocated to other areas such as marketing. | 1 | Medium |
| Funding Structure of the Sustainability program Process and the Governing Body | The program should provide loans to local start-up audit companies for initial costs and training employees. We additionally recommend that the structure of the program require payment upon receipt of audit revenue. | (Russillo, Honey, & Rome, 2006), Leilani Latimer | This would address the need for geographically diverse audit services. This would also facilitate specialized training for auditors and strengthen the relationship between local businesses and the government. | 3 | Low |

PROMOTION RECOMMENDATIONS

The promotion component of a sustainability program is critical to its success as it creates awareness and branding to build the country’s image as a leading sustainable destination. Recommendations include specific tactics that address both internal and external marketing strategies.

Internal marketing strategies consist of promoting to hotel and lodging providers as a vehicle to increase sustainability label membership. Internal marketing, though unrelated to actually increasing business volume, is necessary to streamline communications with current and future members of the sustainability label and program with information that is current and relevant.

External marketing strategies consist of promoting to international travelers. Travelers, in this case, are identified as Chile's target market of clientele who are looking to book hotels, lodges, and vacation experiences that are distinguished through sustainability.

The following recommendations are based on taking into consideration analysis derived from sustainability certification bodies' benchmark, case study country questionnaires, subject matter expert interviews and a literature review (Table 39).

Internal Marketing Strategies

High Priority

- **Integrated communications website** – It is recommended for an integrated communication website to be built on the programs homepage <http://www.chilesustentabilidadaturistica.cl/>.
 - The website is to incorporate the following elements:
 - Area designated for hotel and lodging providers to connect with 'sustainability providers' i.e. solar panel companies, incentive programs, sustainable products, local recycling programs.
 - Communication forum- It is for best practices and training to help hoteliers comply with the sustainable label criteria
 - Web-based self-assessment performance report that provides instant feedback to hotel and lodging providers at time of application
 - Criteria Checklist is made available online (GSTC required)
 - Publicize annual or bi-annual open forums to provide industry professionals with a medium to voice comments about their overall experience with the sustainability program to potentially inform improvements
 - One of the most successful programs that was researched, in term of membership growth, was Green Key Eco-Rating Program who's approach to generate an instant web-based self-assessment performance report for every property that registers to be certified. This streamlined approach populates instant feedback to properties online and can be a powerful tool for ensuring an easy, step-by-step approach to the sustainable label for Chile's program. For Green Key, this approach has helped the sustainability program grow to 1,229 certified hotels that represent 14% of Canada's hotel industry (Green Key Canada, 2012).
 - This is not a common feature within the websites that were reviewed, but has a tremendous value-add opportunity for potential hotel and lodging providers interested to get certified and/or certified members looking for additional resources to elevate their sustainability standing. In addition, the added benefit of hosting this type of content on the website will help avoid venturing into the territory of green washing because it offers members with real options and resources to make

sustainability within their reach. An example of this type of targeted approach can be seen at a local level within the Hotel Association of New York City's Sustainability Committee website, <http://www.hanyc.org/sustainable-hospitality>.

- **Partnerships** – It is recommended to leverage a communication partnership with an umbrella association that represents the hotel and lodging sector of Chile.
 - In order to effectively communicate and gain membership participation of hotel and lodging providers, it is recommended that a communication strategy be leveraged through the network of Hoteleros de Chile. Essentially, the NCTS would reach out to the umbrella association and its affiliates on the local level to properly market the sustainability program to increase membership and buy-in. A best practice example of this type of alliance can be seen in the US with the American Hotel & Lodging Association (AH&LA, n.d.). The AH&LA is a national association representing all sectors and stakeholders in the lodging industry. This includes individual hotel properties, hotel companies, student and faculty members, and industry suppliers (AH&LA, n.d.). The AH&LA is connected to 38 state associations that disseminate information and benefits locally. A best practice example of communication is AH&LA's Green Resource Center, which communicates the alliance and support of Green Key Global as a preferred sustainable program for its members. This disseminates down to the local state and city associations, for example, the Hotel Association of New York City (HANYC, n.d.). HANYC then communicates to its 200 plus members about the Green Key Global sustainability program and member benefits through its website and local industry events.

Medium Priority

- **Volume discounts** – It is recommended to negotiate volume discounts with auditing firms for companies that want to certify multiple hotels within a specific timeframe.
 - An example of this type of promotional discounting works great across industries. In Vinos de Chile there are instances where farms worked together forming co-ops to leverage purchasing power to reduce auditing costs. They were able to get a smaller audit fee since there were multiple locations that were being audited at the same time. This could benefit Chile's sustainability program in that it would allow smaller hotels to "group" together - by region - and have an auditor perform all audits in one visit. This would subsequently reduce the auditor's travel cost and time, and allow them to charge less as a result. From a promotional perspective, this would allow the sustainability program to extend and promote this pricing benefit to its potential members. One way in which to promote and operate such a benefit would be to incorporate this into the website and allow hotels see when other similar hotels in their region are ready for auditing. Once there are enough

hotels then the audit can be arranged and subsequent discount can be shared across these hotel and lodging providers (Parra, 2013).

- Another example of this is best seen with LEED and the US Green Building Council (USGBC) for volume sustainability program of building types. Companies that engage in volume sustainability program include: InterContinental Hotels Group, Marriott, and Starwood Hotels & Resorts, Worldwide, Inc. (USGBC,nd).
- **Promotional benefits** – It is recommended to have differentiated promotional benefits based on the level of certification.
 - Based on the analysis of subject matter interviews, we recommend this in order to encourage the operations to continue to participate each year and reach for the next level.

Low Priority

- **Leadership Awards** – It is recommended to host an annual leadership awards based on best performer by lodging type.
 - Hawaii's Green Business Program is a state funded sustainability certification program that has no budget set aside for marketing purposes. However, the program does host an annual leadership awards ceremony that brings together the hotel industry. Honored hotels are typically profiled based on their sustainability initiatives and recognized during the ceremony. According to Gail Suzuki Jones of Hawaii's Green Business Program, the ceremony is a great event that allows the sustainability program body to engage with the industry and is solid example of incorporating a healthy amount of friendly competition among the participating hotels (Jones, 2013).

External Marketing Strategies

High Priority

- **International recognition** – It is recommended to promote through alliances and partnerships with tourism bureaus as well as popular online travel agencies (OTAs), such as TripAdvisor.com, Hotelbooker.com, and Bookings.com
 - For example, with over 200 million visitors monthly, Trip Advisor is one the most recognized travel sites for international travelers looking to book their next trip. Trip Advisor has mass appeal for international travelers because it is a review site for travelers by travelers that represent a consolidated database of over 100 million hotel reviews and ratings. Trip Advisor launched its GreenLeaders Program this

year. For the first time, Trip Advisor readers can look up green hotels while they are reading reviews. This is a game changer for the industry because of the potential exposure a property can gain based on sustainability in addition to traveler reviews. Properties will individually have to sign-up for Trip Advisor’s GreenLeaders program, but if members are already certified through NCTS, then it makes the process much more seamless and will likely result in higher scores with Trip Advisor’s program (Trip Advisor, nd).

Summary

In conclusion, the following SWOT (structured method to conduct a Strength, Weakness, Opportunity and Threat assessment of a project) analysis highlights our recommendations that have been placed as high priority for the successful implementation of the promotion and marketing strategy of the sustainability label. The SWOT analysis is meant to summarize a high-level overview for the high priority recommendations identified in the areas of internal and external marketing.

Table 39: Internal Marketing Recommendations

| | | |
|---------------|--|--|
| High Priority | Communication forum: Best Practices and Industry Sustainable Service Providers | Hoteleros de Chile |
| Market | Hotel and lodging owners | Hotel and lodging owners |
| Resources | Website | Engagement within group |
| Strength | Grow education and awareness | Grow support and awareness for label |
| Weakness | Administration time, dedication and cost | Equal and consistent engagement with all regions |
| Opportunity | Grow value of label to more than just a label | Utilize effective communication platform |
| Threats | Loss of value to user due to lack of relevant content | Lack of engagement creates gaps of communication |

Table 40: External Marketing Recommendations

| | |
|---------------|--|
| High Priority | Communicate label through well known OTAs (TripAdvisor.com, hotelbooker.com, bookings.com) |
| Market | Travelers |
| Resources | Engagement with OTAs |
| Strength | Grow support and awareness for label |
| Weakness | Administration time, dedication and potential cost of partnerships |
| Opportunity | Grow traveler recognition and ability to find and distinguish label |
| Threats | Not updated- loses credibility for both traveler and operator |

Table 41: Promotions Recommendations

| Issue Addressed | Recommendation | Analysis | Implementation Impact | Ease of Implementation | Priority |
|---|--|--|---|------------------------|----------|
| Label Recognition, Branding, Internal and External Exposure | Create an integrated communication website which ideally will be built on the existing label's homepage: http://www.chilesustentabilidadturistica.cl/ . | Green Key Global | Grows value and networking between hoteliers, vendors, efficiency programs available, communities etc. | 3 | High |
| Communications Strategy | Leverage a communication partnership with an umbrella association that represents the hotel and lodging sector of Chile. | Green Key Global, American Hotel & Lodging Association | Builds alliances, grows communication efforts, and fosters interest at the local level. | 1 | High |
| Internal Incentives | Negotiate volume discounts—with auditing firms for companies that want to certify three or more hotels within a specific timeframe. | LEED, Vinos de Chile | Makes the cost of the sustainability label easier to manage. More attractive proposition for those master hotel owners. | 2 | Medium |
| Incentives for Participants | Have differentiated promotional benefits based on the level obtained. | SME, Leilani Latimer from Sabres Hospitality | Encourages progress within the operation to obtain the next level. | 2 | Medium |
| Label Recognition, Branding, Internal and External Exposure | Grant annual leadership awards based on best performers by lodging type. | Hawaii Green Business Program | Creates healthy competition within local industry and brings together participants. | 1 | Low |
| Label Recognition, Branding, Internal and External Exposure | Provide international tourist promotion through alliances and partnerships with tourism bureaus as well as popular online travel agencies (OTAs), such as TripAdvisor.com, Hotelbooker.com, and Bookings.com | Green Key Global | Allows external traveler to distinguish green hotels vs. non green hotels through well known OTA channels. | 2 | High |

CONCLUSION

AND NEXT STEPS

The breadth of research undertaken demonstrates the variety of ways sustainability is being addressed within the tourism industry. The advent of sustainability certification systems around the world underscores the trend of responsibly managing growth.

Tourism is inherently unsustainable, as it involves the consumption of resources that otherwise would not have been consumed by the tourist. The reality is that global tourism market is growing and is expected to reach one billion international tourists travelling the world in a single year before 2020. Chile wants to be able to capture that growth without jeopardizing its natural resources, which makes it competitive in the tourism market. The recent development of the Distinción de Turismo Sustentable will allow for responsible and sustained growth of the tourism market within Chile.

Research shows that experts in the field sometimes disagree on best practices for the development of a robust sustainable tourism system. It is easy to understand how countries around the world oftentimes struggle to implement and maintain sustainability standards. The first steps have been undertaken to change the manner in which the Chilean tourism industry operates. By recognizing the importance of conserving the environment and respecting people, Chile has made the conscience decision to use sustainable development as a cornerstone for economic growth. There are however some areas of concern.

Operations

Area of Concern: Use of auditors to perform assessments. The checklist-favored approach of auditors may not foster a dialogue between the assessor and the accommodation.

Mitigation Strategy: Create feedback loop to enhance continuous improvement.

Area of Concern: The training recommendation outlined is critical to ensuring accommodations use assessments as a tool to improve sustainability performance.

Mitigation Strategy: Development of training program

Funding

Area of Concern: Initial cost estimates for assessments are cost prohibitive for smaller establishments.

Mitigation Strategy: In line with the recommendation that there be a regional emphasis on assessments, request for proposals should look to regionalize assessments to reduce travel costs.

Area of Concern: Due to the fact that funding has not been finalized beyond the duration of the CORFO grant.

Mitigation Strategy: The program should leverage relationships with multilateral development banks like the International Finance Corporation (IFC).

Promotions

Area of Concern: Communication structure via the website and establishing strategic partnerships.

Mitigation Strategy: Foster relationships with national and local hotel associations.

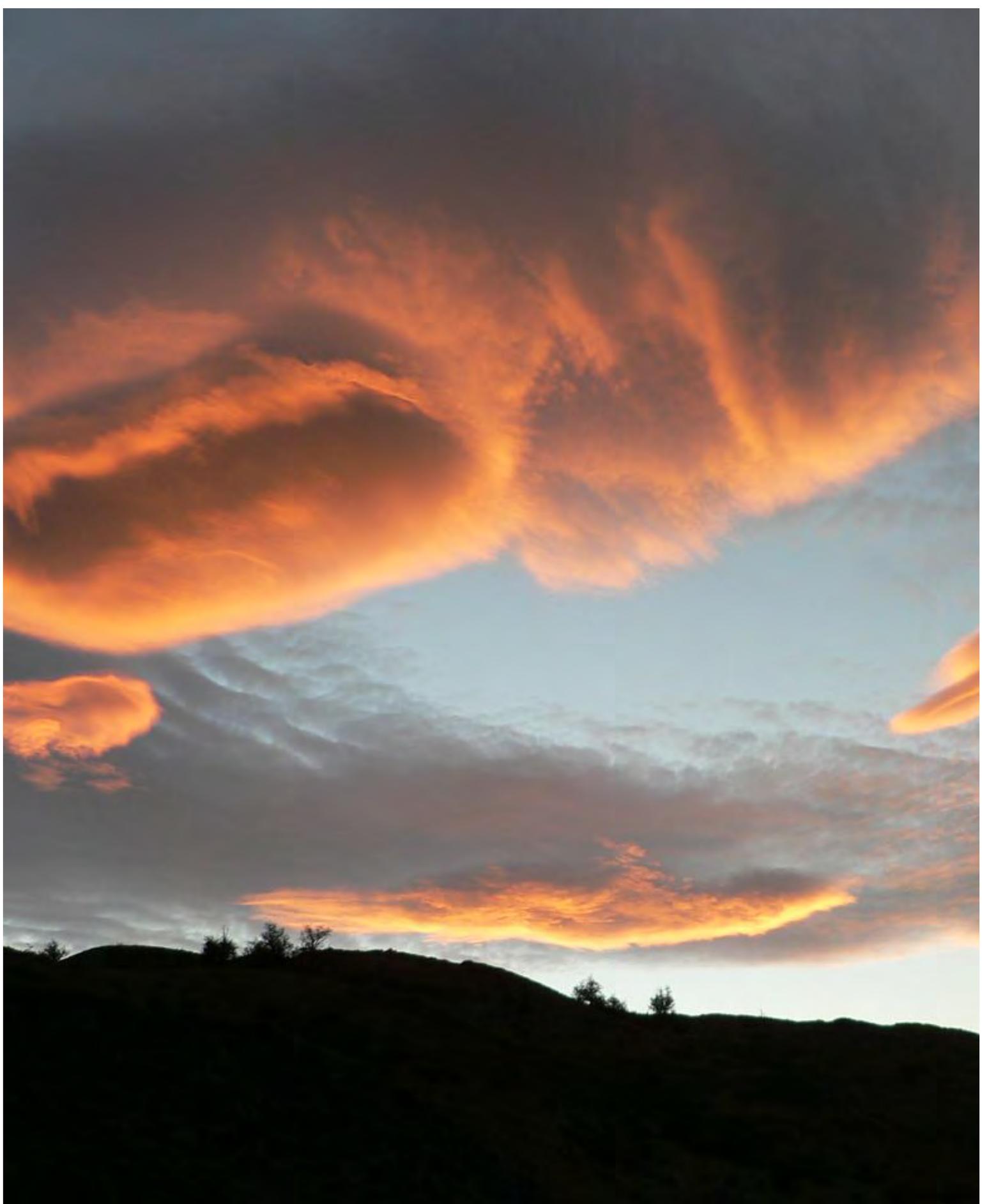
Area of Concern: With the aggressive goal to achieve 75 certified accommodations with the first year, there is concern that the integrity of the label will be comprised.

Mitigation Strategy: To address this concern it is imperative to achieve GSTC accreditation.

The next steps for Chile include a focus on:

- Grant Funding—PITS funding will expire at the end of 2014. In order to continue operations, NCTS will need to find partners to fund the program.
- Marketing the Program—GSTC and online travel agent recognition are important steps to initially validate the label on a national and international level. If the label is not granted GSTC and online recognition, NCTS needs to understand what impact this may have on marketing and promoting the label and develop a sound strategy to mitigate this risk.
- Creating Defined Metrics—One of the failures of every system that we researched was their inability to collect data on changes made by members in key environmental indicators such as; water usage, energy usage, waste generation and carbon emissions. NCTS can better address this missing link within the marketplace by developing and tracking key performance indicators that can be applied to all lodging providers, regardless of size or scale.

By establishing NCTS and a sustainable tourism label, Chile has made tangible progress towards changing the way that people in the country view sustainability. Chile's focus on growing GDP from tourism in a sustainable manner means that their environmental, social and cultural fabric will remain strong for years to come.



APPENDIX A

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| | |
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| Jana Daigle | |
| Jeff White | |
| JoAnn Shearer | |
| Jose Miguel Friz | |
| Karen Poniachik | |
| Laura Arguedas | |
| Leilani Latimer | |
| Liliana Rohmoser | |
| Marco Ouwerkerk | |

APPENDIX B

ACRONYMS

| | |
|---------|--|
| AHLA | American Hotel & Lodging Association |
| B | Billion |
| CDN | Canadian Dollar |
| CO2 | Carbon Dioxide |
| CORFO | Chilean Economic Development Agency |
| CREST | Center for Responsible Travel |
| CSR | Corporate Social Responsibility |
| CST | Certification for Sustainable Tourism |
| DAR | Department of Agriculture & Rural Development |
| EPA | Environmental Protection Agency |
| ESCOS | Energy Supply Companies |
| FEDETUR | Federation of Tourism Enterprises |
| FEE | Federation for Environmental Education |
| FTTSA | Fair Trade in Tourism South Africa |
| GDP | Gross Domestic Product |
| GHG | Greenhouse Gas |
| GRI | Global Reporting Initiative |
| GSTC | Global Sustainable Tourism Council |
| HAC | Hotel Association of Canada |
| HICA | Hotel Investment Conference Africa |
| ICCO | Interchurch Organization for Development and Cooperation |
| ICT | Costa Rica Tourism Bureau |
| IMF | International Monetary Fund |
| INCAE | Central American Institute of Business Administration |
| ISO | International Organization for Standardization |
| ITB | International Tourism Bourse |
| K | Thousand |
| KMKV | Mark Foundation for Environment, Safety and Quality |
| MDG | Millennium Development Goals |
| MM | Million |
| NCTS | National Council for Tourism Sustainability |
| NGO | Non-Governmental Organization |
| NITB | Northern Ireland Tourist Board |
| NPWS | National Parks & Wildlife Service |
| NSAI | National Standards Authority of Ireland |
| PITS | Sustainable Tourism Innovation Program |
| SECO | Swiss State Secretariat for Economic Affairs |

| | |
|----------|---|
| SERNATUR | National Tourism Service |
| TGW | Travel Green Wisconsin |
| UNEP | United Nations Environmental Program |
| UNF | United Nations Foundation |
| UNWTO | United Nations World Tourism Organization |
| US | United States |
| USD | United States Dollar |
| WTTC | World Travel & Tourism Council |

APPENDIX C

FIELD RESEARCH

Canada Field Research

Green Key Global Eco-Rating Program

Interview with Tony Pollard, President of Hotel Association of Canada

Following the 1992 Rio conference – Tony had just set up the national association of hotels in Canada. Timing is everything and they ran into big challenges due to recession at the time. In 1996-97 the economy was better so it looked like a better time to start the program (Pollard, 2013).

Why Sustainability?

- 1) Beneficial to hotel – provides hotel with info so they can positively impact their bottom line. Change lighting, water, etc. After all, hotels are in the business to make money (Pollard, 2013).
- 2) Allows hotel to be able to market the hotel to corp. or leisure customers – especially to meet increasing public demand for environmentally responsible business practices
- 3) Good for the environment (Pollard, 2013)

Tony worked through a third-party to develop the program and everything was paper-based so cost was very high. But in 2002 a proposal to bring the program online worked out well for a few years but it was still too costly to bring hotels onboard. Then the environment became a huge issue in the public polling data so the Hotel Association of Canada decided to bring the Green Key Global Eco-Rating program in-house. In order to make it work, the Eco-Rating had to have the price point appeal to potential member hotels (Pollard, 2013).

The single largest user of hotels is the Canadian Government 11-13%. Tony approached Government about using the Green Key Global certification as a requirement for their employees to stay at certified hotels. As a result, Green Key Global expanded beyond the Canadian borders because the Government of Canada was sending RFPs to hotels outside of Canada and asking if they were Green Key Global Eco-Rating certified. This drove additional hotels to become certified. Tony targeted the BIG hotel chains first to maximize scale.

Tony then approached the American Hotel and Lodging Association, which analyzed various certification programs and ultimately signed an agreement with Green Key Global. Today Green Key Global is in 25 countries around the world.

Every 3-5 years Green Key Global analyzes every point of their program to remain current. They make sure that outside experts in all areas review and comment on the program. It started out with changing light bulbs and showerheads in 1992. For example, the original program did not take into account solar panels on roofs, recycling, etc.

Corporate meetings are big in Canada. Tony suggested for any new certification to determine who their best customers are, then develop a program for them.

Affiliations also play a key role in extending your reach. Travelocity, Sabre, motels.com, Expedia, regional/national/international affiliates, “eco” icon, Fed Rooms and public works, are some of the affiliates Green Key Global works with.

One challenge for Green Key Global is being able to track clicks to hotels from their website, but not being able to determine if those clicks convert into customers.

The Westin Ottawa Hotel

Interview with: Diana Helferty, Catering Sales Manager & Green Team Co-Chair and Jeff White, Director of Engineering & Green Team Co-Chair

- 1) How would you define sustainability in the context of your business?
First and foremost it is the reduction of carbon emissions. They conduct carbon footprints and set a company-wide goal to reduce energy consumption by 30% and water by 20% by 2020 (base year is 2008). Their CEO is very passionate about sustainability and was instrumental in creating the “3020 by 20” sustainability goals (Helferty & White, 2013).
- 2) To what extent did joining a certification influence this definition?
The Westin realized the value of achieving a 5 Green Key rating through its drive toward operational and conference management improvements. Their onsite audit last year helped identify such potential improvements which was used to set sustainability goals going forward. For example, just being asked if they had a waste management policy in place, drove the hotel to create and implement a comprehensive waste management program which currently diverts 55% of waste from landfill and they are working toward attaining 65% in the coming years (Helferty & White, 2013).
- 3) Are you currently measuring any indicators?
Yes, everything is measured and held against corporate goals. They subscribe to energard.com technologies for real-time carbon footprinting. Their parent company Starwood tracks all utilities consumption in real-time (Helferty & White, 2013).

- 4) Do your customers expect you to have sustainable practices in place?
Yes, any client who has a mission or company value that matches sustainability. On the group sales side, they receive many requests for proposals that ask “tell us about your sustainability initiatives.” (Helferty & White, 2013)

In guest rooms, housekeeping is the first level of waste stream sorting which is ultimately separated into: 1) paper 2) plastic, glass, metals 3) organics 4) landfill

- 5) Do you find the annual fee for certification to be worth the investment?
Yes (Helferty & White, 2013)
- 6) Describe of any government or private sector incentives that helped you achieve your sustainability goals.
They currently have a capital request for an LED lighting retrofit. The project includes changing 4000 fixtures to LED in all public areas and in return Ottawa Hydro will give back 40% of the cost. The projected payback period is only 1.2 years (Helferty & White, 2013).
- 7) What is/are the title(s) of the employee(s) in charge of sustainability management?
Catering and the head of engineering. Starwood created a position called “Sustainability Champion” who chairs the Green Committee. They meet monthly and represent a leader from each department of the hotel. They are focused on 3020 by 20 goal: waste, community involvement, Utilities, etc (Helferty & White, 2013).
- 8) Describe any sustainability training for new and existing employees.
Sustainability integrated throughout the hotel (Helferty & White, 2013)
- 9) What would you say is your biggest economic risk?
Going green can be expensive and some complexities exist. For example, organic composting is an additional cost poses no direct monetary return but due to CEO and top leadership, such “above and beyond” efforts are made (Helferty & White, 2013).
- 10) Miscellaneous sustainability practices observed:
- Outline and details of green initiatives: <http://www.thewestinottawa.com/green-initiatives>
 - "Make a Green Choice" hotel guest engagement program - \$5 incentive voucher scheme: <http://www.thewestinottawa.com/make-a-green-choice>
 - Sustainable Meetings program: <http://www.thewestinottawa.com/sustainable-meetings>
 - Community Engagement: <http://www.thewestinottawa.com/community-partnerships>
 - Environmental Sustainability
Policy: <http://www.thewestinottawa.com/environmental-sustainability-policy>

- Green Tracking and Performance: <http://www.thewestinottawa.com/green-performance-and-tracking>
- PUBLICLY available Detailed summary of their 2011 energy audit: <http://assets.thewestinottawa.com/lps/assets/u/WestinSummaryEnergy.pdf>
- Youtube video of their effort to convert a stairwell into a piano to encourage employees to use the stairs as opposed to the elevator http://youtu.be/C4_Ewqn8-Mw

Minto Suite Hotel

Interview with: Maurice Abel, Director of Guest Experience; Alison Minato, Director of Sustainability Division; Paul Barton, Manager Green Buildings; Enrico Camasso, Green Building Professional

- 1) How would you define sustainability in the context of your business?
Reduce environmental impact while maintaining profitability
(Abel, Minato, Barton, & Camasso, 2013)
- 2) To what extent did joining a certification influence this definition?
Minto Properties' CEO Green Key and specifically setting a goal to achieve the 5 key rating level helped motivate and excite the hotel staff. It was becoming commonplace for the Green Team lead to receive emails from maintenance staff about lights being left on, etc. The overall implementation of sustainability best practices fostered teamwork across departments and was complemented by top-down leadership's dedication.

Minto looked at the recertification and said "hey we can do this or gain recognition that we are already doing it". The certification helps attract prospective employees. It's self-perpetuating – drives awareness.

In 1999 Minto installed a Micro turbine on the hotel's roof which was a clear sign of environmental leadership (Abel, Minato, Barton, & Camasso, 2013)

- 3) Are you currently measuring any of the following indicators?
Yes, metrics and environmental targets are established annually. They include energy intensity, water intensity, etc, and are integrated into their corporate goals (Abel, Minato, Barton, & Camasso, 2013).
- 4) Do your customers expect you to have sustainable practices in place?
Minto tries to make going green as simple as possible and almost invisible. For those guests that are looking for green, advertising Green Key is a great way to appeal to them. The company philosophy has always been to set the green bar higher. They use sustainability awards and recognition to be the best. Minto is a family run business which makes them more willing to take a long-term perspective versus purely short-term gain. This makes it easier for the green team to implement changes since the

company is willing to do pilot projects to see if a new green innovation works or not. However, no surveys that they know of speak to about how attractive the green key label is to the tourist (Abel, Minato, Barton, & Camasso, 2013).

- 5) Do you find the annual fee for certification to be worth the investment?
Yes (Abel, Minato, Barton, & Camasso, 2013)

- 6) Describe of any government or private sector incentives that helped you achieve your sustainability goals.
With regard to existing buildings, some incentives require so much administration work that it became too difficult to take advantage of them. Since they have in-house experts they do not qualify for certain incentives that hire outside experts (Abel, Minato, Barton, & Camasso, 2013).

Going green definitely costs more when you build above code but 7-8% increase on energy and water rates year over year is a factor in driving efficiency measures (Abel, Minato, Barton, & Camasso, 2013).

- 7) How has the certification added value to your marketing efforts? Any website tracking data or sales data?

It is very difficult to track precisely what marketing value has been added. However, the Green Key is particularly valuable when it comes attracting guests of corporations or governments that are required to stay at sustainable tourism certified hotels (Abel, Minato, Barton, & Camasso, 2013).

- 8) What is/are the title(s) of the employee(s) in charge of sustainability management?
Green team started as an “energy operating” group now look at broader sustainability aspects like water and waste. The team is split into new construction and existing buildings subcommittees (Abel, Minato, Barton, & Camasso, 2013).

- 9) Describe any sustainability training for new and existing employees.
All staff members are trained on sustainability efforts (Abel, Minato, Barton, & Camasso, 2013)

- 10) What would you say is your biggest risks and challenges relating to sustainable tourism?

One of the biggest challenges is being approached by people selling the latest and greatest innovation, but a lot of it is not proven or falsely advertised. This is why we choose Energy Star and other similar certification marks that are credible (Abel, Minato, Barton, & Camasso, 2013). Another big challenge is controlling or changing guest behavior when it comes to reducing waste (Abel, Minato, Barton, & Camasso, 2013).

11) Miscellaneous sustainability practices observed:

100% of the plastic used for hygienic wrapping purposes is recycled; Energy efficient lighting; Go Green public notices; Earth hour promoted in elevator; Rooms have motion sensors to cut power when not occupied (This is an alternative to key card power controls which would have been a more expensive upgrade; In process of upgrading old appliances to Energy Star rated (Abel, Minato, Barton, & Camasso, 2013)



Examples of prominent public display of Green Building certifications in Ottawa. Photos taken by Scott Miller



Left: Living green wall in meeting area. Right: Sign encouraging guests to support green choices during their stay – Both images taken at The Westin Ottawa Hotel (5 Green Key rating). Photos taken by Scott Miller

Chile Field Research

Monday March 18th to Sunday March 24th – Diana Beltran, Gregory Daley, Lindsey Clark and Nicolas Gordon

ON-SITE HOEL SURVEYS

Hotel San Martin
Viña del Mar, Chile
160+ rooms

- 1) How would you define sustainability in the context of your business?
Within the restrictions of the building we are trying to make the Hotel as clean for the environment as possible. Recycle everything we can (whatever is supported by the municipality).
- 2) How incorporated is sustainability in your business management?
Very much, 4 people in the Hotel make sure these initiatives get done. We offer our guests the option of offsetting the carbon footprint of their stay. Offsets done through Green Guest go to Kenya. Chilean tourists (all Latin Americans) do not care about their footprint and so far we have had no luck.
- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
Cleaner environment and gives me the tranquility that my customers and staff are not at risk (e.g., food), thanks to best practices that are checked every day. The personnel education component is a challenge. Little by little the operations become more efficient (reducing costs, dealing with the staff, purchases, etc), a fine-tuning process.
- 4) Which areas of sustainability mean the most to your hotel?
Environmental.
- 5) Do your customers expect you to have sustainable practices in place?
No.
- 6) Are you aware of any (global) sustainability certifications available for hotels? Have you ever considered applying for one? If yes, why and what have the results been?
Yes, we are certified under Green Guest. Make my staff aware of what and why having a smaller footprint means. In terms of customers it hasn't had an impact.
- 7) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
Yes. For the internal operations I will become certified with all available options because it's good for my business, my personnel, for me as the manager, as it gives me a better

operational structure which I didn't have. They are also good marketing tools. The use of all these logos when we advertise, is proof to our customers of us truly being a four star hotel, it provides credibility.

The Q is as good as the time and resources you put into it.

The norm of the Quality Seal could use many changes it's not very accurate and specific. For example we got awarded the same quality certification as a competitor I know well offers a much lower quality experience – lack of consistency. The Q doesn't really show that we are better than other hotels and our efforts are not recognized. They are not careful to who this award the certification and I believe the auditors have different standards.

Government falls in trying to show its success by certifying many hotels, and not carefully assessing each process of certification.

- 8) Do you know about the sustainability certification system for hotels promoted by SERNATUR and FEDETUR? And what would you say is the value (and downsides) of a government supported program versus a private seal?

Yes. The value is primarily environmental and any promotional benefits are added bonuses.

- 9) What elements must the certification system have in place in order to be transparent? Be more specific on the requirements and be rigorous in terms of the audits.

- 10) Would you be willing to pay fees to participate in the program?

Yes. We paid over \$8,000 in consultants for achieving the Q seal this was outside of the cost for the audits and capital investments.

- 11) What elements must the certification system have in place in order to be credible?

Success cannot be based on the number of certified hotels.

- 12) Do you have someone in your company managing sustainability issues? If not, why? If yes, please state position name.

Yes, a special department (4 people) who manage all the certifications we possess. A sub-manager is in charge of doing everything needed in order to keep all certifications up to date.

- 13) Do you have the staff and time required to become certified and meet its future ongoing responsibilities?

Yes

- 14) How aware or trained is your staff about your company's key sustainability issues?

Well trained by the team that all related issues and procedures.

- 15) What would you say is your biggest economic risk?
Municipalities are failing to protect services and needs of 4/5 star hotels to attract their type of tourists. Occupation rates of these hotels are dropping, which means lowering rates.
- 16) What would you say are your biggest environmental risks?
Risk of tsunami, so we designed a vertical evacuation plan

Huilo Huilo Biological Reserve
Region of the Rivers, 14th Region (South of Chile)
250 rooms

- 1) How incorporated is sustainability in your business management?
In 2007 we started talking about sustainability without knowing about sustainability. In 2008 the WTO came up with its definition for sustainability in tourism, which was exactly what we were doing. It is the rationale behind what we do.
- 2) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
Working with the local community, understanding what the land means to them and how through generations they have survived from the resources of the land. It is the story of the fate of a land that was avoided, by switching from timber exploitation into a sustainable model that enhances community wellbeing and delivers greater economic return.
International recognition through awards and prizes.
- 3) Do you view sustainability as a competitive advantage? If yes, why?
Yes, when talking to large operators having these awards and prizes in sustainability is what really calls their attention. The market is demanding sustainability from hotels.
- 4) Which areas of sustainability mean the most to your hotel?
Socio-cultural – the community
- 5) Do your customers expect you to have sustainable practices in place?
Yes, and when you do they are willing to forgive other mistakes. Some guests arrive knowing the green components of Huilo Huilo, others are taught during their stay through presentations, the conservation project, etc. 70% of guests are Chileans, Germany leads in terms of international visitors and they are very aware of sustainability.
- 6) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
No. We tried last year to apply but we could not meet certain criteria like having bathtubs.

- 7) Do you know about the sustainability certification system for hotels promoted by SERNATUR and FEDETUR? And what would you say is the value (and downsides) of a government supported program versus a private seal?
 Yes. The main criticism would be that the criteria relies so much on the application of technology. Lacks an education component and sustainability management considerations. It is also heavily weighed on the environmental area of sustainability. Does not fit in well for hotels that are more of a destination than just a building.
- 8) Would you be willing to pay fees to participate in the program? Please indicate a range \$5M to \$10M per year, not sure if he was including capital investments
- 9) Do you think the program should provide incentives that might help you cover the costs of become certified? If yes, provide examples
 Yes, simple financial instruments. Unlike CORFO where you come out even more confused than when you go in.
- 10) What would you say are the greatest benefits from becoming certified?
 The certification is a great contribution to the whole country, not only to the tourism industry, to create awareness around sustainability.
 Increase marketing/promotional benefits
- 11) What elements must the certification system have in place in order to be transparent?
 More information and the sharing of that information.
- 12) What elements must the certification system have in place in order to be credible?
 It is very important for the certification to be endorsed by a credible international organization. If we go to an international operator and show the SERNATUR seal alone, it has no value.
- 13) How important is it for the certification to be flexible (adapt to various sizes, types, locations, etc.)?
 Very important, especially in a company that owns different types of establishments.
- 14) How important is it for the certification process to be clear and simple?
 Very important, when we tried to apply for SERNATUR's quality certification it was very complicated, too much work to do behind the criteria.
- 15) Do you have someone in your company managing sustainability issues? If not, why? If yes, please state position name
 Yes, myself and Alexandra Peterman, executive director of Huilo Huilo
- 16) What would you say is your biggest social risk?
 Unemployment in the community

17) What would you say are your biggest environmental risks

Waste

18) Are you currently measuring any indicators? If yes, what do you do with this data?

Water consumption - No

Waste and/or recycling volume - yes, by volume

Four Points by Sheraton

Providencia, Santiago

127 rooms, 1 business center and 5 meeting rooms

- 1) How would you define sustainability in the context of your business?
Care of the environment (water, air, food) and training your staff on basic best practices
- 2) How incorporated is sustainability in your business management?
The corporate offices of Starwood in the US run everything. They develop the programs and ideas. The creation of more programs seems to be an indication that soon the company will fully incorporate sustainability to the business
- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
Probably we would get more business.
- 4) Do your customers expect you to have sustainable practices in place?
Only a few, but it is growing as an issue. Mainly from tourists from the US, NZ, and other international markets
- 5) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
No
- 6) Do you know about the sustainability certification system for hotels promoted by SERNATUR and FEDETUR? And what would you say is the value (and downsides) of a government supported program versus a private seal?
No
- 7) Would you be willing to pay fees to participate in the program?
Yes, but it must be budgeted previously. Also, it would be required to have approval from the group's sustainability department, as there are very tight standards about what each brand can do.

- 8) Do you think the program should provide incentives that might help you cover the costs of become certified? If yes, provide examples
Yes, especially for those hotels that do not have this considered in their short-term plans.
- 9) What would you say are the greatest benefits from becoming certified?
At this time more of a marketing tool rather than being concerned about the environment (mainly due to the type of hotel – business/urban)
- 10) What elements must the certification system have in place in order to be transparent?
To really be doing what the criteria is asking and not greenwash.
- 11) How important is it for the certification to be flexible (adapt to various sizes, types, locations, etc.)?
It would be very important for this certification to be the first step on a long-term plan for improving sustainability in hotels.
- 12) Do you have someone in your company managing sustainability issues? If not, why?
Not at the hotel level. Yes, at the group level.
- 13) How aware or trained is your staff about your companies key sustainability issues?
Basic training only

Hotel San Francisco
Santiago, Santiago, Chile
146 rooms

- 1) How would you define sustainability in the context of your business?
It is based on 3 fundamental pillars, sustainable economy, social sustainability and environmental sustainability.
- 2) How incorporated is sustainability in your business management?
To improve the service and comfort for our customers, through the implementation of energy efficiency projects - this is the first step towards sustainability.
- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
 - Proud and motivated workforce.
 - Powerful marketing tool, as customers will sensitize the theme.
 - Higher level of acceptance in the international hospitality industry.
 - Difference with the competition.

- Meet the demand for green hotels, for foreign clients.
- 4) Which areas of sustainability mean the most to your hotel?
Environmental: It is efficient. We have seen how we can reduce consumption and save money by applying environmental benefits. We have implemented energy reduction projects which include lighting retrofits and HVAC upgrades. We were able to reduce water consumption through replacement of aerators and low pressure shower heads and installation of waterless urinals.
 - 5) Are you aware of any (global) sustainability certifications available for hotels? Have you ever considered applying for one? If yes, why and what have the results been?
Yes, the sustainable certification from Chile- we are one of the pilots.
 - 6) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
Yes, it rated us as 5 stars.
 - 7) Do you think the program should provide incentives that might help you cover the costs of become certified?
Yes.
 - 8) Do you have someone in your company managing sustainability issues? If not, why? If yes, please state position name.
Yes, Andres Gonzalez Rojas the Director of Engineering and Security.
 - 9) **Are you currently measuring any of the following indicators? If yes, what do you do with this data?**
Yes, carbon footprint. We have set goals to reduce this not that we created our benchmark.

Radisson Santiago
Santiago, Santiago, Chile
160 rooms

- 1) How incorporated is sustainability in your business management?
We follow this initiative, as it is a corporate driven initiative.
- 2) Do you view sustainability as a competitive advantage? If yes, why?
It allows us to support our company's values and communicate to our clients and guests.
- 3) Are you aware of any (global) sustainability certifications available for hotels? Have you ever considered applying for one? If yes, why and what have the results been?

Yes, we are aware of others as some of our properties throughout the world have been recognized for obtaining third party sustainable certification recognitions.

- 4) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
Yes, we are certified under the Quality Seal.
- 5) Would you be willing to pay fees to participate in the program?
Yes, we are expecting to pay a fee for a seal and are willing to pay any price to support this initiative.
- 6) Do you have an idea of the capital required to achieve a certification of this kind? Are those funds available?
All of our capital funding comes from corporate and it is a supported initiative.
- 12) Do you think the program should provide incentives that might help you cover the costs of become certified?
Yes, we would specially like to see government incentives for old buildings.

Grand Hyatt Santiago
Santiago, Santiago, Chile
310 rooms

- 1) How would you define sustainability in the context of your business?
This is one of our corporate initiatives, Hyatt Thrive. It is part of our operations and what we do on a daily basis.
- 2) How incorporated is sustainability in your business management?
Following our Hyatt Thrive Pillars:
Environmental Sustainability– in efficiencies from energy, water and waste.
Economic Development- supporting the local economy and community through volunteering events. Education and Personal Advancement – through our Hyatt Thrive team.
- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
Employee engagement.
- 4) Which areas of sustainability mean the most to your hotel?
All are important.
- 5) Do your customers expect you to have sustainable practices in place?

Yes, we have most international guests.

- 6) Are you aware of any (global) sustainability certifications available for hotels? Have you ever considered applying for one? If yes, why and what have the results been?
Yes, from our other global properties.
- 7) Would you be willing to pay fees to participate in the program?
We would not be willing to pay for something we are already doing.
- 8) Do you have an idea of the capital required to achieve a certification of this kind? Are those funds available?
No, but we did do a chiller and boiler upgrade- the financial investment is easy to come by.
- 9) Do you think the program should provide incentives that might help you cover the costs of become certified?
Yes, especially to fund capital projects for micro properties.
- 10) What would you say are the greatest benefits from becoming certified?
Increase marketing benefits and promotional opportunities.
- 11) If the benefits listed above could be achieved without the certification, what would you say is the value of becoming certified?
The value would be higher if the seal provided educational internal tools.
- 12) Do you have someone in your company managing sustainability issues? If not, why?
On a corporate level yes, Brigitta Witt.
- 13) Do you have the staff and time required to become certified and meet its future ongoing responsibilities?
Yes, Alvaro del Campo our Director of Marketing heads our Hyatt Thrive initiatives.

Acontraluz Hotel
Vitacura, Santiago, Chile
14 rooms

- 1) How would you define sustainability in the context of your business?
Social Sustainability- We are very involved with our community- we host cultural events, social reunions. Environmental Sustainability- To take care of the environment, we use solar panels to heat our water and provide us electricity.
- 2) How incorporated is sustainability in your business management?
Sustainability is something we have incorporated since we opened.

- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
It makes us advanced in our operations.
- 4) Do you view sustainability as a competitive advantage? If yes, why?
Sustainability is about being genuine. It is the way we operate either way. We do know that there is a new 'green guest' segment, which choose places that match their values.
- 5) Which areas of sustainability mean the most to your hotel?
Environmental and economic.
- 6) Do your customers expect you to have sustainable practices in place?
We happen to have many European guests- they are interested to see and hear about our sustainable practices but that is not the main reason why they choose to stay with us- more that we are #1 in TripAdvisor. They recognize sustainability as an extra value.
- 7) Do you know about the sustainability certification system for hotels promoted by SERNATUR and FEDETUR? And what would you say is the value (and downsides) of a government supported program versus a private seal?
Yes, we have reviewed the criteria. This seal will help us track and measure our impact, which we were not doing before.
- 8) Would you be willing to pay fees to participate in the program?
We should not have to pay for something we are already doing.
- 9) Do you think the program should provide incentives that might help you cover the costs of become certified? If yes, provide examples.
Yes. There was a solar panel installed, this was an investment we made on our own.
- 10) How important is it for the certification to be flexible (adapt to various sizes, types, locations, etc.)? (Hint: Flexibility as differentiated fees, min requirements, certification levels, etc.)
Adapt to locations- example we do not have indigenous we can hire but all our employees are locals so we are supporting the community and economy this way.
- 11) Are you currently measuring any indicators? If yes, what do you do with this data?
No, we hope this program will show us the road on how to do this in a systematic way.

Hostal Santa Lucia
Santiago, Santiago, Chile
14 (mix of dorms and private rooms)

- 1) How would you define sustainability in the context of your business?
Environmental aspects- Energy, Water and recycling.
- 2) How incorporated is sustainability in your business management?
By trying to reduce environmental impact through reducing use on energy and water. We also do recycling but it is not easy to do- I personally have to take the recycling to the facility.
- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
If we were to use the sun for energy, it would help us reduce consumption and cost.
- 4) Do you view sustainability as a competitive advantage? If yes, why?
Yes, we know there are green tourists and we want to attract them as well.
- 5) Which areas of sustainability mean the most to your hotel?
Environmental- it ties back to the bottom line and reducing on costs.
- 6) Do your customers expect you to have sustainable practices in place?
Some of our German and Brazilian guests do expect recycling.
- 7) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
Yes, we have the quality seal.
- 8) Do you know about the sustainability certification system for hotels promoted by SERNATUR and FEDETUR? And what would you say is the value (and downsides) of a government supported program versus a private seal?
Yes, we are in the pilot. We see this as a competitive advantage.
- 9) Do you think the program should provide incentives that might help you cover the costs of becoming certified? If yes, provide examples.
Yes- for example grants for solar panels or financial assistance to reduce consumption and cost.
- 10) If the benefits listed above could be achieved without the certification, what would you say is the value of becoming certified?
Supporting and aligning with the government strategic growth for tourism.
- 11) What would you say is your biggest economic risk?

Utilities are extremely expensive. It is hard to manage and operate our facility at times- we do this in the most economical way possible. We hire interns to keep our administration fees low- we know this does not support the hiring of locals but it is difficult to justify hiring others at a higher rate when we have high overhead costs.

- 12) What would you say are your biggest environmental risks?
Energy and water as it is so expensive.
- 14) Are you currently measuring any indicators? If yes, what do you do with this data?
Water consumption, Energy/electricity consumption

Hotel Gala

Vitacura, Santiago, Chile

64 rooms

- 1) How would you define sustainability in the context of your business?
In energy and water.
- 2) How incorporated is sustainability in your business management?
We try to be as most efficient as possible.
- 3) What are the benefits/advantages of incorporating sustainability in your day-to-day business?
Reducing cost.
- 4) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
Yes we are certified. The quality seal supplied us with processes and training tools that we used to create a more systematic operation.
- 5) Do you have an idea of the capital required to achieve a certification of this kind?
Are those funds available?
We are a 20 year old hotel, it would take much investment to be more energy efficient due to old systems in place.
- 6) Do you think the program should provide incentives that might help you cover the costs of become certified? If yes, provide examples.
Yes, we would like to see more financial assistance from government on sustainable capital investments.
- 7) If the benefits listed above could be achieved without the certification, what would you say is the value of becoming certified?

If the seal is communicated to the travelers and supported by the government financially it would assist the efficiency projects- it would be a win both for competitive advantage as well as efficiencies and reducing environmental impact.

Hotel Galerias

Santiago, Santiago, Chile

Size, number of rooms: 162 rooms

- 1) How would you define sustainability in the context of your business?
Energy, education with guests, reducing use of chemicals
- 2) How incorporated is sustainability in your business management?
To reduce our consumption of energy.
- 5) Which areas of sustainability mean the most to your hotel?
Social cultural- due to the nature of the product of preserving ancestry. Also environmental – many made large financial investments for upgrades to save money.
- 8) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?
Yes, it helped us to create a process of operation behaviors and having a better path on how to provide better quality. This year we made changes for ADA- these were changes that assisted us with various guest segments.

Valle Nevado Lodge

Santiago Andes

- 1) How would you define sustainability in the context of your business?
In the case of the mountain, we have 3 businesses that are run:
 - Operation of the mountain (lifts, tracks, restaurants, other activities, etc.)
 - Hotel operations – 2 branches
 - Hotels
 - Ranches/houses that given to them to manage
 - Real estate business

They are trying to make changes on how they care for the environment and what they're able to do to achieve this.

For example, they are looking at the lifts and how they use energy. They are also looking at waste management for the mountains and streamlining this process, etc. Definition = take care of the environment and the planet and how best to use energy, water, manage waste, etc. As of now, they are not doing big things. They

are trying to identify the small things. They are able to manage some metrics for their employees, so they are trying to identify ways in which to reduce these.

- 2) What are the benefits/advantages of incorporating sustainability in your day-to-day business?

Benefits: They are interested in protecting the mountain. With regards to consumers, they are more interested in this space and see benefits from them asking and demanding what the hotel is doing in this space.

Market: 65% Brazilian market

They are very much more aware of this space

- 3) Which areas of sustainability mean the most to your hotel?

Environmental

- 4) Do your customers expect you to have sustainable practices in place?

Yes, some. The Brazilian market in particular.

- 5) Are you aware of any (global) sustainability certifications available for hotels? Have you ever considered applying for one? If yes, why and what have the results been?

They have taken a look at various certifications – but have not pursued any.

- 6) Are you certified under SERNATUR's quality seal? How beneficial has it been and would you make any changes?

No

- 7) Do you know about the sustainability certification system for hotels promoted by SERNATUR and FEDETUR? And what would you say is the value (and downsides) of a government supported program versus a private seal?

Yes, they see value in the way the seal is set up (private & public partnership).

- 10) Would you be willing to pay fees to participate in the program? Please indicate a range.

Yes, they would be willing to pay as long as they can take return on it and market it to the external customers/market. After explaining the audit fee structure, they would still be willing to entertain paying this as long as they would be able to gain a return and include it in their internal equation on costs, etc.

- 11) Do you have an idea of the capital required to achieve a certification of this kind? Are those funds available?

In terms of the larger capital investments that they already do every year, they would be able to incorporate the requirements required by the certification into this budget.

- 12) Do you think the program should provide incentives that might help you cover the costs of become certified? If yes, provide examples.
They understand that they have a lot to do in this space and that this will require capital – but if there were incentives out there that they could use and qualify for, then yes, they would be happy to pursue those.
- 13) What would you say are the greatest benefits from becoming certified?
Promoting this seal to the external markets is extremely beneficial, whether through FEDETUR/SERNATUR/NCTS' website, or with partnerships such as trip advisor, etc.
Adding validation in terms of promotion for the certification would be beneficial too. Such as GSTC or Trip Advisor.
- 15) What elements must the certification system have in place in order to be transparent?
The criteria needs to be transparent – need to ensure that meeting the criteria actually has the environmental benefits or social benefits that the criteria sets out to do. And that this is not achieved and/or communicated.
- 17) How important is it for the certification to be flexible? (adapt to various sizes, types, locations, etc.)?
Flexibility is of huge importance. They would want the criteria to be accommodating to the specific properties, etc.
The metrics would need to be flexible enough for various properties. The different levels allow you to achieve only those criteria that you can meet.
- 19) Do you have someone in your company managing sustainability issues? If not, why?
No.
- 22) What would you say is your biggest economic risk?
Losing business due to climate change and it affecting snowfall
- 23) What would you say is your biggest social risk?
They don't really have any social risks, since there are not any communities in the surrounding area.
- 24) What would you say are your biggest environmental risks?
Biggest risk comes through climate change and it beginning to affect the seasons – especially the amount of snow received. That is their business so they have a huge risk in not trying to protect their environment.
- 25) Are you currently measuring any indicators? If yes, what do you do with this data?

Waste and/or recycling volume – they are looking at ways to better manage their waste on the mountain

Energy/electricity consumption – they measure their fuel consumption

INTERVIEW & MEETING MINUTES/NOTES

Tuesday, March 19

CORFO – Militza Aguirre

SERNATUR – Meeting #1 – Manuel Perrot

Peru has launched own program 1 year ago

- Private/"isolated" → Dutch \$ - Contra Union
- Website: good and easy to navigate
- Criticize: still some things "wrong" with it

SME – Diana

- Has some experience with Peru tourism

Certification:

- 75 goal
- Worried about the "prestige" of the program if it were to fail to meet this number

SERNATUR – as government behind the seal – they are the main driver and setting all this up

- Criteria changes every week
 - o Wanting to get feedback from enterprises & incorporate into criteria
 - In 2 weeks hope to have "final" / concrete criteria

Who is "we"?

- Javier is main person → everything ends on his desk.
- Undersecretariat: is "driving" the timeline and the schedule in getting this by May.

Center for Renewable Energies (CER) – Gerardo Canales

CER:

- a. They provide the "means" to get financing, etc. for the commercial/industry
 - i. Plenty of access to sources... Chile doesn't have a problem here...

Chile has plenty of renewable energy potential – resources

- b. Geothermal
- c. Solar

- d. Wind
- e. Biomass

Self supply market (self-generation) is under development

- f. Not many projects yet
- g. Instrument's (subsidy) objective is to help those first projects to be constructed
- h. E.g., if a hotel applies they can get 50% subsidy for the installation of solar thermal systems

How is this made aware among the tourism industry (hotels)?

- i. The subsidy goes to the ESCO's – having signed a pre agreement with a company
 - i. They are the ones who apply
 - ii. ESCO's apply for the subsidy and then approach clients with a better deal
- j. The promotion of the instrument is done through them since they have a portfolio of clients
 - i. They "market" this to the various companies (i.e. hotels)
- k. Agriculture and wine sectors have a number of pre-feasibility studies for these types of projects but they generally decide on investing in their core business
- l. Diagnosis: Even when ESCO's approach companies with a good proposal for cost savings many don't end up going through, reasons for this:
 - i. Requires \$/capital
 - ii. Rather invest the money in something else
 - iii. Many of the medium and small companies in Chile are very conservative (financially) and are unfamiliar with the ESCO model (ESCO makes the investment and then recovers the money through savings)
 - iv. Having a third party intervene directly in the companies operations is an approach that many don't feel comfortable with. They think they are better of implementing themselves.
- m. ESCO's want a mix of energy types as well as various industries
- n. The subsidy is directed to promote the installation of technologies but also to support the ESCO model
- o. Ultimately the cost of implementation is cheaper for the final client (hotel)
- p. Subsidy (2013) with Innova CORFO:
 - i. 10 million USD fund – 5MM 2013 & 5MM 2014
 - ii. Up to 1 million USD
 - iii. Up to 50% of the investment (implementation costs)
 - iv. 2014, conditions might be different
 - v. One call per year (Jan 2013)
 - vi. Projects are selected based on several criteria, but it is important to promote all types of technology applied to different sectors
 - vii. Condition: Project must be open to the community (by contract) – capacity building

- 2) Strategy of the CER has three areas:
- a. Promotion Instruments (subsidies, credits, etc.)
 - b. Technical support & Technical advisor (for the public sector)
 - c. Capacity building on self supply (workshops scheduled for this year with hotels and restaurants – through SERNATUR and FEDETUR)
 - i. Workshops cover:
 - 1. Costs
 - 2. General tools for analysis (RETscreen)
 - 3. Project evaluation

Not focusing on any particular scale. Concerned on increasing the total number of projects over the size.

10 million dollars in projects with the ministry of agriculture for 2013

- d. Innovation within productive processes
- e. Waste to energy
- f. Sector has a strong interest in lowering emissions and energy costs

Something similar could be done with tourism industry

- g. They are concerned with the number of projects, not MW's
 - i. They want to increase with the hotel sector, but it's the weakest link. They've had some conversations with Beatriz but ESCO's need to have introductions.
- h. Hotels in Chile:
 - i. They are largely small, mom & pop type hotels with limited capital and capacity to undergo large renovations, etc.
 - ii. How can this certification system speak to these hotels... while also attracting the large ones for example?
- i. Incentives:
 - i. Certifications MUST bring incentives/benefits to these hotels in order to get them to sign up and justify the cost of the system/seal.

Market for renewables in Chile is thriving. Large scale solar and biomass projects are being implemented

An assessment was conducted to identify sectors that could implement projects. They looked at Agriculture, Mining, Retail and Tourism

- j. Agriculture through the ministry got quickly on board
 - i. Launching a project with them because they had strong interest with lowering cost/use
- k. Mining companies
 - i. They are so big, they have their own teams working on projects like these and don't need the financial support

- ii. They are focused more on R&D
- I. Retail
 - i. Energy consumption is high, but not huge interest except for Wal-Mart
 - 1. They have opened a tender to buy 30% of their energy from renewables
- m. Tourism is the weakest sector in terms of support. No concrete actions have been settled

Wednesday, March 20

National Council for Culture and the Arts (CNCA) – Cristina Galvez

- There is a demand for “cultural” tourism
- Council for culture and arts, has been working with “cultural” tourism since 2007
- Rapid growth since 2010
- Propose “products” that speak to the socio-cultural objectives of the sustainability seal
- Work in three main areas:
 - Identify (recognize) the offer for “cultural” tourism
 - Articulate collaboration between various public institutions
 - Formation of HHRR from public institutions and academia
- Raise awareness in communities about the extent and value of their cultural and material patrimony – Cultural Centers
- Efficient (equitable) distribution of the benefits on the value chain
- Not participated with the development of the criteria
- Late revision of the criteria, observations where made but they don’t know if they were taken into account
- Cultural guides on native peoples were elaborated, for tourists to become aware and learn more on the cultural value of certain destinations
- Definition of sustainability: Share the benefits of cultural tourism among the various stakeholders (at the community level), to allow the dialogue between tourist and communities
- Difficulty of measuring the value and externalities of the public investments in cultural themes
- The Seal can have a positive contribution to the local economic growth of these communities
- The Seal can contribute to safeguard certain traditions (food, arts and crafts) – conservation of the culture
- Enhance local sourcing
- The objectives for the Seal would be:
 - Cultural Centers – better coordination between the public and private worlds. Increase number of visits to the Centers & number of exhibitions

- Communities – Local economic growth as a result of the relationship with the tourism industry
- The CNCA will participate on the National Board for Tourism Sustainability (in the future the NCTS)

Hotel San Martin – Vina del Mar – Marta Escudero

Many people with money now go ahead and build a hotel

- They have little knowledge of how to run a hotel
- Even less of an idea of what sustainability means in that context

The Hotel is certified under ISO 18001 (OHSAS), ISO 9001, ISO 26000 (CSR), Hazard analysis and critical control points (HACCP), APL (Clean Production Agreements), Quality from SERNATUR (2009), Green Guest (July 2011).

“I am hungry for thing to happen in the tourism industry, I think we are loosing competitiveness”

The Municipality and other relevant authorities must understand these new initiatives and also the price of not taking action

They are not members of FEDETUR, “they charge too much”

They are members Hoteleros de Chile (hotel trade association) but not very active. Their website has year old posts

Our footprint is 40% smaller than any comparable hotel in the US.

Customer base:

- Chileans for Santiago
- Chileans from other regions
- Argentineans from Mendoza and Cordoba

Latin American customers are not interested/aware about sustainability

The consultants we hired in order to achieve the Quality seal gave us a great idea of where we were in terms of Quality and what we needed to do to address the gaps.

Posada del Parque – Ritoque – Osvaldo

Value of the certification: Marketing and branding

A Small operation, so small investment to change a few shower heads and convert to CFL or LED lamps. He does it because he believes in it.

Water

Get from wells

They don't measure/track water use

He wants to install water meters

“Limitless” natural resource – free access to this

But you have to move the water... thru electric pumps (which are not free)

These are pretty energy intensive – 1 hp

If you can save water, you're actually saving energy also

But you need to first measure your use to understand what you can save and the impact it will have.

The distinction criteria is helping them identify this and other gaps

Are all the criteria points equally important to you?

No!

Which are more important?

Ecological / environmental ones

And they are my weakest area

Lacking in water and energy management

One thing to make different?

More requirements and measurements

This would be an improvement to what he's already doing

He is achieving Level 1 due to his environmental performance, but achieving a higher level is not an unreachable objective.

We are consumed in the day-to-day business, which makes it hard to do some of these improvements. E.g., I might not have the time and funds to change a toilette but I could put a brick in the tank to reduce water consumption.

Here is where incentives can provide the required funds to make those changes and provide a better service/experience as well.

Thursday, March 21

Vinos de Chile – Patricio Parra & Belen Ruz

Vinos de Chile is a consortium of a group of 110 wine companies in Chile, both small and large, with the goal of helping the industry through research, marketing, etc.

Goal: Sustainable development

- Incorporate environmental, social and economic measures
- Create a common language for sustainability for all of Chile's wine industry – including a combination of the above measures

For the Chilean wine industry, the specific goal is to provide a sustainable practice for all processes in making wine (grapes to production to bottling)

The objective is to “lead the sector towards sustainable development, as one way of producing responsibly, competing and differentiating our industry by incorporating environmental, economic and social measures.” (presentation/website)

We hope to meet the needs for sustainable practices as it's very important for the vineyards, wineries, and overall industry to better the community, improve working conditions, etc. that are involved in the wine making process and industry as a whole.

- Social responsibility is especially important as the industry involves the local communities by having them work these vineyards.

The Sustainability Code

It was developed specifically for the Chilean wine industry to “set standards and provide a tool for measuring various sustainable practices throughout the entire winemaking value chain and comprises a set of initiatives and projects that aim to guide the industry toward sustainability.” (presentation/website)

The code is comprised of the following three areas:

- Green
 - This focuses on the vineyards and assess the management of natural resources, such as biodiversity, the management of chemicals, as well as the management of pest, diseases and weeds
 - Relation of wine industry with community but it's also important...
- Red
 - This focuses on the winery management, including: waste, environment (energy/water), pollution prevention, some social issues, ethical trade, etc.
 - Want to be recognized ...??
- Orange

- This focuses on the community and includes such topics as education & training, working conditions, ethics, environment, and marketing
- Creates sustainable practices for vineyards
 - Shares these through seminars, workshops, government involvement

The Sustainability Code has different requirements:

- Level 1 = Education & Training
 - System creates “an ongoing process of education in sustainable practices for vineyards that want to improve” (presentation/website)
- Level 2 = Certification
 - The certification begins with “compliance in the vineyards, which will expand to all phases of wine production and increased levels of compliance in the following years” (presentation/website)

As of now, Vinos de Chile has 29 companies certified within 1 ½ - 2 years of operation

- This number is quite high due to the system being voluntary instead of mandatory
- The system is not ISO regulated or regulated by international standards, etc.
- Benefits of this include:
 - Some markets, once hearing of the certification/code, they made it a requirement in their trade agreement, such as with the Nordic markets

The goal is to promote Chile wine as sustainable wine

Question: Do Nordic markets actually access the strength of the certification or do they just trust its a strong system?

- Answer: yes, always. They focus on communication and explaining how the system works.
 - He feels the system is very complete – and includes all key areas (environmental, social, and economic)
 - South Africa, Australia – focus more on environmental
 - Chile’s certification system not only focuses on environmental but also incorporates & pays attention to the social aspects of the industry

Question: Did wineries come to Vinos de Chile or did you reach out/visit them?

- Answer: They visited the wineries to promote the certification
- Most of the companies that are interested in certification are ones that are already certified in other systems, such as global standards and organic certifications

Question: Who came up with the idea of certification?

- Answer: The consortium, they wanted to be market players and commercial leaders
 - For the wine companies it is very important for them to have something to encourage the idea to participate in the code (i.e. benefits)
 - Because at the end of the day, it's just part of business. To become certified, these companies have to put some money into it, so they need incentives and to see the benefits of joining

Vinos de Chile has tried to create an easy system

- They have recently moved from internal to external auditing. Now they use independent inspectors/auditors for certification.
 - They require ISO 65
 - Easier for Vinos de Chile to require this in order to know they use the same standards when evaluating/certifying companies.

Price of certification (fee)

- Companies complain about yet another fee for yet another certification.
 - So it must be cheap if Vinos de Chile wants companies to participate in the long term. In order to achieve this, they work with the same certification agencies and this helps to make the fee less than the other systems (i.e. organic certification)
 - It has to be inexpensive, otherwise the certification system doesn't work
- Question: How much lower?
 - Answer: Normally the market price is \$350,000 pesos (\$700 US) per audit/inspection. Vinos de Chile charges around half of this and has the wine companies pay them directly. They then turn around and pay/cover the cost of the certification fee/audit.
 - The fee covers the audits only. Overheard costs, such as salaries and administrative costs, are covered elsewhere. Therefore this allows the fee to be lower as it does not have to include these additional costs.
 - The explanation behind this is that, for example, if you are already certified for the organic certification, then the "green" area of the code will be very similar and the company would already be covered in this area. Therefore, the auditor does not have to spend additional time re-auditing. So these companies are essentially just paying the difference.
 - Also, the same certification auditors are already certifying these companies for other certifications, so therefore they are able to charge less in order to keep customers (and not over charge / potentially lose the business)
 - Audit only a portion of the land (40%)
 - Audits are conducted every two years (re-certify)
 - Price should be lower for smaller companies

Additional Notes:

- Vineries can use the certification logo in their bottle labels
- Website of the code: www.sustentavid.org
- Innova Corfo has a 10 year agreement that provides funds, of which 10% goes directly to the Sustainability Code
 - Therefore, our income doesn't come from the certification cost
 - This allows us to have a fixed amount of money to pay for travel, promotion, salaries, etc.
- Research and Development consortium is the administrator of the code, under the umbrella of Wines of Chile
- In other sectors small (remote) businesses have formed cooperatives in order to reduce the costs of audits and capital investments (leverage buying power)
- Importance of the seal being something that the rest of the world can recognize, using accredited assessors, using best practices in international market for certifications.
- Gain credibility both internally and externally but developing an internal code that addresses the local issues but managed in a way that complies with all the international standards and best practices
- The system need to have elements that the customer can immediately recognize
- We train auditors on the code and how to conduct assessments
 - We require auditors to have ISO 19011

SERNATUR – Meeting #2 – Javier Obach & Manuel Perrot

- Company (hotel) sizes are based on annual revenue (sales) independent of the number of properties they own/manage.
 - Based on taxes paid
- Micros were selected to have a lower set of criteria (53) to become certified as an incentive given their size. Small and medium companies should be able to comply with the full certification (60) given their size and numbers
 - There are no plans in the future to change this differentiation
- Subsidy for year 1 (2013) maybe year 2, for the cost of the audit? (fee). Big and medium 50%, and small and micro 80%. This will be communicated, but it is not really a subsidy, it's not permanent and funds come from Corfo.
- Corfo does not give subsidies; this money is used by SERNATUR from the PITS general grant.
 - 75 companies could be funded; mix is 60% (small & micro) and 40% (medium & large), at any level of certification.

- We don't want many companies certified in the higher level, most should fall in Levels 1 or 2.
- There are 7 fewer criteria points for micro's, most of them in the enviro area, this is based on those that require extensive documentation and/or management plans (water, energy CHECK THIS ON THE CRITERIA)
- No criteria has weights (0, 1 or N/A)
- Each area within the certification will be evaluated independently; this means that the lowest performance area will determine the final score.
 - This gives each area equal weights, even though they have different number of criteria
- We analyzed the option of having regional weight for the criteria, understanding that our country is one of few in the world with such a varied number of ecosystems. But, it was too complex of a challenge and it plays against benchmarking hotels performances in those categories??
- The ultimate objective is the same (reduce water use), independent of where you are...
- There could be weighed criteria, yes, but it makes things very complex. They are not as many as you would imagine...? And then you have to start dealing with economical indicators, the rate employment of each region, indigenous percentage of each region, etc.
- In CSR reports each company decides on what they wish to report, based on those indicators that apply to their business, but all are looking the improve their overall sustainability performance
- The risk we have with GSTC is that they require a 100% compliance rate, but our system is tiered and based on percentage ranges giving some flexibility to comply
- Our original model had simpler and less criteria, and when we compared with GSTC criteria we added new requirements. Now the criteria includes 100% of the base GSTC criteria plus a few other (less than 10) requirements

How do you measure the success of the distinction?

Initially, by number of certified businesses

- This is a voluntary system; we cannot force companies to comply with certain requirements
- Certain environmental challenges will be addressed by implementing national regulations and public policies (e.g., energy consumption of refrigerators in Chile, they must be rated/certified, and those with poor performance cannot be imported)

- The certification will evolve in time, increasing the requirements
- Today, we want you to have renewables... how much? It doesn't matter, in a couple years you will have to have a minimum of 15% (example).
- We want to begin with "soft" requirements because we acknowledge that the core business of hotels is to sell rooms.
- When you look at the reality of small, owner operated hotels, will you punish them for not having a certain percentage of renewables or we as government haven't done a good job in allowing them to have access to those technologies (same applied to waste water treatment vs. accessible sewage system for hotels in rural areas)
- In the future we could incorporate regional weights into the criteria
- Does GSTC require full compliance of criteria in order for the Seal to become “recognized”?
 - In it's first stage the Seal has an important 'educational' component, for the business owners to become aware of those areas that are important for sustainability. “Many hotel owners might have no idea that local purchases are a big issue related to sustainability” – Manuel
- GSTC requires us to conduct assessments through third party auditors, which should provide the necessary credibility that the criteria is equally assessed
- Auditor List (International accreditation companies):
 - SGS – Switzerland
 - Bureau Veritas – France
 - Icontec – Colombia
 - Applus – Spain
 - Iram - Argentina
- All stakeholders (NCTS) will have to ensure that the system is transparent including the auditing process.
- We have been doing regional consultations to become aware of any local issues regarding transparency and credibility. Through out the seal awarding process we will also use regional agency feedback in all aspects of sustainability performance of hotels.
- SERNATUR plays a technical role in the certification system.
- Today there is a commitment of several players to compose the National Board for Tourism Sustainability (NBTS?), which will become the NCTS if the amendments of the tourism law are successful.

- SERNATUR cannot receive funds for the program as a governmental agency. Therefore the NCTS is a legal entity, which can assign budgets and receive external funds. NCTS doesn't is not required to request tenders, it just makes all the process much simpler.

The requirements of the criteria that in the future could become more rigorous would probably be those in the environmental area. Socio-cultural compliance has more to do with being a "good neighbor" and enhancing the brand / image of the company.

Columbia Global Center – Karen Poniachik & Paula Pacheco

Ministry of Environment – Carlos Rungruangsakorn & Alwine Woischnik

2 systems for certification (Carlos - Division of Environmental Education)

1) Public schools

2) Environmental certification for municipalities

- Integrate environmental aspects to all decision making, policy, and regulations
- 3 years
- First come up with a in-depth diagnosis
- Targets they have to meet in water and energy efficiency
- Environmental policies and regulations
- Community environmental strategies
- MoE, audits and certifies
- For the system as a whole not parts or departments
- Based on EMAS (EU Eco-Management and Audit Scheme) adapted to Chile
- After achieving certification (3-years) there is a 2 year preparation process for incorporating new territorial variables, in order to begin by year 6 to work as a eco-municipality
- When SERNATUR defines the sustainable destinations, the municipality must be certified
- One of the requirements is that all certified municipalities must have a communal environmental committee, composed in many cases by a large number of hoteliers
- There is talk about setting up some indicators (waste generation)

Alwine - Division of Environmental Information and Economics

- This division collaborates with SERNATUR in revising the criteria and assessing whether they are viable for the reality of the country.

- Importance of having an indicator of green jobs in tourism, to be able to measure this as a social metric.
- Criteria must be discussed with all stakeholders, for the elaboration of the national system for touristic quality.

Friday, March 22

FEDETUR – Eugenio Yunis, Francisco Allard & Beatriz Roman

Huilo Huilo – Erik Samsing

- Private biological reserve, with an area of 100,000 hectares
- The land which was used from timber exploitation, was bought in 2000 for conservation purposes
- Conservation allows for sustainable forestry and tourism to take place in the land
- First Lodge built in 2004, Magic Mountain, 14 bedroom
- 2004: Breeding program for the Andean Deer (Huemul) in the same year
- Located in the 14th Region, Region of the Rivers.
- Community of 4,000 people lived in the area, 80% employed in forestry related jobs (2002)
- In 2006 they stated a project to generate local jobs in tourism
- Currently, 80% of the population is employed in tourism or construction
- Local entrepreneurs are building restaurants and small hotels
- 2012-2013 summer season 40,000 visitors, total for the year 60,000
- Rapid growth has raised new issues like a large waste generation
- The model of Huilo Huilo is based on having local people involved, conserving the land and being profitable as a business
- EBIDTDA of \$5.5 MM
- Opening one property per year
- \$2 MM in investments every year
- Other accommodation: Nothofagus Hotel & Spa, Fungi Kingdom Lodge, Nawelpi Lodge, Bosque Encantado Hostel, Huilo Huilo Cabins and Camping
- 250 beds in total
- Range from \$10 to \$600 per night

Four Points – James Robinson

- Four Points a brand of Starwood
- Starwood is trying to convince the marketplace that they are trying to do something (in terms of sustainability), as well as educating employees
- Communication to the guest of what initiatives and how to participate
- Customers are becoming more aware of hotel initiatives, but many still are not willing to compromise

- Readiness of municipalities in completing the cycle of waste (e.g., you recycle at your hotel, then who picks up and what do they do with it)
- They are ongoing a change in the building's illumination moving to LED and CFL – starting in May 1st.
- They don't have the Quality Seal
- They don't have any certifications (national or international)
- 81% occupancy and \$7 million in sales per year
- They have not lost business because of not having green initiatives

Costa Rica Field Research



Villa Caletas Hotel, Costa Rica (original photo)

Giovanni Nuñez – Technical Operations Manager, Zephyr Palace and Villa Caletas Hotel complex. Jaco, Costa Rica.

- Five Star hotels
- 37 rooms (combined)
- 3 leaves

What are some of the initiatives that Zephyr Palace and the Villa Caletas Hotel have implemented to become more sustainable?

Our initiatives are focused in four areas: infrastructure, guest participation, staff training, and social work. The infrastructure initiatives that we have undertaken have to reduce consumption of energy and water by installing automated sensors for lighting, faucets, heating and irrigation systems.

We are using a solar hot water heating system and have looked at the possibility of a solar system for electricity but it is still too expensive at the moment. We have our own well for water and grow our own vegetables using a hydroponic system, and are composting.

Other initiatives include staff training. We have also invested a lot in social engagement with schools to teach children about conservation. (Nuñez, 2013)

What are the obstacles to achieving a higher level of certification?

The challenges are that making the changes necessary requires a high up-front investment, and we are not able to get recognition right away. There are very long lists of criteria and points, and some of them take a long time to achieve because you have to prove your reduction in energy, water, etc. over a period of time.

There are also internal challenges. It is difficult to coordinate the entire [two] hotel complex to think in a unified sustainable way. Sustainability is more than green. It's not just about the environment though – you can't preach sustainability and not do anything about the sexual abuse of children. You can't call yourself green and have the air-conditioner running all day. I believe in it because I have 3 children, and I want them to have a good world to live in. Protecting our land, our environment, and our heritage are all a part of that. (Nuñez, 2013)

Does the government help with implementation?

Not really. The ICT just checks for compliance, they don't advise. They have many criteria and little explanation of how to achieve them. Sometimes we joke that the ICT auditors are like the police – they enforce the law, but they don't explain it.



Villa Caletas guest communication (original photo)

It's left to the businesses to figure out how to meet criteria, but you can lose points just because you didn't understand them. There is no technical training. That forces businesses to hire outside consultants or to ask other hotels for assistance in getting questions answered. (Nuñez, 2013)

What are some of the technological challenges that you face?

There is trade-off between meeting guest expectations of a five-star hotel while trying to achieve five leaves. It can be very difficult to balance these. For example the American tourists want AC 24 hours a day, which consumes lots of energy and contradicts the concept of energy savings.

We are in discussion with a company called that helps covert energy exhausted by ACs to heat water. But it costs about \$1000 per room to install it. Another system we looked at infuses air in shower water and cuts water use by 50% without the guests to even noticing it. (Nuñez, 2013)

Christopher Denko – Owner, Docelunas Hotel, Restaurant & Spa. Jaco, Costa Rica.

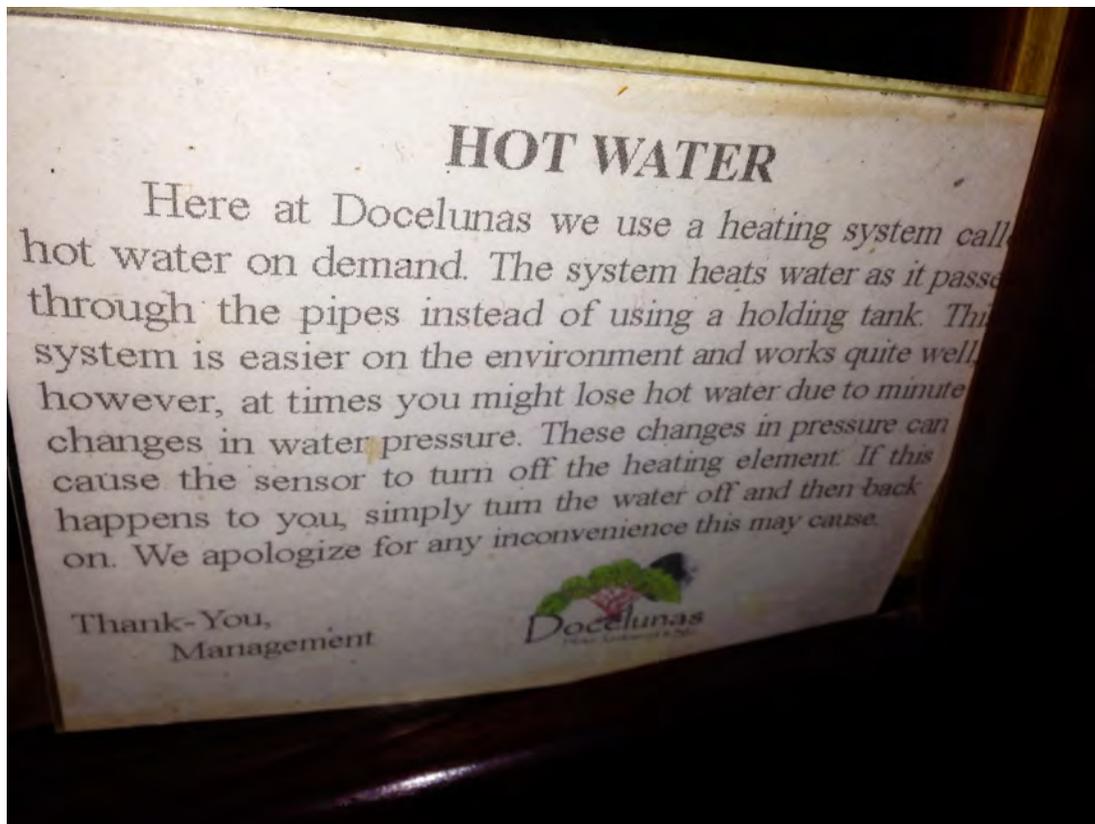
- Four Star hotel
- 20 rooms and cabins
- 1 leaf

What are some of the initiatives that Docelunas has implemented to become more sustainable?

One big initiative that we undertook was to install a complex filtration system for our water. Instead of having a holding tank to keep water hot all the time, we have a hot water on demand system that heats the water as it coming thru the pipe, which saves us a lot of money. We came up with the idea when we were starting the hotel about 10 years ago. We also do a lot of composting.

Our work to educating the public about conservation is what has probably had the biggest impact, including promoting recycling and composting practices, and reducing the poaching of wild animals.

When we first opened the hotel there were many species of birds, in particular a type of parrot – in our area that were near to extinction due to poaching. A group was formed and raised some money from local businesses to build nesting platforms for the birds and to teach children about the importance of maintaining local habitats.



Docelunas Hotel, Costa Rica (original photos)

These efforts have had a huge impact – 7-8 years later those bird populations are back tenfold. (Denko, 2013)

Does the government help with implementation?

Being a part of CST has helped us understand what measures we need to take to operate sustainably. The ICT doesn't promote the program as much as they should though. They don't send out awards or other distinctions that we can display to the public. But everyone likes to be rewarded for his or her efforts. This is area where they could do a lot better. The benefits of having the CST label are not very clearly advertised either. (Denko, 2013)

Nicolas Tierlynck - Co-Owner, Villa Creole Hotel. Jaco, Costa Rica.

- Three Star hotel
- 10 rooms
- Not CST certified

What led you to the decision not to become certified by CST?

We were interested become certified after looking into getting certified by Rainforest

Alliance and by in CST but in both cases we found that the paperwork requirements were too cumbersome for a hotel of our size.

The time commitment required to fill out all necessary documentation is impossible without a dedicated staff member in charge of weekly reports of per room water and energy use. Also, the water quality testing required, which is in addition to existing legal requirements for water testing, is expensive, because water samples must be sent to the capital for testing at the owner's expense.

Another issue with CST is that no technical or other assistance provided. This creates the impression that participation in CST is about doing something for the government and not the government doing something for the hotel. This is consistent with our experience of government agencies in Costa Rica in general.

Many hotels are already implementing many sustainability measures without being part of CST, but mainly it's because the price of energy and water is extremely high in Costa Rica, and continues to increase yearly. The big hotels only join CS for marketing purposes, or in one case that we are of aware of, tax exemptions.

One problem that have experienced is that hotels with recycle programs can by fined for failure to sort their trash, but the general population does not have the same requirements.

When Villa Creole set up recycling bins in front of the hotel for pick up, our neighbors from as far away as several blocks started dumping waste, old appliances, food scraps into our recycle bins. We had to discontinue the program. (Tierlynck, 2013)

[Jana Daigle – General Manager, Casa Turire Hotel. Turrialba, Costa Rica.](#)

- Four Star hotel
- 16 rooms
- 4 leaves

What are some of the initiatives that the Casa Turire Hotel has implemented to become more sustainable?

Our main initiatives have been a staff incentive program to increase awareness of our employees and our community outreach program. We have a staff of six who work on our farm, and 24 at the hotel itself. Our staff trainings about conservation have helped save us a lot of money on water. Additional measures include using rainwater for our garden fountain, and using motion sensor detectors hotel lights.

Meanwhile, our education outreach programs that have established greater ties with the community. This includes work with local kids to launch recycling days. They bring the

recycling to the hotel (almost 1 ton was collected the last time we did it), the hotel weighs it and gives results back to school. This creates awareness from a young age. We also have a Day on the Farm for kids to explain to them why it is important not to use pesticides, and to conserve water.

Another initiative was a Center for Single Moms. The hotel built them an organic garden. These social outreach programs are part of ICT but also help build image of the hotel.

We have no special employee in charge of sustainability; the task of keeping on top of our CST commitments is split between 2 employees. We also receive administrative support from and student interns.



Casa Turire Hotel, Costa Rica (original photo)

We also try to keep on top of the latest technology. We looked into solar panels, but it is a little complicated with regards to where to place them on our grounds. Our main challenges stem from the fact that the main hotel building is very old. The piping etc. cannot be changed without making renovations to the entire structure.

We have also made guest awareness efforts, such as placing surveys in each room that are specific to our environmental performance and are separate from the guest satisfaction survey. We had the greatest response from European guests to these surveys. Results are reported to the ICT every six months. (Daigle, 2013)

Does the government help with implementation?

Usually when you need help you have to hire an outside consultant, which is expensive. You also need to hire a consultant before the first evaluation to make sure you score high when you enter the program - this is more important as the ICT has become a kind of marketing tool.

ICT has does not have enough staff to serve all the different kinds of hotels, travel agencies, tour operators, hotels and car rentals. But it is a free program, so there is no funding to expand.

The marketing strategy for Casa Turire is not based around the ICT seal. The hotel has established a unique presence in the region and has little competition so we can market the hotel in different ways. Our slogan is 'harmony and exclusivity'. We have farm, good restaurant, spa etc. that's differentiates us in the area. Access to trade shows is not such a big deal for increasing our business.

We have a good relationship with ICT. Costa Rica has many laws that don't get implemented, such as handicapped access for instance. ICT needs to check on what hotels are doing.

However, the program needs to account for the difference in aesthetics, building age, and other basic differences that exist between hotels, and that impact their ability to implement changes. New hotels can now be built with certification in mind, but older hotels don't have that luxury. (Daigle, 2013)

What do thing are ways that CST could be strengthened?

The program in Costa Rica was initially very well received. It lost some of the support later on, however, as frustration grew with the amount of paperwork involved, the lack of guidance from ICT, and the additional cost of hiring specialists such as water quality experts and certified organic growers, particularly at small hotels. Some say the system too bureaucratic as well.

Water testing and the need for certificated experts to fulfill requirements are particularly expensive because of the need to pay certified biologists to certify the list of plants in the farm.

In rural areas it is very difficult to educate the community about sustainability issues. In Turrialba the recycling culture does not exist, for example, so the hotel has to establish its

own recycling system. Some municipalities have recycling programs but Turrialba doesn't have it. The issue is funding. The closest municipality to Turrialba that has a recycling program is able to operate only because of donations from Japan.

Also, in the beginning, CST certified hotels were a select group. You (the hotel) looked for the certification and got it. The owner may have been a believer in the concept or familiar with Rainforest Alliance etc. It was not really advertised much. Now you kind of have to have the leaves otherwise travel agents don't work with you. If a travel agent gets certified he may only work with ICT hotels.

Usually a large percent of the foreign business comes from travel agents. But our hotel is known locally. Mostly we get direct local reservations. On holidays and peak season and during week we rely more on foreigners. In the middle of December we are full because of foreigners. But in the spring we are full on weekends because of Costa Ricans. The selling point for hotel is not so much sustainability but the farm, the service, personalized services etc. We have 4 leaves and we are ok with that. We do not have a tennis court and other amenities, so 5 leaves would be tough to get. (Daigle, 2013)

[Laura Arguedas – Sustainability Consultant, Hotel Aurola Holiday Inn and Hotel Real Intercontinental Costa Rica. San Jose, Costa Rica.](#)

- Hotel Aurola Holiday Inn
- Five Star hotel
- 200 rooms
- Four Leaves

- Hotel Real Intercontinental Costa Rica
- Five Star hotel
- 372 rooms
- Four leaves

What are some of the initiatives that the Aurola Holiday Inn and Hotel Real Intercontinental have implemented to become more sustainable?

At the Holiday Inn we have implemented energy management systems, which involved a very large investment in higher technology, including chiller innovations and automated controls for AC units and for lighting that have helped our lower energy consumption.

At the Intercontinental, which has space for large events, meeting rooms were created using passive design elements to allow for natural ventilation. Central automated systems for lighting and AC units were also installed. Additionally, we changed suppliers to ones that use more sustainable cleaning products. Both hotels have their own wells. They

cannot implement greywater systems because of the age of the facilities and their location. (Arguedas, 2013)

What are some of the challenges that you have faced to help hotels become more sustainable?

Large hotel companies don't really know how to become sustainable. They think that it's just a matter of making budget allocations, like setting aside funds to plant trees. Even though they are certified, they don't have a conceptual understanding of sustainability. For them what is important are increasing the number of guests and improving the guest experience. The energy savings are less of a consideration.

We had 3 years of programs at Holiday Inn to reduce energy costs. The hotel had a large focus on quality but they weren't focused on sustainability. There have been huge savings since these programs were implemented, but there it is still a challenge is to build awareness, and create a sustainability mindset. Businesses here still don't know how to look into opportunities to become sustainable. They still aren't used to it. (Arguedas, 2013)

Has the government helped with implementation?

The CST is there to offer the certification. In my experience ICT staff have always responded to my inquiries, and have been very helpful. But they aren't teachers – they provide you the tool. For a year now we have regional ICT offices and they added one person of CST in each of these offices.

Companies must be prepared to create a lot of paperwork to become certified. They also must be prepared to train staff and communities. In general tourism companies are not very well organized and have no HR department, no training manuals, no rules and procedures. They hate paperwork.

There is no professional association for tourism industry in Costa Rica that provides training however. In many cases the best thing is for a company to hire a private consultant. Unfortunately small businesses cannot afford this. There are opportunities for free training from organizations such as the Water Institute and National Training Institute (INA), however.

Pursuing certification requires a lot of time and money, but hotel owners cannot blame CST for the difficulty involved. They must understand that there is a tradeoff in the cost vs. benefit of pursuing a sustainability certification. If you go broke by implementing all these measures, then it's not sustainable. But with creativity you can overcome some of the costs. (Arguedas, 2013)

What are improvements that could be made by CST?

One big improvement could be to make different criteria for small and big hotels, and account for differences in climate and geography. Some of the criteria can only be applied to hotels in areas with less humidity, such as using sunlight to dry laundry. Some areas of the country are cold and humid, and it is impossible to dry laundry outside.

One mistake that was made by CST was to promote itself internationally before it promoted itself locally. They wanted to get the most international recognition to attract foreign tourists, but they focused on the wrong target. The target should have been the companies in Costa Rica themselves.

Step one should be let the country and community know about it first. Make it a marketing goal to helping hotels understand why it is important to be certified. Don't let them think it of the added value of certification mainly as being to increase the number of foreign guests.

To accomplish this, hotel owners have to be made to understand what sustainability is locally, and what are its benefits are for the community. How can you educate your guests about sustainability if you yourself don't know what sustainable is? (Arguedas, 2013)

Liliana Rohmoser - General Manager, Asclepios Wellness Retreat & Spa, Alajuela, Costa Rica. April 3, 2013.

- Four Star retreat
- 12 rooms
- 1 leaf

What are some of the initiatives that the Casa Turire Hotel has implemented to become more sustainable?

The hotel was built in 2009 with sustainability in mind, and has solar panels, no AC or televisions in the rooms, and a water treatment facility. There is also an organic food garden and organic restaurant that buys from only local growers. (Rohmoser, 2013)

Has the government helped with implementation?

ICT support has improved tremendously, but anything with government is slow. Improvements include adding staff, launching a new questionnaire this year that will streamline some of the more confusing or redundant criteria. This change will be good but may slow things down for a while.



Asclepios Wellness Retreat & Spa, Costa Rica (original photo)

During the early years of the program, the lack of sustainability-trained professionals was also an obstacle. The first three leaves are possible to get without a dedicated staff member who has special training/engineering skills, but achieving higher levels requires having a budget or staff person dedicated to CST criteria, which many hotels cannot afford. As a hotel owner you need to educate yourself. Most efforts here at Asclepios were done on our own without consultants or classes.

In the beginning ICT promoted CST as something that will help hotels to promote themselves. Years later we in the hotel industry realized that the marketing payback would be more long term. The demand for sustainability is growing but it has not truly gone mainstream, so for now CST is not a strong marketing tool.

Our customers have recognized our green efforts. Our clientele is health oriented and understands general sustainability concepts and have adopted green ideas as part of their lifestyle. While being a part of CST is not helpful in growing our customer base, it does show that the hotel is in alignment with our guests' values.

The main benefits of CST have to create better ties between hotels, and to strengthen the hotel industry overall, as well build ties with tour operators though. It has helped us be better as a community, as well as to be better custodians of our destinations, which in turn gives us a sense of well being about what we do.

Here at Asclepios we do a monthly staff presentation, for instance. This month we will have a training about water conservation. Last month the topic was recycling. It has often been a challenge to get all of staff interested in the program, but lately we have found that staff members have brought many concepts of CST home.

Meanwhile, we will soon start a community outreach program with a local school and with the Blue Flag program and with a women's organic aloe planter group. (Rohrmoser, 2013)

Hans Pfister - Co-Owner, Cayuga Sustainable Tourism and Cayuga Hotel chain, Costa Rica.

- 9 hotels, all 5 star, some are eco lodges.
- 2 hotels with 40 rooms, one with 24, the rest with 10
- 350 workers
- Working CST certification since 1999.

What sets Cayuga Sustainable Tourism and Cayuga Hotels apart?

If you look at trends in tourism you will see that customers are demanding something different. We feel like connection to the community is what sets us apart as sustainable hotel operators. Just doing energy efficiency is a given – it's economic sense. Often not taken into consideration enough are the local aspects – people, land, access to suppliers, and other unique considerations.

Lack of certified technical experts, cert organic and other bureaucracy is an obstacle but if you go local and try to help local farmers get better but cert not number one thing.

We try to buy organic, but more importantly we try to buy locally because it's more sustainable than importing organic food from elsewhere. We try to educate local farmers to raise their understanding of sustainable food concepts. (Pfister, 2013)

What are the most important considerations for you when it comes to sustainability for hotels?

We have two models for sustainable hotel development – build a hotel from scratch or take over an existing hotel that has the potential to easily become sustainable. We have 3 requirements: hotels must be less than 50 rooms, and they must be high-end luxury establishments.

For us, there must be an existing commitment to sustainability to pursue development that is based on values and not on money. We could develop more lucrative projects, but we'd rather focus on sustainability.



Turrialba reservoir, Costa Rica (original photo)

We market to high-end clients because it's the only way to make up for the cost of services involved in running a sustainable hotel. High-end travellers are looking for experiences. This is not a mass-market concept because low-end consumers are price and not eco-driven in their choice of hotels. This is not a \$60 per night type of operation. We are looking into the possibility of developing 3 star hotels, however.

We offer very specialized services to a select type clientele, which includes celebrities and high-profile guests who are looking for a different experience. This is comparable in some ways to luxury safari accommodations in Africa. (Pfister, 2013)

What are the different considerations involved in sustainable hotel development in nature versus urban areas?

There are also different sustainability issues involved in developing high-end retreats versus more mass-market hotels in cities. Retreats typically don't have AC or televisions in the rooms. You could not do this in city hotel. Instead your focus will be on creating pride among employees, attract better talent, and reducing your impact are considerations, not so much marketing.

There in places where there is only nature doesn't make sense to build concrete block that has no sense of space. You also have the risk that larger hotels will come in, which will destroy the remote, unspoiled feeling of the place. What I would hate to see are remote pristine places with cookie-cutter hotels.

There are a few a models for small sustainable hotel development. About 7 years ago we opened Arenas del Mar in Manuel Antonio. There were already hotels there. We decided to do a sustainable resort that can be a model for semi-advanced places. For more remote places we built a nine-room eco lodge on an island in Lake Nicaragua. (Pfister, 2013)

What should the role of government be in promoting sustainability for hotels?

There has to be education for the hotel owners to build a culture of sustainability. It's a combination of education and culture that makes sustainability possible. The government has to educate hotel owners by holding workshops where the benefits of sustainability are taught, as well as the ways of overcoming challenges to implementation are taught by experts from different countries.

We have been managing hotels in Costa Rica based on sustainability concepts since before CST was created, and our hotels were looked at as models in the formation of the program. Many of our early initiatives, lighting, towels etc., are now a given however. Now it's time to evolve. In Costa Rica bureaucrats did the first draft, but other countries should not follow that model. Instead they should solicit active involvement from the private sector as well as from international advisors. (Pfister, 2013)

Netherlands Field Research

Green Key Netherlands Member Interviews

Bilderberg Hotel Chain

Interview with Els van Batum, Director of Human Resources

There are 19 hotels in the Bilderberg chain, all in the four and five star categories, ranging from large modern buildings to historic castles and traditional guesthouses. Combined the chain has 19,931 guest rooms and 199 conference rooms, and 1,300 employees. Since 2011, all hotels have attained the Green Key Gold certification as part of the chain's Corporate Social Responsibility efforts.²⁵

Bilderberg originally joined the program to help with reducing energy costs, said Els van Batum, Director of Human Resources, but over time the chain adopted a wider range of sustainability initiatives. Among the different sustainable tourism labels, Green Key was chosen because it was the most widely known, she said.

Since adopting Green Key, Bilderberg hotels have realized reductions in water and electricity use, waste separation, clothes washing and paper use, and switched to biodegradable cleaning supplies and source for hotel materials such as bed sheets and towels strictly from fair-trade suppliers as part of the chain's effort to bring all of their facilities to a higher tier of certification, said von Batum. These measures have been well received by guests, especially young people, she said.

Challenges she cited include using the same criteria to certify hotels that are of very different sizes and energy needs. Also, she feels that more could be done to educate guests about the different sustainability issues that Bilderberg has implemented.

Aparthotel Randwyck

Interview with Frans Wiggers, Director

Aparthotel Randwyck is a combination student dorm, four star hotel and furnished apartment facility in the suburbs of Maastricht run by a publicly funded non-profit organization that primarily caters to business school students. Combined it has 65 hotel rooms, five apartments, and 90 dorm rooms.

Frans Wiggers, director of Aparthotel Randwyck, said that he had already taken the initiative to pursue sustainability initiatives before deciding to join a certification program. The decision to enroll was made to improve his relations with the government, as well as for the consultation benefits he receives.

²⁵ Figures taken from Bilderberg press release, "Bilderberg hotels Green Key Gold certified." February 10, 2011.

Wiggers chose Green Key, despite his colleagues at other facilities having adopted the Green Globe label, because of the recognition that Green Key has with his customer base, as well as the excellent communication he has had with Green Key representatives, who took a very proactive stance in reaching out to him, and who put in a great deal of initial work before the certification was complete.

Joining Green Key has helped Aparthotel Randwyck realize savings in water and heating bills through conservation and the installation of improved heating control systems that also raises the comfort of hotel staff by not overheating unoccupied guest rooms during the day when they are being cleaned, said Wiggers. Since certification, he credits Green Key for continuing to provide value by reaching out to him to provide information about the latest green initiatives and products.

[Jaarbeurs Utrecht Convention Center](#) [Interview with Rachel Kinneking, Sustainability Coordinator](#)

The Jaarbeurs Utrecht is one of the Netherlands' largest convention centers, with a combined 100,000 square meters (1,076,391 square feet) of concert, event or trade show space. According to its website, the center had 2,725,000 guests in 2007 alone.

According to Rachel Kinneking, sustainability coordinator for Jaarbeurs Utrecht, the center joined Green Key for two reasons, first to demonstrate continued improvement in environmental performance, which the government requires of all large meeting venues under the Environmental Management Act, and second because the Green Key has become the recognized standard in the Netherlands.

It was felt that customers, especially young ones, not so much demand but also expect a green label, said Kinneking. In this sense, Jaarbeurs Utrecht joined Green Key not to stand out, but because they felt that they would stand out in a negative sense by not being members, she said.

Currently, the center meets 100% of its energy needs through renewable energy sources, offsets event emissions through the purchase of carbon offsets, and guarantees a 90% waste recycle rate through a third party hauler.



Examples of how the Green Key label is displayed – entrance of Grand Winston Hotel Rijswijk; Marriott Amsterdam

APPENDIX D

SECONDARY PROGRAMS

Austria: TourCERT

OPERATIONS

- Certification is focused on tour operators instead of certifying accommodations.
 - However, they have recently implemented a pilot program for hotels driven by member demand.
 - Three hotels have been certified to date.
- **Certification Process:**
 - The certification is valid for two years, at which time another audit is required.
 - Additionally there is a one-year, mid-certification, audit designed to assess the members' improvement plan progress.
 - This audit is not considered a recertification audit, but is instead meant to promote the successful adoption of CSR by TourCERT members.
- **Continuous improvement is paramount in certification**
 - Members are required to certify at the next level at time of re-certification
- **Criteria is adjusted for each member application**
 - With great variability in the organization's size, Tour CERT's greatest challenge is the varying size of member organizations. Some operators range from 2-2,000 employees.
- **Eight independent contractors conduct audits and provide recommendations to review board.**

FUNDING

- Grant from the Foreign Ministry of Labor & Social Affairs provides the funding needed for personnel to train TourCert members in Corporate Social Responsibility (CSR) at no cost to the members.
 - This is a direct result of the foreign ministry's mandate to increase the use of CSR in Germany.

PROMOTIONS

- No marketing budget is invested by TourCERT.

Florida: Florida Green Lodging

BACKGROUND

Florida Green Lodging (FGLP) is one of the oldest green certifications for hotels in the United States. With more than almost 700 hotels (170,000 hotel rooms) under certification, it is also currently the largest program in the country by size.

One of the program's crown achievements was the certification of the 23 Walt Disney World resorts and the Disney Vero Beach resort in 2008. Once strongly supported by the State of Florida, FLGP had to downsize staff and discontinue most hotel site visits due to budget cuts in 2009.

OPERATIONS

- Administration
 - The program has a Program Coordinator as the sole staff member who is an also an employee of the DEP, but whose salary is paid through the program.
 - Additional assistance is provided from two part-time engineers, as well as from occasional interns.
- Criteria
 - Criteria are focused on improving sustainable hotel operations and environmental and economic performance.
 - No difference in criteria for hotels of different sizes.
- Certification Process
 - The certification process is based on self-reporting from the hotel that wishes to enroll in the program.
 - Hotels are awarded certification between one to four 'palms' depending on their performance.
 - Certification valid for 3 years.
 - To re-certify, hotels must submit environmental performance data (water, waste, energy) for the past three years and must have shown improvement in the number of criteria that they have met.
 - The program grants certification.
- Audits
 - The certification process is currently based on self-reporting from the hotel that wishes to enroll in the program.
 - Site-visits were originally required for certification but due to funding cuts these have been mostly reduced to occasional visits to hotels as an outreach activity.
 - 2 part-time engineers provide technical assistance to hotels and provide feedback to the program coordinator

FUNDING

- Revenue

- Publicly funded by federal trusts as well as grant money from the Environmental Protection Agency's Pollution Prevention Office.
- No fees are charged to member hotels.
- The program was launched by the Florida Department of Environmental Protection (DEP) in 2004 as an extension on the department's pollution prevention efforts.
- Despite a strong start, staffing and funding was severely cut back due to state budget cuts in 2009. (Shearer, 2013).

FUNDING

- Reliance on funding from a state agency that is not engaged in one of the state's core responsibility areas, such as environmental protection, can expose a certification to significant risk of funding cutbacks during adverse economic periods.

PROMOTIONS

- Internal/External Communications
 - The program is currently making efforts to improve communications and follow up with hotels post-certification.
 - Most member hotels are large facilities and chains, and the program has not attracted many smaller or niche hotels.
- Incentives
 - The strongest promotional element of Green Lodging is the requirement by the state government that all state employees stay only at hotels that have been certified by the program while on official business, and that government meetings and events that utilize hotels follow the same protocol.
 - Member hotels receive publicity through the Green Lodging website, and are authorized to use the logo and promotional materials to market themselves.
 - Member hotels have access to staff training and educational materials through the program website.
 - The program is planning on releasing metrics of performance to quantify the achievements of the program in the coming year. (Shearer, 2013).

Key Takeaways

- A key incentive that a government-sponsored program can offer member hotels is exclusive access to government conventions and other business.
- Having a 'champion' in both the public and the private sector is key to establishing visibility and credibility for a certification program. (Shearer, 2013).
- Government-sponsored programs may face legal restrictions in forming partnerships with vendors.

Hawaii: Hawaii Green Business Program

OPERATIONS

- Started by the Hawaii State Energy Office in 2002 to improve energy efficiency
 - Goal to generate 70% of Hawaii's energy from renewable sources by 2030
 - Three certifications exist for the following business types:
 - Resorts & Hotels
 - Offices & Retail
 - Restaurant & Food Service
- Certification process is administered by four public departments:
 - Hawaii State Energy Department
 - Chamber of Commerce
 - Department of Health
 - Department of Business Economic Development and Tourism
 - Input comes from all of these departments on criteria
 - All departments review and sign off on results of audit and application
 - While the onsite audit is not required for recertification, it is strongly encouraged.
 - Audits are conducted by members of all four public departments
 - Members must recertify every two years.
- Looking to improve more stringent criteria to elevate sustainability of the overall certification
 - Concerned it will alienate smaller accommodations with a smaller investment budget and other potential properties from participating

FUNDING

- Budget is from grant awarded by the U.S. Environmental Protection Agency
- Individuals involved from four agencies 'volunteer' time apart from their primary roles to handle Hawaii Green Business Program duties

PROMOTIONS

- No budget designated for marketing
- Hosts annual awards ceremony to recognize top performing hotels

Ireland: EcoTourism Ireland

OPERATIONS

- Developed in 2009
- Recognized by the Global Sustainable Tourism Council (GSTC)
- A bottom-up approach to measure sustainability

- Quote from CEO of EcoTourism Ireland, Mary Mulvey, “The label also encourages proactive nature conservation and the promotion of local, cultural values, while at the same time developing local economies and the long-term viability of ecotourism destinations” (Mulvey, 2013).
- Certification process can take 6-12 months
 - Their audit process is informed by advice from a cross section of government agencies. These include:
 - Environmental Protection Agency (EPA)
 - National Standards Authority of Ireland (NSAI)
 - Department of Agriculture & Rural Development (DARD)
 - National Parks & Wildlife Service (NPWS)
 - Tourism Ireland
 - National Trails Office
 - These agencies form an independent review committee designed to be impartial, and representative of the industry.
 - On-site audits are conducted by a third-party, who operates as an independent contractor.
 - Currently audits are conducted by three individuals

FUNDING

- Privately administered
- Suffers from a lack of staffing and funding
 - One full-time employee: CEO
 - Interns on occasion are staffed on a project-to-project basis
- Member fees provide funding

PROMOTIONS

- Does not engage in external marketing campaigns
 - Mulvey believes the responsibility to promote falls in the hands of the tourism board that is local to the certification body (Mary Mulvey, 2013).
 - Given the grassroots nature of how EcoTourism Ireland operates, members who are certified are doing so for the value of the networking and training that the certification offers. Mulvey does not see marketing as a value added to her company’s certified members. “Mass confusion when there are so many labels. Don’t [sic] actually enhance the experience” (Mulvey, 2013).
- EcoTourism Ireland has established affiliations with:
 - Fáilte Ireland—National Tourism Development Authority
 - Northern Ireland Tourist Board—Department of Enterprise, Trade and Investment
 - The International EcoTourism Society
 - World Responsible Tourism Day

Seychelles Sustainable Travel Label

Interview with Sinha Levkovic, Manager, Seychelles Tourism Board, February 21, 2013

BACKGROUND

The idea to create the SSTL was initiated by the then Ministry of Tourism and Transport in 2004. We had been looking at ways of encouraging the development and growth of eco-tourism. We debated against an eco label and a sustainability label and decided that a sustainability label would address our issues and be more beneficial to us than an eco label. It would also be better accepted by the hotel industry.

We had a limited budget though, so we initiated the project with a ground research and a feasibility study in collaboration with a university in Switzerland. A group of graduate students from that university provided our research, helped develop our criteria, and conducted pilot testing. To get input from stakeholders, we facilitated meetings and workshops with representatives from the hotel industry and others.

Once we had the groundwork we further developed the criteria with the local stakeholders and we finalized it through funding from UNDP and GEF as they are funding a number of projects for sustainable development and to mainstream biodiversity in production sectors.

A portion of this funding was used to hire international consultant companies to evaluate and develop our criteria further to ensure that it was aligned with that of the GSTC. These consultants also helped us to develop a Business, Marketing and Implementation Plan, produce operators and assessors manuals, and organize training for external auditors. They also helped us create marketing materials and a program website and database of members.

OPERATIONS

Currently the SSTL is managed and administered by the Seychelles tourism board (STB). My office conducts one-on-one meetings with hotels to discuss and explain the aim of the label and its benefits to the hotel as part of the internal marketing.

We use trained external assessors to do evaluate hotels who are seeking certification. We provide technical assistance to small hotels of up to 10 rooms to help them prepare and conduct their internal audits.

Once the assessment is done, I review it and make a recommendation (approved, pending or deferred), to the Awards Panel which is made up of 5 members, four of which are outside the STB. The certification is given on their endorsement of my recommendation.

FUNDING

To cover the cost of the external auditors, we charge the hotels an application fee that is scaled according to the size of the hotel. We have also secured UNDP funding for the first 2 years to co fund 50% of the fees in the first year of operation and 25% in the second year as an incentive for the hotels who join early and want to be champions for the label.

PROMOTIONS

SSTL is marketed by the STB as part of its marketing strategy for the country. We feature certified hotels on the SSTL website, as well as in all of our tourist guides and promotional materials.

Virginia: Virginia Green & Virginia Green Lodging

BACKGROUND

Virginia Green Lodging (VGL) is the second-largest green lodging program in the United States for hotels, and the largest in terms of total tourism businesses certified. Currently 505 hotels and 1350 tourism businesses, destinations, events and suppliers are certified under VGL and its parent program, Virginia Green.

The program has a unique public-private ownership structure, functioning as a partnership between the Department of Environmental Quality (DEQ), the Virginia Tourism Corporation (the state tourism department), and the Virginia Hospitality and Tourism Association (VHTA), and administered by an outside sustainability consultant who formerly ran the program from inside the DEQ.

Virginia Green and Virginia Green Lodging provide a strong example of a dual internal industry and external customer communications and promotions strategy, and is the only program surveyed in this report that reports environmental impact metrics.

OPERATIONS

- Administration
 - The role of Program Coordinator has been outsourced to an outside consultant who formerly administered the program as an employee of the DEQ.
 - Any administrative, hiring, or budgetary decision is at the discretion of the Program Coordinator, who must spend from the funds paid to him as his consulting fee.
 - A Virginia Green Advisory Committee that brings together various stakeholder representatives oversees the Program Coordinator's work and reviews the progress of the program quarterly.

- A Virginia Green Work Group, which includes representatives from the DEQ, the Virginia Travel Corporation and the VHTA meets with the Program Coordinator once per month.
- Criteria
 - Criteria are focused on improving sustainable hotel operations and environmental and economic performance.
 - No difference in criteria for hotels of different sizes.
 - The first goal of the program is to “make industry aware of the cost savings benefits of better environmental performance.” (Griffin 2013)
- Certification Process
 - The certification process is based on self-reporting from the hotel that wishes to enroll in the program.
 - The DEQ acts as a third-party verifier, checking applications for missing information and providing feedback and recommendations to hotels and to the Program Coordinator.
 - Certification valid for 3 years.
 - If the current on-line application process can be further streamlined, application review may be scaled back to a quarterly schedule.
 - The program grants certification.
- Audits
 - There is no audit process, but the public is encouraged to report any false claims made by hotels about their environmental initiatives that they observe as a means of encouraging compliance.
 - The information reported by hotels on their program application is publicly disclosed to the public to facilitate this feedback.
 - Hotels have been removed from the program as a result of customer complaints about false advertising on the part of hotels, particularly in the area of recycling.

Key Takeaway –

Customer Feedback as an Auditing Mechanism.

- Because hotels give a great deal of attention to the customer experience, an effective communications strategy aimed at hotel guests by program administrators has the potential to generate greater interest in and compliance with certification.

FUNDING

- Revenue
 - Funding is provided by through the tourism department to pay for the contract with the Program Coordinator, which functions like a salary.
 - Additional grants are provided by the VHTA to cover costs outside of the Program Coordinator’s contract.

Key Takeaway -

- Working through an independent contractor allows Virginia Green to operate with more flexibility than many publicly backed programs.

| Virginia Green Program Achievements | | |
|--|-----------------|--------------------------------------|
| Environmental Benefits | Quantity | Cost Savings for Participants |
| • Wastes Recycled / Diverted from Landfill | 10-12,000 tons | \$150,000 |
| • Electricity Use Reduced | 264 million kwh | \$26-30 million |
| • Gas Use Reduced | 110,000 tcf | \$1.5 million |
| • Water Use Reduced | 1.2 million ccf | \$1.8 million |
| • Greenhouse Gas Emissions Reduced | 450 million lbs | |

Summary of program impact from 2012 Annual Progress Report (Source: Virginia Green)

APPENDIX E

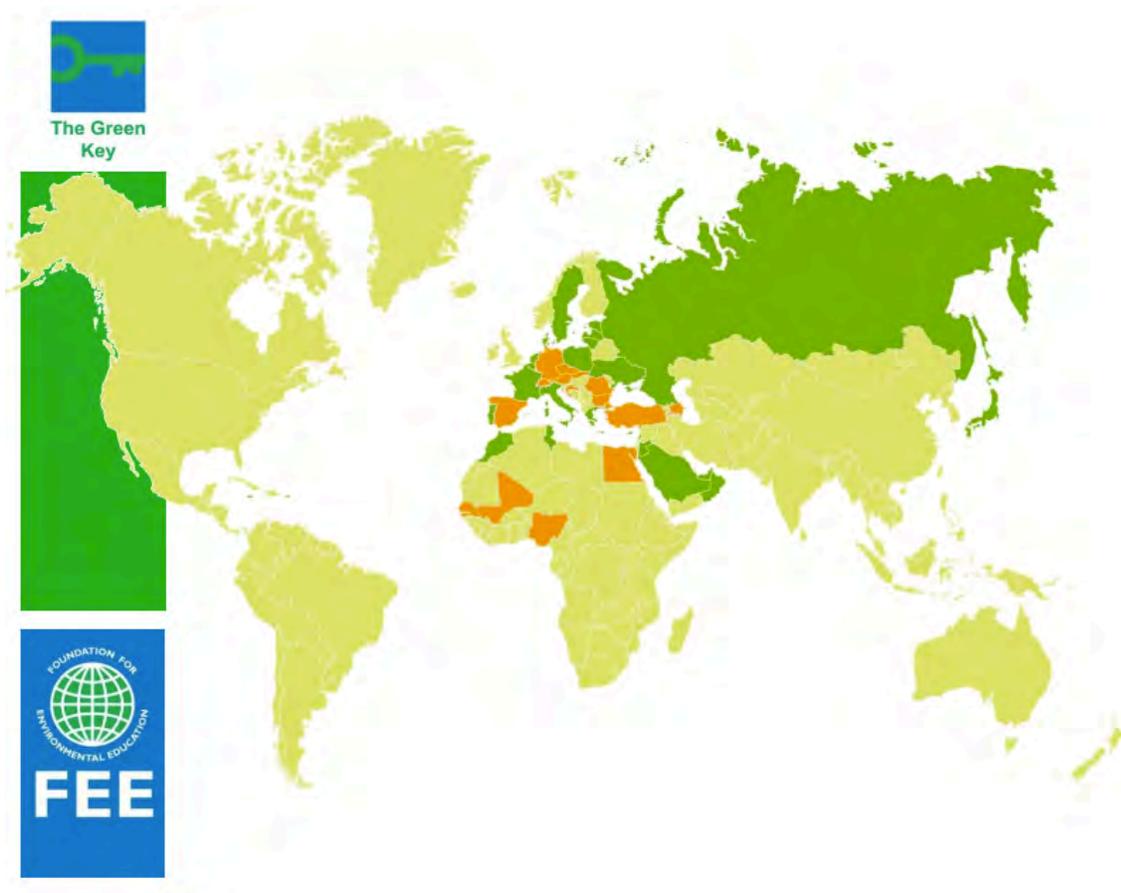
SURVEY CHART OF US SUSTAINABLE TOURISM & GREEN LODGING PROGRAMS

| State | Program | Launched | # Hotels | Fee? | Admin |
|----------------|--|----------|----------|---------------|---|
| Hawaii | Green Business Program (HGBP) | 2002 | 28 | No | Department of Business, Economic Development and Tourism |
| Florida | Florida Green Lodging | 2004 | 689 | No | Florida Department of Environmental Protection (DEP) |
| New Hampshire | Sustainable Lodging & Restaurant Program | 2005 | 68 | Sliding scale | PRIVATE: New Hampshire Lodging & Restaurant Association (NHLRA) |
| Maine | Environmental Leader | 2006 | 142 | No | Maine Department of Environmental Protection |
| Michigan | Green Lodging Michigan | 2006 | 86 | No | Michigan Energy Office & Department of Environmental Protection |
| Wisconsin | Travel Green Wisconsin (TGW) | 2007 | 141 | Flat fee | WI Department of Tourism |
| Rhode Island | Hospitality Green Certification | 2007 | 23 | No | Partnership of the RI Dept of Environmental Management and the RI Hospitality & |
| Virginia | Virginia Green Lodging | 2008 | 505 | No | Partnership between tourism department, DEQ and Virginia Hospitality & Travel Assoc. |
| Alaska | Adventure Green Alaska (AGA) | 2008 | 22 | Yes | PRIVATE: Alaska Wilderness Recreation & Tourism Association (AWRTA) |
| Maryland | Maryland Green Travel | 2009 | 143 | No | MD Office of Tourism in partnership with the MD Dept of the Environment and the MD |
| Vermont | Green Hotels in the Green Mountain State | 2009 | 115 | No | Partnership between VT DEP Agency of Natural Resources, VT Small Business Development |
| Missouri | Certified Green | 2009 | 43 | Yes | PRIVATE: Missouri Hotel & Lodging Association |
| South Carolina | Green Hospitality Alliance Certification | 2009 | 36 | Sliding scale | SC Green Hospitality Alliance, a partnership between the SC Department of Health and |
| Kentucky | Green Lodging | 2010 | 19 | No | KY Dept of Environmental Protection (KDEP) in partnership with the KY Bed & Breakfast |
| Puerto Rico | Green Lodging | 2011 | 3 | No | Puerto Rico Tourism Company (PRTC) |

APPENDIX F

INTERNATIONAL CERTIFICATIONS

Green Key International



Countries with Green Key and FEE member organizations (FEE 2008)

BACKGROUND

The international Green Key program was launched by the Danish hotel association HORESTA in 1994 with a focus on hotels, campsites and convention centers, and was later adopted by Copenhagen-based FEE in 2002 as their fifth educational program, joining the Blue Flag label for sustainable beaches and marinas, Eco-Schools, the LEEF sustainable forestry program, and Young Reporters for the Environment.²⁶

²⁶ This program is not affiliated with the Canadian-based Green Key Global label owned and promoted by Green Key Global Strategic Partners

It is currently one of the largest eco-label programs in the world, with more than 2100 travel & tourism businesses, including nearly 1300 hotels in 42 countries under certification by early 2013. Member hotels are heavily concentrated in France, Netherlands, Belgium, Sweden, Denmark, Germany, and Greece. The label also has a significant presence in Morocco, the United Arab Emirates, Jordan, Cyprus and Estonia.

CRITERIA

The goals of the program are:

- Raise the awareness of sustainability among business owners, staff and customers
- Reduce resource and energy use
- Save money for the business by implementing ecologically sound practices
- Reward certified businesses with recognition for their sustainable efforts while continuing to raise the visibility of the label throughout the tourism industry²⁷

The international program criteria are divided into a set of mandatory and optional credits addressing topics such as water, waste, energy, guest engagement and awareness, environmental management, staff involvement, and cleaning supplies. Criteria were defined based on input from national organizations, ISO 14001 Environmental Management standards and UNWTO requirements.

Under the guidance of the international leadership, national FEE chapters have the flexibility to tailor their local program to meet the unique legislative, infrastructure and cultural conditions of the tourism industry in their areas, as well as to introduce innovative improvements.²⁸

Modification by national chapters of up to 20% of the international criteria is allowed; the timeline for implementation may vary, and the categories of businesses that can be certified can be modified. Incentives such as progressive levels of certification may also be established.

Criteria are reviewed every three years, and hosting of the Green Key International steering committee is also rotated between national operators in three-year cycles. Certifications for businesses are valid for one year.

OPERATIONS

The Green Key International steering committee is comprised of two members of FEE and two members of Green Key. At the national level, a local FEE Coordinator is typically the

²⁷ Green Key, Criteria – Hotels, <http://www.green-key.org/Menu/Criteria/Hotels>

²⁸ An example of varying conditions for national labels is Belgium, where the government requires local program criteria to exceed existing legal performance standards for hotels.

sole staff-member, but larger chapters may also include an additional staff of one or two assistants. Third-party consultants are hired to ensure the objectivity of performance and compliance audits.

FUNDING

Funding for staffing and administration of both the international and local labels comes exclusively from membership fees, with certification fees charged on a sliding scale based on the gross revenue of the business that is applying. National operators collect all fees from member businesses, and in turn pay an annual subscription to FEE's international secretariat.

PROMOTIONS

According to Green Key International coordinator Nicolas Dubrocard, central to the marketing platform of Green Key is a trade association model where voluntary 'best practice' standards are shared between members. Another key selling point is a cross-promotion platform for hotels, especially large chains that are interested in boosting their international travel business.

The strategy is based on recruiting national operators who are well positioned to lend credibility to the label through their relationships with local hotels as well as their understanding of what aspects of sustainability label will be most valued in their area (green management, metrics, rewards programs, etc.).

Simultaneously, as the number of countries with Green Key-certified hotels grows, member hotels will have greater marketing access to inbound guests from other countries where the label is recognized. This ability to reach a wider international audience has also been improved as a result of relationships with international chains.

These relationships make stronger regional networks possible, and have helped to triple the size for the organization in the last three years alone, he said, citing an interest on the part of hotel owners in the Middle East to attract eco-minded travelers from European countries where Green Key is already well established.

Another advantage is that Green Key is also relatively cheaper to enroll in than other international certifications, said Dubrocard.

Beyond outreach directly to hotels by Green Key staff, marketing is limited to the label's websites, the websites of certified business, and press releases. In recent years, social networking and media sites such as Facebook and YouTube have become increasingly important in spreading awareness of the label, said Dubrocard. Efforts to get booking websites to include more green tourism options are also underway.

Promotional advantages of a private label

A membership-based financial structure that is not vulnerable to changes in public spending policy and a certification process that is not associated with the administrative burdens of government bureaucracy are fundamental elements in gaining the confidence of hotel owners to enroll in Green Key, said Dubrocard.

The non-governmental focus is also particularly relevant in cities or regions where corruption on the part of government tourism officials or auditors is a concern for business owners. An example is government tourism officials or auditors demanding bribes from hotels to certify the number of stars that they are allowed to advertise, he said. In many cases, these corrupt officials would be the same ones in charge of administering sustainability certifications.

Concern about the tax implications of participating in a program that would lead to greater government oversight of a hotel's operations is also a disincentive to participate in a government-sponsored program, said Dubrocard, and complicates efforts to convince hotels to disclose performance data.

Other concerns that he cited about government-led programs are lack of marketing expertise, lengthy decision-making processes that hinder flexibility, and politically driven emphasis on attracting the largest number of members in the shortest amount of time, even if standards are diluted in the process. Finally, the continued development of additional local or national certifications may risk diluting a movement towards international sustainable tourism best practices, said Dubrocard, by diminishing the impact of existing labels among guests and hotels alike.

Nicolas Dubrocard Key Interview Takeaways

The appeal of international labels for hotels with a strong international guest segment should be considered in the promotional strategy for a national label.

- Hotels with a significant international guest segment may prefer an international label that is easily recognized in the origin countries of their inbound guests rather than one that has a strictly national or local emphasis.
- Competition between national and international labels may dilute the marketing impact of individual sustainability labels.

Hotel owners' lack of faith in the effectiveness of government agencies may be an obstacle to adoption.

- Businesses that have taken the initiative to advance their own sustainable or efficiency initiatives ahead of, or in anticipation of, government regulations may not see the value of participation in a government led program beyond access to government business or marketing resources.
- Government initiatives are often perceived as trailing best practice innovations developed by the private sector, and may be seen as less efficient.
- Government programs whose budgets are governed by changes in the political landscape may be considered unreliable in the eyes of business owners who are looking to participate in a long-term strategy.

Hotel owners' concern about government oversight of their business activities may be an obstacle to adoption.

- Hostility toward, or distrust in, government auditors, tax authorities and regulators may impede efforts to obtain reliable data from hotels needed to measure the effectiveness of the label program, as some owners may be concerned that they could be exposed to greater scrutiny from tax authorities or other government agencies.
- The integrity of government agencies and their representatives may be a concern in some countries, creating a disincentive for hotels to fully engage with these officials.

APPENDIX G

SUBJECT MATTER EXPERTS

Amos Bien – Interviewed 03/29/2013 by Santiago Steele

Q: Can you give me some background on GSTC's work?

This whole field is called conformity assessment = the evaluation of a system, a product, service relative to a standard (to see if it complies with a standard).

Standardization = series of rules of best practice for establishing a standard

Conformity assessment = series of rules of best practice for determining if an activity or service is in compliance with that standard.

Conformity assessment has 3 levels:

1. Self-evaluation – it has low credibility
2. Second party conformity assessment – evaluation by a purchaser, commercialization chain or industry association that has a relationship with the entity being evaluated.
3. Third party conformity assessment – done by a completely independent third party
=> this is why it is called CERTIFICATION

There are strict rules for certification, rules governed by the standard ISO/IEC 17065 for products and services. The standard establishes the rules for transparency, impartiality, technical competence, financial sustainability of the certifier, quality of the internal management system of the certifier, and a series of other things that the certification body has to comply with.

If you comply with good practice in standardization and developing a standard, with public consultation for example there is an association called the ISEAL Alliance – has a code of good practice for developing standards which requires for example consulting all interested parties, making an effort to reach out to disadvantaged parties who may not have access to internet etc. or normally would not participate in these things, there should be two rounds of public consultation 60 days each, taking into account every comment received –that's good practice in developing a standard.

Once you have the standard then you go to conformity assessment. And you can do something like what Rainforest Alliance does which is called VERIFICATION. Because it is a third party but they also provide advice and consulting to businesses – not entirely independent process. If you want to be completely independent then you have a third

party that does not provide consultancy or directed advice to the organization that is doing evaluation.

Whether program is run by a government, a national standard by an ISO member standardization body, or whether it is established by an NGO or industry organization is immaterial as long as good practice is followed.

Credibility comes from good practice not from who wrote the standard or who is doing the certification as long as the body that is doing the certification follows those rules and is completely impartial and independent, with no appearance of conflict of interest.

So for example if you have a travel industry association that writes a standard and is certifying it, it may well be impartial but because it is an industry association there may not be the appearance of impartiality.

One of the rules is that membership cannot be a condition for certification.

Q: What is the connection between ISO standards and sustainability?

ISO is the international organization for standardization. ISO/IEC 17065 is the generally accepted standard for how certifications should be done (product and service certifications). It is brand new –[published in October 2012 to replace old standard Guide 65]. It was established over a number of years of consultation of many interested parties and establishes the generally accepted practices of certification for products and services (tourism is a service so it fits here).

Nearly all of the standards in US and many in Europe are environmentally only. In the US, that is the case because there is not so much awareness of social and cultural issues, and in Europe because older standards like the Green Key were developed long ago when people were only talking about environmental issues.

Sustainability covers environmental issues as well as socio economic and cultural issues. So for a modern standard to be considered a sustainable tourism standard it should cover all the 3 areas (environmental, socioeconomic and cultural).

(Note: Management systems are how to establish processes and allow a business to benchmark against its own performance. A product or service certification allows benchmarking of performance against the standard and therefore against all the other businesses).

(Note2: in some parts of the world a government program would have much more credibility than one run but an NGO or trade organization. Corruption is not a differentiating factor - there is no intrinsic reason why some other program would be any more or less corrupt by one run by government.

Q: How do you get the businesses to participate in this?

1. Early adopters – because they are committed. They believe in it. They are already doing it and they want someone to tell them how to do it better and to give them recognition.
2. Most businesses join because there is consumer demand for sustainability (statistics from TripAdvisor and Sabre/ Travelocity back this statement).
3. Consumers are actually more interested in social cultural sustainability than in what kind of sewage treatment the hotel has. Consumers are interested in conservation, social economic, cultural and biodiversity conservation aspects. They do not care about most of the other environmental aspects, but they do care about travelling to a place that does not damage the environment.
4. Most consumers are not interested or concerned about certification labels. Certification labels are business to business at this point. And they will probably remain so for a number of years. Number of studies show that consumer demand is theoretical. But B-to-B demand is high.

TripAdvisor survey results: "Travelers are unaware of green practices: 70% say they don't know what they are. 60% of the 30% that do [know what they are] say they say that it is difficult to research [when planning a trip]. Travelers are skeptical about claims and they don't believe direct (first party) claims by a hotel. But a large percentage of tourists want to travel green. They want do not want their travel to cost environmental damage and they don't want to cause damage to the societies they visit".

Q: Don't consumers react mainly to price signals?

Yes, consumers are not particularly interested in certification, yet it can tip the scales where the prices are roughly equal between certified and non-certified businesses. TripAdvisor put it this way: "Certification is a tie-breaker. If you have more or less equivalent places with about same level of quality and offering, consumers will choose the one that is more sustainable if they are given that information." But again, certification is a B2B market.

Q: Is there a market transformation element here about trying to change consumer behavior?

Yes there is but it takes years and market recognition. We have a situation where we have 150 or more certification labels; most of them are very small. At best 3 or 4 have market recognition. There is a lot of confusion in the market.

(Note: This is why GSTC was established: first of all, to operationally define what are the minimum criteria for sustainable tourism, and also to reduce the confusion in the market).

Q: What is your assessment of the current state of the sustainable tourism industry?

In 2011 we sampled 43 programs (out of 130-140 existent at that time). The 2 programs that had 3-4000 certificates issued were responsible for the largest numbers of certifications in the market, whereas 17 programs that had less than 100 certificates issued were responsible in total for less than 1000 certificates issued.

Structure of the travel industry:

- 500,000 hotels
- 100,000 travel agents
- Thousands of online travel agents

All these online booking systems are managed through 4 global distributions systems (Sabre with retail outlet Travelocity, WorldSpan, Amadeus, and Galileo/Apollo Global Distribution Systems). This is the backend of all the online systems.

The 4 main global distributions systems manage all these. 2 of them have already agreed to feature and give priority to those certificates which are validated by the GSTC. And they are establishing systems where the consumer will be able to see equivalent offerings and some validated by GSTC and some not.

GSTC does not certify - it recognizes the standards that comply with the global sustainable tourism criteria, that they align to it and that the standards that have good practice and the certification processes that comply with ISO/IEC 17065. So if GSTC puts its seal of approval on it, it means that it is a reputable process and credible standard.

The idea is to link those 150 seals so that they are marketed with the GSTC approval logo. This will be a filter that will be used by the global distribution systems and by guidebooks and others in the market to be able to determine which of those multitudes of seals actually considers all the aspects of sustainability and which ones are compliant with international good practice.

Q: Would it be easier for a private organization to adapt itself to a changing sustainable tourism label marketplace?

Chile has adapted itself to all these. They have requested our evaluation of the program. They feel this is a way for them to become credible internationally.

Q: How do programs achieve critical mass?

They don't. It is the weak link, because that is not what they are about. They are conformity assessment organizations. They are not marketing organizations. GSTC is both.

It evaluates the standards. We don't certify businesses, but we do evaluate the standards and the certifiers. We are intermediaries where we certify the certifiers.

Our job is to find market tools for these. To get Sabre, Amadeus, etc. Tui Travel (world's largest travel agent) is becoming to require that all its suppliers to be certified by GSTC-approved programs over the next few years.

Same thing will happen with some cruise lines etc. These organizations will require that their suppliers to be certified by GSTC-approved and recognized programs. It is mostly B2B and not advertised to public. None of us is working directly with the consumers yet.

We did a study some years ago on how long it took other certification standards to be recognized by the general public, for example AAA, Michelin, etc. Generally it takes around 20 years. Green Seal and Energy Star in the US managed to do it much faster and it took only 10 years.

So the time scale is 10-20 years for consumer recognition. B2B recognition can be instant. The way Forest Stewardship Council was launched in the US and became important was because Home Depot said it would give priority to FSC certified timber product. This wasn't even advertised to consumer but suppliers of timber product all knew that.

Q: Why do the 4 large distributors care about this?

- a) Reputational risk (i.e. footwear companies that used slave labor...). Protection about claims that they ruin the rainforest.
- b) They want to be ahead of consumer trends. They look at where the market is going and the market is definitely moving in this direction. If they can be 5 years ahead of the consumer trend then they are well positioned ahead of their competitors.
- c) Some of the CEOs believe in this stuff.

(Note: CEOs are aware of the environmental degradation that is taking place and that affects their business models. The insurance and reinsurance companies are in a panic about climate change because they face the possibility of billion dollar losses).

Q: What should the role of government be in promoting a sustainable tourism label?

These are voluntary programs. Certification is voluntary. Idea is that businesses compete with each other to achieve certification. If it is not voluntary then it is REGULATION not certification and no business wants more regulation so they won't go along with it. In Costa Rica the government offers incentives that couldn't be offered by private sector certification providers:

- a) Program is free of charge (a private certification organization cannot afford to offer it free)

- b) There are 5 levels and if you get level 3, 4 or 5 you get the right to participate in joint advertising with the Tourism Board. The price for this joint advertising is lower the higher the level of certification you have.
- c) Participation in trade shows such as ITB or London Travel Show which can be very expensive. If you have 5 levels of CST you can participate for free. For 4 levels you copay something, etc. If you have no CST certification you cannot participate.

Q: Some hotels in Costa Rica say that it is really only the small hotel owners who care about sustainability, and that big chains are just greenwashing. Do you think this is the case?

No. This is a perception issue but not a real issue. Actually, big hotels have better possibilities to invest in energy saving devices, etc. Large hotels have more financial ability to implement sustainable practices than small hotels.

Q: What are the other advantages for the hotel to become certified? Other than energy savings, dollar value from increased business from B2B demand, travel shows, other incentives, etc.

- All are important.
- Also, having a certification seal will not directly attract clients to a hotel. But the process of getting certified requires so many changes in the management of the hotel that it becomes a much better quality business and therefore attracts more clients. These changes also tend to reduce operating cost and higher reputation.
- Therefore, you have higher occupancy not because of the seal you have, but because of the effort you've made to get that seal.

Q: Beyond the savings and brand enhancement, does sustainability really produce hotel business growth? Is the environmental part just greenwashing - do businesses just do the minimum necessary to get the certification? Is this a trend that will be gone in 5 years?

- It won't be gone. Greenwashing in the sense of making false claims is the reason why certifications exist.
- Green businesses have higher consumer preference according to data Results of Travelocity 2010 survey:
"Green labels get better customer reviews than non-green hotels and more bookings. Green hotels get 65% more bookings than non-green counterparts".

Q: Any recommendations for the Chile program?

Look at how Costa Rica Tourism Board is providing powerful incentives to certified hotels. Chileans are in a good position to implement something similar, while private providers are not.

Q: What is your impression of the US state programs?

Most (not all) of the US state programs are green washing. They don't consider sustainability, they just consider some green aspects. They are not certifications, they are self-declarations. Most rely on self evaluation, they don't have technical ability or budgets for third party certification according to generally accepted practices.

Wisconsin seems to consider all variables of sustainability.

Better to ignore all state programs from the study.

Program credibility based on consumer perception:

The programs that have the lowest consumer credibility of all are the ones that are run commercially, no matter how good their practices are.

Based on consumer perception, program credibility ranks depending on who runs the program:

- 1 Lowest credibility: program run by for profit organizations
- 2 Better credibility: program run by trade associations
- 3 Even better credibility: program run by government
- 4 Best credibility: program run by international NGOs.

Q: What is the best program out there?

A program that complies with all the GSTC criteria and ISA 17065 and that has technical competence in sustainability (auditors are technically competent in sustainable tourism).

Any program that meets these criteria is a good program. Also, auditors must have some years of experience, technical skills, etc.

Q: Frequency of audits for re-certifications?

- The initial certificate is usually valid for 2 years with reporting of any significant changes in the interim.
- A risk assessment is done and the results of this risk assessment determine the depth of the audit. High-risk businesses (the ones that have a high level of non-conformity) require a full audit. The ones with lower probability of problems require a quicker audit. But in any event after 2 years it should be a non-site audit. Its depth is dependent on risk.

The Costa Rica program seems to be very good, but we haven't done all the verification to be able to say that with certainty.

Q: Are there other programs to look at?

South Africa has 2 programs: one run by NGO FTTSA S Africa and another one run by the SA National Standard (run by government, very new program, better). Australia's Earth Check is also very good.

What matters most in comparing programs is credibility of standard and credibility of certification process. Having a high number of certified businesses can be an indicator of exactly the opposite. It could be that it is too easy, greenwashing, etc.

Q: Do you have any concerns about the future of the sustainable tourism market?

In the beginning, problem was that supply was exceeding demand. Now demand exceeds supply because of players like TUI and the 4 distributors (again we talking about B2B standards).

There are 500,000 hotels in the market. Only 21,000 are certified according a sample of 43 programs GSTC did in January 2011. In 2009 only 15,000 were certified. Now it's close to 30,000. Growth rate was 10-20% a year. Until we get about 50,000 certified hotels there is not enough of an offer for the 4 major global distributors to really start promoting them.

Currently there are 150 seals in total, out of which 18 have the GSTC approval

Leilani Latimer - Head, Product Marketing & Operations at Sabre Hospitality Solutions
Interviewed by Scott Miller and Diana Beltran 4/5/2013.

- Benefit of pub/private partnership – Public side can enforce the need to get certified while the private side can do the certification and audit can be a positive source of revenue
- Multiple auditors can audit – best experience is to ensure auditors take receipt of audit directly and NOT through the public entity
- What are the biggest sustainability problems in the country/region?
- Weight the certification on the biggest problem areas to maximize impact.
- Multi-tiered – Caution too many tiers. You want to have tiers to show sustainability is a process. It also encourages progress. Thinking forward, how is that tiering going to evolve and eventually need to up the anti on it. There needs to be rewards for the higher end of the continuum. Be careful not to upset the top performers.
- No advantage to free certification – it translates into no value
- If all privately run then there may be grants from gov't.
- Some gov'ts have been successful in providing loans. _ Hanover Germany – training course for 15 existing certification programs and 10 potential certs. Gov't may want to invest money in training the certifiers/auditors. Certifiers could then pay back the loan to the gov't once revenues are received.
- For-profit is better way to go on the certification – should be a business opportunity.
- Not even about the eco-traveler anymore – wellbeing (better indoor enviro quality) is very important to the traveler.

Jose Miguel Friz with Earth Check, Interviewed by Scott Miller and Diana Beltran 4/5/2013

- Certification should be aligned with the national interests.
 - Public - Easier to get public funding if it is publically administered.
 - Private – will likely be run more efficiently but it may not cover all the important areas of sustainability.

Public/private partnership is the best of both worlds.

The weighting process should be very transparent and should include the appropriate expert input.

- The impacts of the different accommodation types vary as well. For example: hotels energy/water/tour operations/transportation are major impact areas
- Multiple tiers – system of continuous improvement. They require a type of “performance” period where certain sustainability efforts are measured and then considered for counting toward the achievement of a certification level. Additionally, the number of years an entity is a member of EarthCheck determines their certification level. For example, to achieve “Platinum” status, 10 years as a member of the EarthCheck system is required.
- Challenges of initial phase: If the hotel does not do well how do you incentivize them to work toward achieving certification in the future
- Knowledge gaps in auditing, etc. – solution may be 3rd party specialist training
- Should be a mix of process and performance based requirements.
- Audits add transparency. Earth Check audits all properties every two years. For “low-risk” (smaller-scale or purely urban located entities) may only require offsite audit (bills and documents).
- Audit results are reported in their entirety to the entity but not made publically available.
- The certification should help deliver operational savings.
- Auditing structure – Pre-established rate for audits.
- Revenues – Membership fee includes use of logo for no additional charge.
- Non-profit vs. for profit – limited potential to make a profit.

APPENDIX H

INTERVIEW LIST

| Name | Title | Industry | Company | Date | Interviewer |
|-------------------------|--|-------------------------|---|---------|---|
| Jose Miguel Friz | Sustainability Consultant | Certifications | Valor Sustentable partnered with EarthCheck | 4/5/13 | Diana Beltran & Scott Miller |
| Leilani Latimer | Head, Product Marketing & Operations | Certifications | Sabre Hospitality Solutions | 4/5/13 | Diana Beltran & Scott Miller |
| Dr. Louise Twining-Ward | President Sustainable Travel International | Tourism, certifications | Sustainable Travel International | 3/7/13 | Lisa S. Howard & Nicolas Gordon |
| Sandra Navalli | Senior Director Social Enterprise Program | Academia | Columbia Business School | 4/10/13 | Lindsey Clark & Nicolas Gordon |
| Ronald Sanabria | Vice President of Sustainable Tourism | Tourism, certifications | Rainforest Alliance | 3/20/13 | Santiago Steele |
| Amos Bien | Technical Director | Tourism, certifications | GSTC | 3/29/13 | Santiago Steele |
| Alberto Lopez | Director | Government, tourism | ICT - Costa Rica | 2/19/13 | Megan Farrell, Santiago Steele & Nicolas Gordon |
| JoAnn Shearer | Green Lodging Program Coordinator | Government, tourism | Florida DEP | 2/21/13 | Megan Farrell, Santiago Steele & Nicolas Gordon |
| Sarah Klavas | Industry Relations and Services Director | Tourism | Wisconsin Department of Tourism | 2/25/13 | Megan Farrell, Santiago Steele & Nicolas Gordon |
| Mary Mulvey | CEO & Founder | Certifications | EcoTourism Ireland | 3/1/13 | Ian Estes, Sam Hasan, Jennifer Moon |
| Florian Tögel | Director of Audits & Certifications | Certifications | TourCERT | 2/27/13 | Ian Estes, Sam Hasan, Jennifer Moon |

| | | | | | |
|---|---|--------------------------------|---|-----------------------|--|
| Dr. Linda Cox | Community and Economic Development Specialist | Academia | University of Hawaii | 3/8/13 | Ian Estes, Sam Hasan, Jennifer Moon |
| Militza Aguirre | | Innovation & development | CORFO | 3/19/13 | Diana Beltran, Gregory Daley, Lindsey Clark & Nicolas Gordon |
| Javier Obach & Manuel Perrot | | Government, tourism | SERNATUR | 3/19/2013 & 3/21/2013 | Diana Beltran, Gregory Daley, Lindsey Clark & Nicolas Gordon |
| Eugenio Yunis, Francisco Allard & Beatriz Roman | | Tourism | FEDETUR | 3/19/2013 & 3/22/2013 | Diana Beltran, Gregory Daley, Lindsey Clark & Nicolas Gordon |
| Patricio Parra & Belen Ruz | | Wine, certifications | Vinos de Chile | 3/21/13 | Diana Beltran, Gregory Daley, Lindsey Clark & Nicolas Gordon |
| Gabriela Rodriguez & Carolina Hoyl | | Academia - CSR | Vincular | 3/21/13 | Diana Beltran, Gregory Daley, Lindsey Clark & Nicolas Gordon |
| Francisco Leiva | | Government, tourism | SERNATUR - Quality Label | 3/22/13 | Diana Beltran & Gregory Daley |
| Gerardo Canales | | Government, renewable energies | Centro Energias Renovables (CER) | 3/19/13 | Lindsey Clark & Nicolas Gordon |
| Cristina Galvez | Encargada turismo cultural | Government, culture & arts | Consejo Nacional de la Cultura y las Artes (CNCA) | 3/20/13 | Lindsey Clark & Nicolas Gordon |
| Carlos Rungruangsakorn & Alwine Woischnik | | Government, environment | Ministry of Environment | 3/21/13 | Lindsey Clark & Nicolas Gordon |
| Karen Poniachik | Director | Academia | Columbia Global Center - Santiago | 3/21/13 | Diana Beltran, Gregory Daley, Lindsey Clark |

| | | | | | |
|-------------------|------------------------------------|--|--|---------|---|
| Erik Samsing | | Hospitality | Huilo Huilo | 3/22/13 | Lindsey Clark & Nicolas Gordon |
| Ricardo Almeida | Commercial and Development Manager | Hospitality | Valle Nevado | 3/22/13 | Lindsey Clark & Nicolas Gordon |
| James Robinson | General Manager | Hospitality | Four Points | 3/22/13 | Lindsey Clark & Nicolas Gordon |
| Marta Escudero | Owner | Hospitality | Hotel San Martin | | Lindsey Clark & Nicolas Gordon |
| Hans Pfister | President and co-owner | Hospitality, sustainable tourism | Cayaga Sustainable Hospitality | 4/12/13 | Santiago Steele |
| Tom Griffin | Director | Government, sustainable tourism certifications | Greener Results Sustainability Services | 3/20/13 | Santiago Steele |
| Tim Keeling | General Manager | Tourism, sustainable tourism certifications | Qualmark | 2/20/13 | Scott Miller, Diana Beltran, Lisa S. Howard |
| Andrea Myers | Director, Program Development | Tourism, sustainable tourism certifications | Green Key Eco-Rating Program | 2/22/13 | Diana Beltran Lisa S. Howard |
| Steve Ball | Director, Business Development | Tourism, sustainable tourism certifications | Green Key Eco-Rating Program | 2/28/13 | Lisa S. Howard |
| Chris | Owner | Government, tourism | Docelunas Hotel, Restaurant & Spa | 4/1/13 | Santiago Steele |
| Geovanni Nuñez | Operations Manager | Hospitality | Villa Caletas, Zephyr Palace hotels | 4/1/13 | Santiago Steele |
| Jana Daigle | General Manager | Hospitality | Hotel Casa Turire | 4/2/13 | Santiago Steele |
| Liliana Rohrmoser | General Manager | Hospitality | Asclepios Wellness & Healing Retreat | 4/3/13 | Santiago Steele |
| Nicolas | Co-owner | Hospitality | Villa Creole Hotel | 4/1/13 | Santiago Steele |
| Sinha Levkovic | Manager | Government, tourism | Seychelles Tourism Board | 2/21/13 | Santiago Steele |
| Laura Arguedas | Sustainable Tourism Consultant | Hospitality, sustainable tourism | Consultant to Hotel Aurola Holiday Inn and | 4/2/13 | Santiago Steele |

| | | | | | |
|-------------------|---|---|--|---------|-----------------|
| | | | Hotel Intercontinental San Jose | | |
| Nicolas Dubrocard | Coordinator | Sustainable tourism certifications | Green Key International | 3/7/13 | Santiago Steele |
| Harro Boekhold | Manager, Training & Development | Sustainable tourism certifications | Contour Projects Ltd., sustainable tourism consultants | 3/7/13 | Santiago Steele |
| Marco Ouwerkerk | Engineer & Advisor | Green Leisure Group | Operations, sustainable tourism | 3/7/13 | Santiago Steele |
| Els van Batum | Director of Human Resources | Bilderberg Hotel chain | Operations, human resources | 3/7/13 | Santiago Steele |
| Tony Pollard | President | Tourism, sustainable tourism certifications | Hotel Association of Canada | 3/22/13 | Scott Miller |
| Enrico Camasso | Green Building Professional | Hospitality | Minto Suite Hotel | 3/22/13 | Scott Miller |
| Paul Barton | Manager Green Buildings | Hospitality | Minto Suite Hotel | 3/22/13 | Scott Miller |
| Alison Minato | Director of Sustainability Division | Hospitality | Minto Suite Hotel | 3/22/13 | Scott Miller |
| Maurice Abel | Director of Guest Experience | Hospitality | Minto Suite Hotel | 3/22/13 | Scott Miller |
| Diana Helferty | Catering Sales Manager & Green Team Co-Chair | Hospitality | The Westin Ottawa Hotel | 3/22/13 | Scott Miller |
| Jeff White | Director of Engineering & Green Team Co-Chair | Hospitality | The Westin Ottawa Hotel | 3/22/13 | Scott Miller |
| Frans Wiggers | Director | Hospitality | Aparthotel Randwyck | 3/7/13 | Santiago Steele |
| Rachel Kinneing | Sustainability Coordinator | Sustainable operations | Jaarbeurs Utrecht Convention Center | 3/7/13 | Santiago Steele |

APPENDIX I

RESEARCH SUSTAINABILITY METRICS

Operations

| Ownership and Management | | | | |
|--------------------------|----------|------------|----------|-------------|
| | SME | Lit review | Total | % of total |
| Public | 1 | 0 | 1 | 20% |
| Private | 0 | 0 | 0 | 0% |
| Public Private | 3 | 1 | 4 | 80% |
| No Comment | 0 | 0 | 0 | 0% |
| Total | 4 | 1 | 5 | 100% |
| | | | | |
| | Primary | Secondary | Total | % of total |
| Public | 2 | 3 | 5 | 56% |
| Private, Non-Profit | 3 | 0 | 3 | 33% |
| Private, For-Profit | 1 | 0 | 1 | 11% |
| Total | 6 | 3 | 9 | 100% |

| Audit | | | | |
|---------------|----------|------------|-----------|-------------|
| | SME | Lit review | Total | % of total |
| Internal | 0 | 0 | 0 | 0% |
| External | 2 | 0 | 2 | 67% |
| Hybrid | 0 | 1 | 1 | 33% |
| No Comment/NA | 2 | 0 | 2 | 67% |
| Total | 2 | 1 | 3 | 100% |
| | Primary | Secondary | Total | % of total |
| Internal | 1 | 0 | 1 | 9% |
| External | 4 | 0 | 4 | 36% |
| Hybrid | 0 | 0 | 0 | 0% |
| None | 1 | 2 | 3 | 27% |
| Unknown | 0 | 3 | 3 | 27% |
| Total | 6 | 5 | 11 | 100% |

| Granting of Certification | | | | |
|---------------------------|----------|------------|-----------|------------|
| | SME | Lit review | Total | % of total |
| Internal | 0 | 0 | 0 | |
| External | 1 | 0 | 1 | |
| Hybrid | 1 | 0 | 1 | |
| None | 0 | 0 | 0 | |
| Unknown | 2 | 1 | 3 | |
| Total | 2 | 1 | 5 | 0% |
| | Primary | Secondary | Total | % of total |
| Internal | 4 | 3 | 7 | 64% |
| External | 2 | 1 | 3 | 27% |
| Hybrid | 0 | 0 | 0 | 0% |
| None | 0 | 0 | 0 | 0% |
| Unknown | 0 | 1 | 1 | 9% |
| Total | 2 | 2 | 11 | 27% |

| Staffing | | | | |
|--------------|----------|-----------|-----------|-------------|
| | Primary | Secondary | Total | % of total |
| 1 | 0 | 2 | 2 | 18% |
| 2 to 4 | 1 | 0 | 1 | 9% |
| 5 to 8 | 1 | 1 | 2 | 18% |
| more than 8 | 2 | 0 | 2 | 18% |
| Unknown | 2 | 2 | 4 | 36% |
| Total | 6 | 5 | 11 | 100% |

Funding

| Fees | | | | |
|--------------|----------|------------|-----------|-------------|
| | SME | Lit review | Total | % of total |
| No Cost | 0 | 0 | 0 | 0% |
| Annual Fee | 3 | 1 | 4 | 80% |
| No Comment | 1 | 0 | 1 | 20% |
| Total | 4 | 1 | 5 | 100% |
| | Primary | Secondary | Total | % of total |
| No Cost | 1 | 3 | 4 | 36% |
| Annual Fee | 5 | 2 | 7 | 64% |
| No Comment | 0 | 0 | 0 | 0% |
| Total | 6 | 5 | 11 | 100% |

| Government Support | | | | |
|--------------------|----------|------------|-----------|-------------|
| | SME | Lit review | Total | % of total |
| Yes | 1 | 1 | 2 | 40% |
| No | 0 | 0 | 0 | 0% |
| No Comment | 3 | 0 | 3 | 60% |
| Total | 4 | 1 | 5 | 100% |
| | Primary | Secondary | Total | % of total |
| Yes | 4 | 3 | 7 | 64% |
| No | 1 | 1 | 2 | 18% |
| Unknown | 1 | 1 | 2 | 18% |
| Total | 6 | 5 | 11 | 100% |

| Grants | | | | | |
|---------|---------|------------|-------|------------|--|
| | SME | Lit review | Total | % of total | |
| Yes | 1 | 3 | 4 | 57% | |
| No | 0 | 0 | 0 | 0% | |
| Unknown | 3 | 0 | 3 | 43% | |
| Total | 4 | 3 | 7 | 100% | |
| | Primary | Secondary | Total | % of total | |
| Yes | 2 | 4 | 6 | 55% | |
| No | 0 | 0 | 0 | 0% | |
| Unknown | 4 | 1 | 5 | 45% | |
| Total | 6 | 5 | 11 | 100% | |

Promotions

| | SME | Lit review | Total | % of total |
|------------|-----|------------|-------|------------|
| External | 3 | 8 | 11 | 46% |
| Internal | 3 | 10 | 13 | 54% |
| Incentives | 0 | | 0 | 0% |
| Total | 6 | | 24 | 100% |

| | Primary | Secondary | Total | % of total |
|------------|---------|-----------|-------|------------|
| External | 3 | 2 | 5 | 31% |
| Internal | 3 | 4 | 7 | 44% |
| Incentives | 1 | 3 | 4 | 25% |
| Total | 7 | 9 | 16 | 100% |

APPENDIX J

SURVEYS

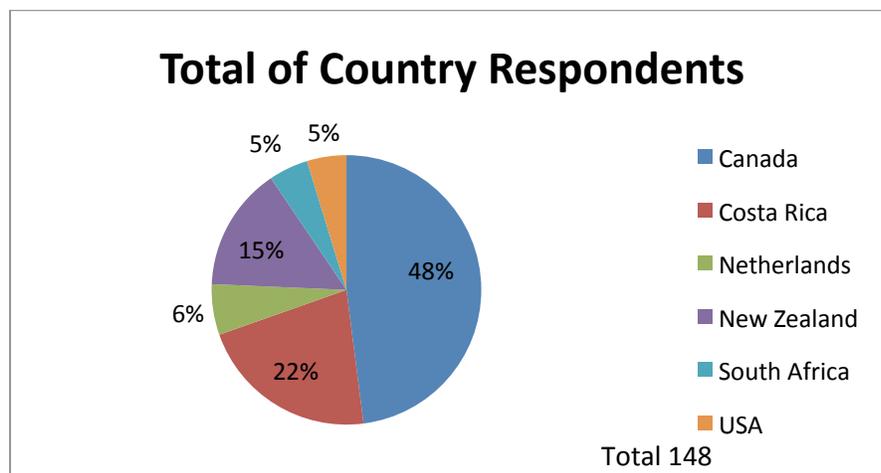
General Survey

The survey was sent to members of certification programs within the following countries:

- Canada (Green Key Eco-Rating Program)
- Costa Rica (CST)
- Netherlands (Green Key)
- New Zealand (Green Globe and Qualmark Enviro)
- South Africa (FTTSA)
- USA (Travel Green Wisconsin)

Responses by Location:

| Country/State | # of Responses | Percentage of total Responses |
|---------------|----------------|-------------------------------|
| Canada | 71 | 48% |
| Costa Rica | 32 | 22% |
| Netherlands | 9 | 6% |
| New Zealand | 22 | 15% |
| South Africa | 7 | 5% |
| Wisconsin | 7 | 5% |
| Grand Total | 148 | 100% |



Response Rate by Location:

| Country/State | Surveys Received | Surveys Sent | Response Rate |
|---------------|------------------|--------------|---------------|
| Canada | 71 | 1229 | 5.8% |
| Costa Rica | 32 | 218 | 14.7% |
| Netherlands | 9 | 372 | 2.4% |
| New Zealand | 22 | 59 | 37.3% |
| South Africa | 7 | 36 | 19.4% |
| Wisconsin | 7 | 141 | 5.0% |
| Grand Total | 148 | 2055 | 7.2% |

Responses by Certification Body:

| Certification/ Country | # Responses |
|------------------------------|-------------|
| CST | |
| Costa Rica | 32 |
| FTTSA | |
| South Africa | 7 |
| Green Globe | |
| New Zealand | 1 |
| Green Key | |
| Netherlands | 9 |
| Qualmark | |
| New Zealand | 21 |
| Travel Green Wisconsin | |
| USA | 7 |
| Green Key Eco-Rating Program | |
| Canada | 71 |
| Grand Total | 148 |

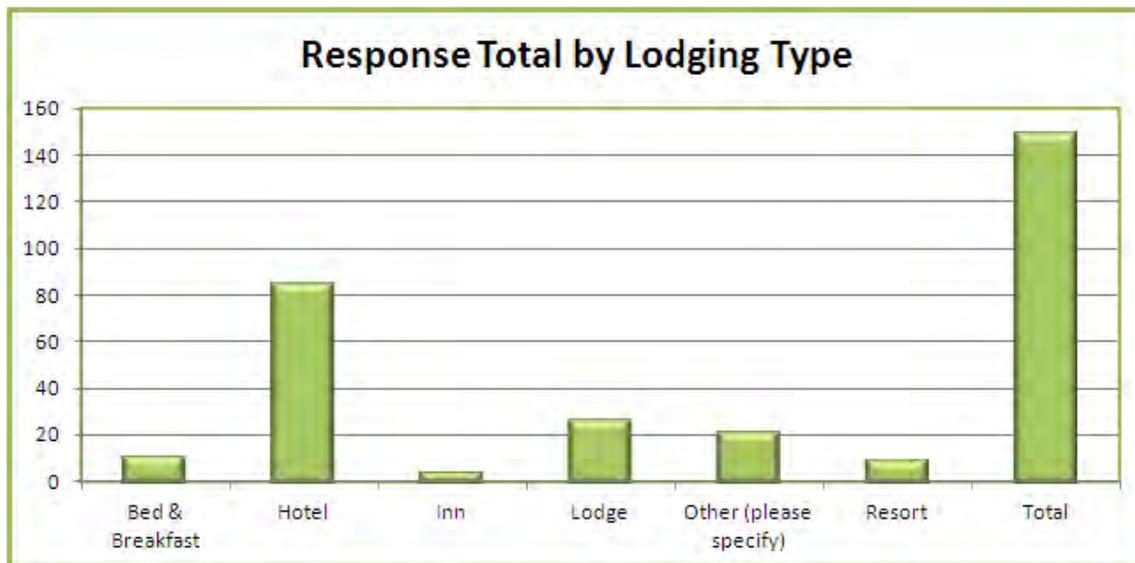
Responses by Size and Type of Facility:

| | |
|------------------------|----|
| ≤15 | 43 |
| Bed & Breakfast | 9 |
| Hotel | 5 |
| Lodge | 18 |
| Other (please specify) | 10 |
| Resort | 1 |

| | |
|------------------------|-----|
| 16-30 | 18 |
| Hotel | 9 |
| Inn | 1 |
| Lodge | 6 |
| Other (please specify) | 2 |
| 31-45 | 3 |
| Hotel | 1 |
| Lodge | 1 |
| Other (please specify) | 1 |
| 46-60 | 8 |
| Hotel | 6 |
| Other (please specify) | 1 |
| Resort | 1 |
| 61-75 | 4 |
| Hotel | 4 |
| 76-90 | 7 |
| Hotel | 7 |
| ≥91 | 65 |
| Hotel | 52 |
| Inn | 1 |
| Other (please specify) | 6 |
| Resort | 6 |
| Grand Total | 148 |

(Accommodations classified as “other”, such as convention centers were grouped into the ≥91 size range)

Responses by Accommodation Type:



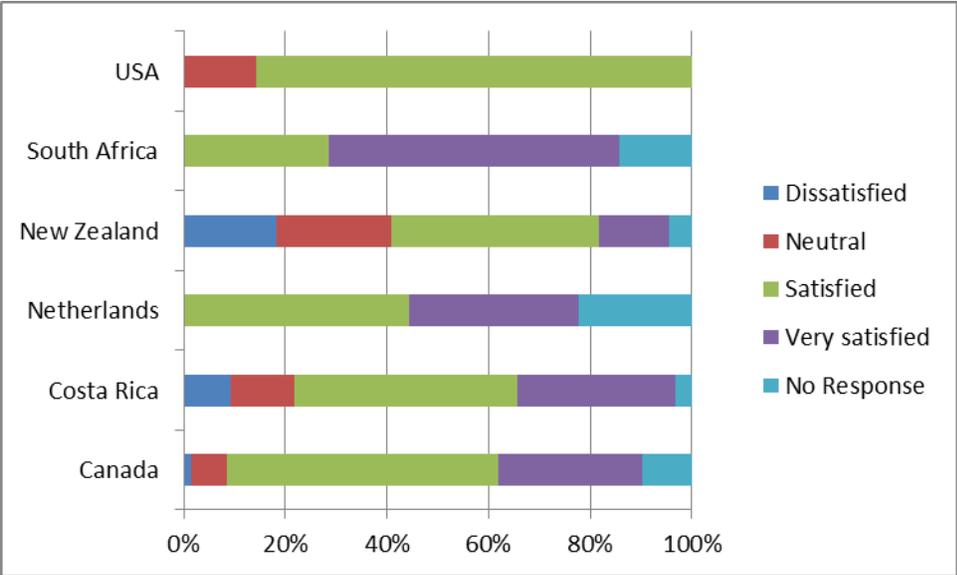
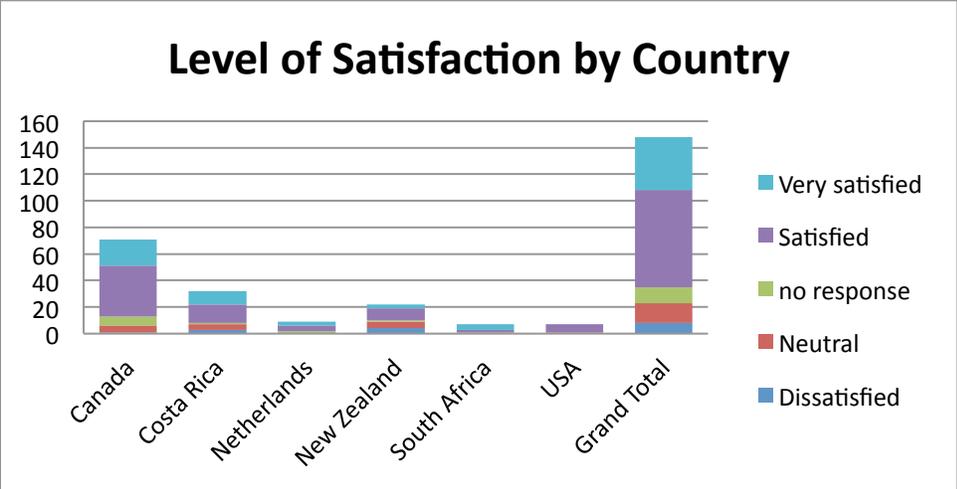
| Country/State | Bed & Breakfast | Hotel | Inn | Lodge | Other (please specify) | Resort | Total | % Grand Total |
|---------------|-----------------|-------|-----|-------|------------------------|--------|-------|---------------|
| Canada | 1 | 59 | 2 | | 4 | 5 | 71 | 48% |
| Costa Rica | | 16 | | 11 | 2 | 3 | 32 | 22% |
| Netherlands | | 5 | | | 4 | | 9 | 6% |
| New Zealand | 3 | 4 | | 9 | 6 | | 22 | 15% |
| South Africa | | | | 5 | 2 | | 7 | 5% |
| Wisconsin | 5 | | | | 2 | | 7 | 5% |
| Grand Total | 9 | 84 | 2 | 25 | 20 | 8 | 148 | 110% |

Survey Questions and Responses:

Question 1: How satisfied are you with your sustainable tourism certification program?

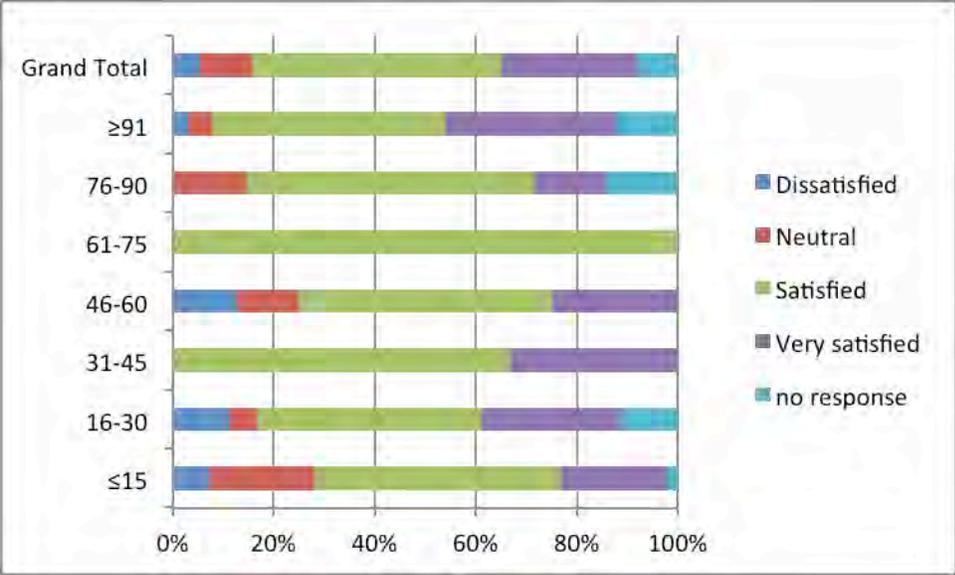
Satisfaction by Location:

| Country: | Dissatisfied | Neutral | Satisfied | Very satisfied | No Response | Grand Total |
|--------------|--------------|---------|-----------|----------------|-------------|-------------|
| Canada | 1 | 5 | 38 | 20 | 7 | 71 |
| Costa Rica | 3 | 4 | 14 | 10 | 1 | 32 |
| Netherlands | | | 4 | 3 | 2 | 9 |
| New Zealand | 4 | 5 | 9 | 3 | 1 | 22 |
| South Africa | | | 2 | 4 | 1 | 7 |
| Wisconsin | | 1 | 6 | | | 7 |
| Grand Total | 8 | 15 | 73 | 40 | 12 | 148 |



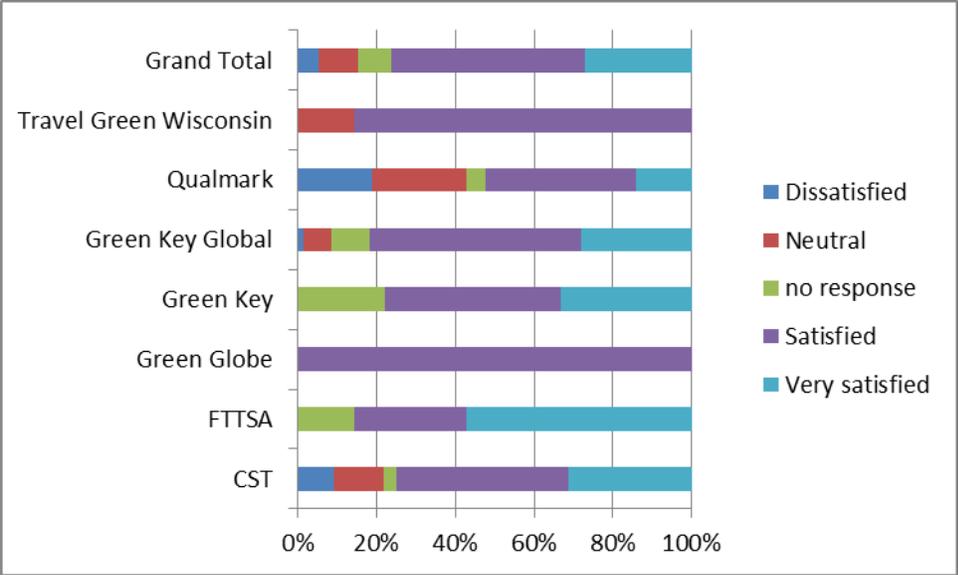
Satisfaction by Size of Accommodation:

| # Rooms | Dissatisfied | Neutral | Satisfied | Very satisfied | No response | Grand Total |
|-------------|--------------|---------|-----------|----------------|-------------|-------------|
| ≤15 | 3 | 9 | 21 | 9 | 1 | 43 |
| 16-30 | 2 | 1 | 8 | 5 | 2 | 18 |
| 31-45 | | | 2 | 1 | | 3 |
| 46-60 | 1 | 1 | 4 | 2 | | 8 |
| 61-75 | | | 4 | | | 4 |
| 76-90 | | 1 | 4 | 1 | 1 | 7 |
| ≥91 | 2 | 3 | 30 | 22 | 8 | 65 |
| Grand Total | 8 | 15 | 73 | 40 | 12 | 148 |



Satisfaction by Certification Program:

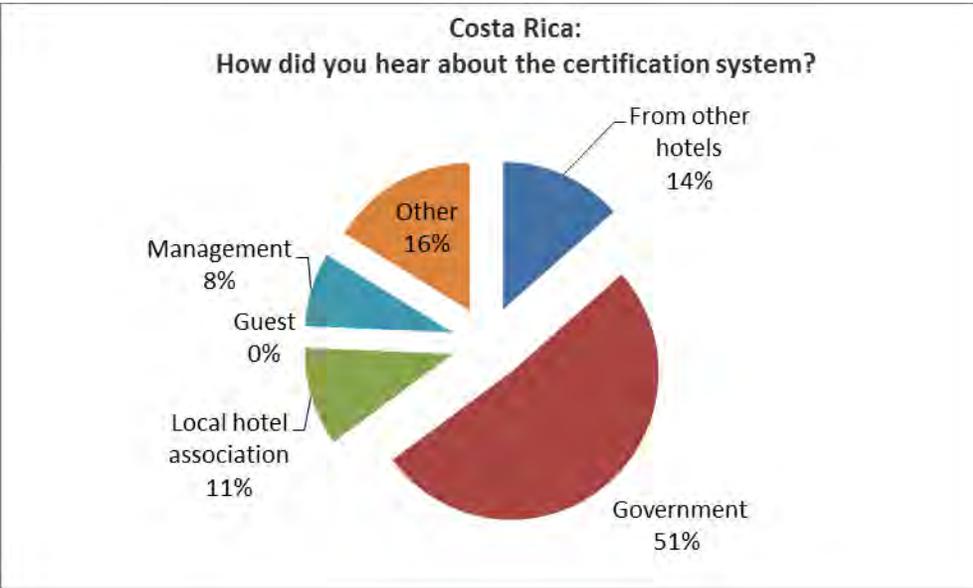
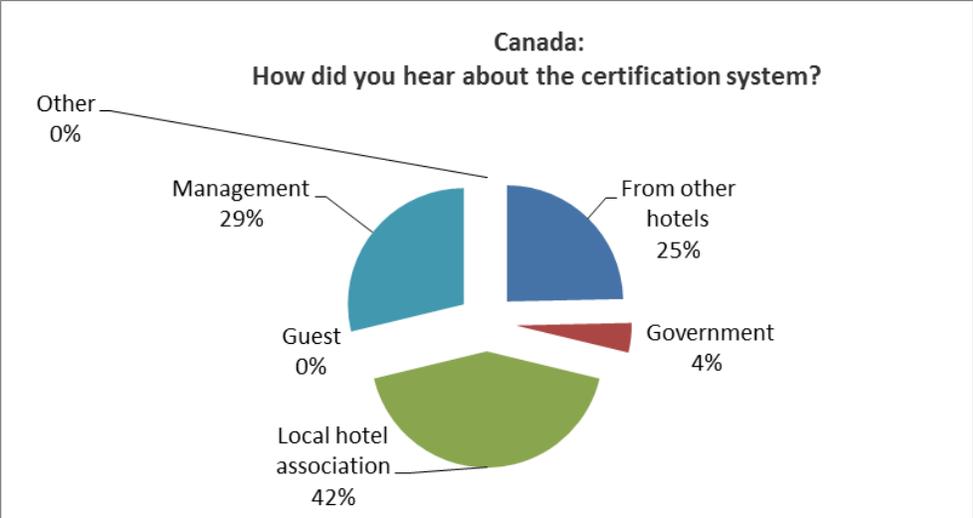
| Certification Program | Dissatisfied | Neutral | No response | Satisfied | Very satisfied | Grand Total |
|-----------------------------|--------------|---------|-------------|-----------|----------------|-------------|
| CST | 3 | 4 | 1 | 14 | 10 | 32 |
| FTTSA | | | 1 | 2 | 4 | 7 |
| Green Globe | | | | 1 | | 1 |
| Green Key | | | 2 | 4 | 3 | 9 |
| Green Key Global Eco-Rating | 1 | 5 | 7 | 38 | 20 | 71 |
| Qualmark Enviro | 4 | 5 | 1 | 8 | 3 | 21 |
| Travel Green Wisconsin | | 1 | | 6 | | 7 |
| Grand Total | 8 | 15 | 12 | 73 | 40 | 148 |



Question 2: How did you hear about the certification program?

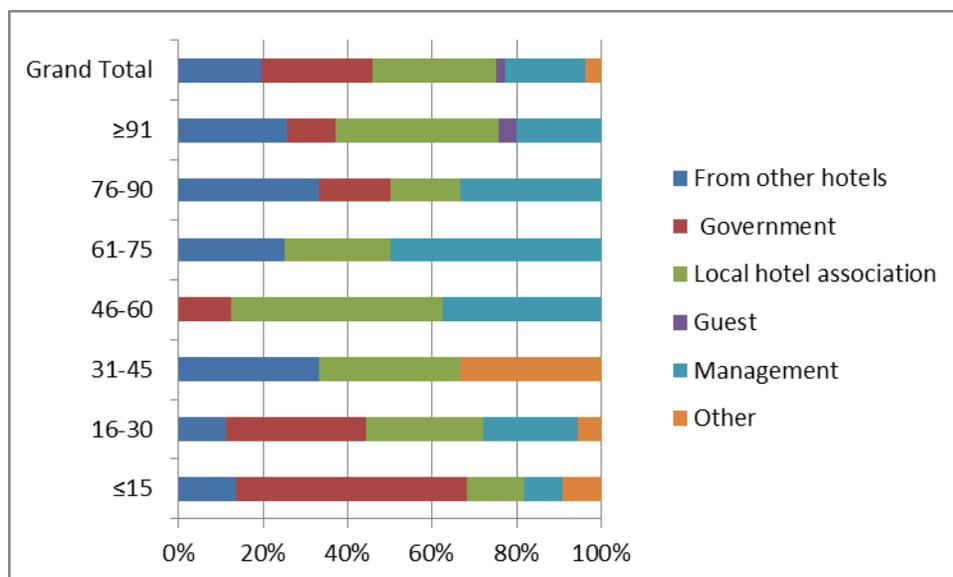
By Location:

| Country/State | From other hotels | Government | Local hotel association | Guest | Management | Other |
|---------------|-------------------|------------|-------------------------|-------|------------|-------|
| Canada | 18 | 3 | 31 | | 21 | |
| Costa Rica | 5 | 19 | 4 | | 3 | 6 |
| Netherlands | 4 | | 1 | 3 | 1 | |
| New Zealand | | 15 | 4 | | 1 | |
| South Africa | 3 | | 1 | | 2 | |
| Wisconsin | | 3 | 4 | | 1 | |
| Grand Total | 30 | 40 | 45 | 3 | 29 | 6 |



By Size of Accommodation:

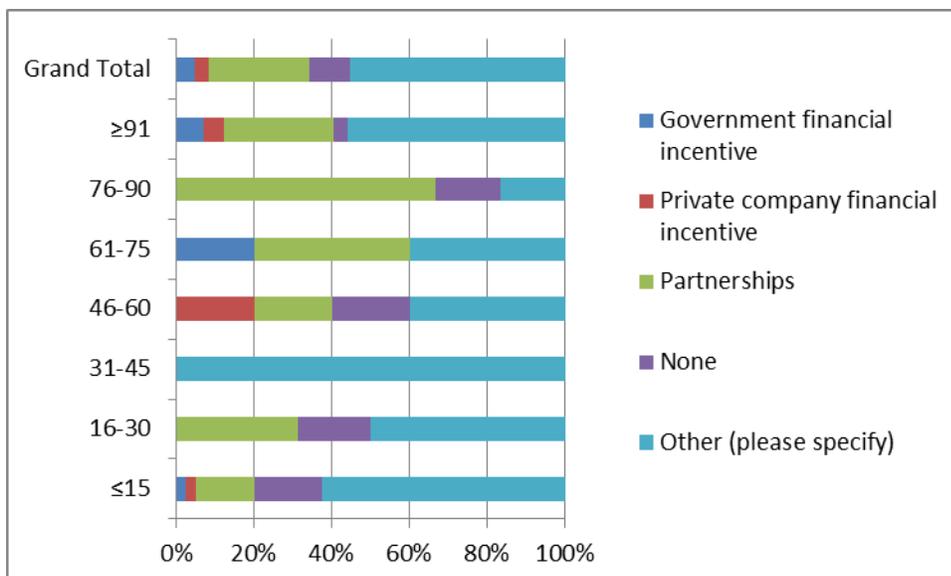
| # Rooms | From other hotels | Government | Local hotel association | Guest | Management | Other |
|---------|-------------------|------------|-------------------------|-------|------------|-------|
| ≤15 | 6 | 24 | 6 | | 4 | 4 |
| 16-30 | 2 | 6 | 5 | | 4 | 1 |
| 31-45 | 1 | | 1 | | | 1 |
| 46-60 | | 1 | 4 | | 3 | |
| 61-75 | 1 | | 1 | | 2 | |
| 76-90 | 2 | 1 | 1 | | 2 | |



Question 3: What incentives were in place to join the certification program? Select all that apply.

By Location:

| Country/State | Government financial incentive | Private company financial incentive | Partnerships | None | Other (please specify) |
|---------------|--------------------------------|-------------------------------------|--------------|------|------------------------|
| Canada | 1 | 4 | 20 | | 34 |
| Costa Rica | | 1 | 6 | 14 | 13 |
| Netherlands | 4 | | 2 | | 2 |
| New Zealand | | | 3 | | 16 |
| South Africa | 1 | | | | 4 |
| Wisconsin | | | 3 | | 4 |
| Grand Total | 6 | 5 | 34 | 14 | 73 |



Feedback from respondents who saw other incentives by certification body:

CST

- IDB contribution in training
- Helping the environment
- Commitment to the environment
- Discounts on the participation in fairs
- Government helps with some publicity efforts
- The government did not help with certification
- Fight for Environmental Conservation
- Improve image
- Promotion and to differentiate ourselves from other hotels
- Recognition of our best practices
- Recognition in the area.
- Sustainable satisfaction.

FTTSA

- Expore
- No incentives
- None

Green Globe

- No incentive attached.

Green Key

- Governmental bookers need to check the level of sustainability and need to book their event with the most sustainable provider.
- More and more guests only book if you have a certificate.

Green Key Global Eco-Rating

- Advertising and bragging rights.
- As individuals, we try hard to leave a small footprint, ecologically speaking. We wanted a certification program that would communicate that to our guests.
- Be a good citizen. Room sales from environmentally conscious companies.
- Brand discount.
- Clients look for us to be more eco friendly.
- Competitive positioning.
- Continued sustainability is part of our company philosophy. It is also a great informative tool to our guests.
- Corporate guests requiring certification.
- Firstly, a long-term desire to green the hotel. Secondly, to allow our property to be more attractive to all markets.
- Franchisor provided payment for certification.
- Good business practice.
- Guest appreciation.
- It is important to our guests that we operate sustainably and responsibly. Although we already had many programs in place internally to reduce our environmental impacts, it is beneficial to join a large-scale sustainability program that has consistent standards of which guests and corporate clients can use to base their stay/meeting/event choices on.
- Join the green rush.
- No direct incentives.
- No financial incentives - part of company philosophy.
- No incentives were available at the time.
- None.
- None - it is an Ownership cornerstone and competitive advantage in keeping with Doing The Right Thing.
- Increasing the likelihood that government would book the rooms.
- Not Certain.
- Only personal value.
- Our Corporate Green Program.
- Property wanted to be green and uses green products.
- Self-knowledge that all areas reviewed were being addressed by our property.
- The pride to have an official Eco-rating.
- The recognition.
- To be better stewards of our environment. Use great rating as advertising for hotel.

- To effect business relationships.
- We wanted a barometer for how we are faring in the sustainability realm of our industry.
- We wished to join.

Qualmark Enviro

- Environmental satisfaction.
- Individually assessed no incentives certificate only.
- Industry recognition.
- Marketing tool, recognition of efforts
- Nil
- No incentives
- No incentives were offered by anyone
- No incentives: we pay our way
- None
- None - the environmental "award" relates to the score you receive on the sustainability portion of your larger assessment.
- Nothing other than marketing opportunity.
- Recognition.
- Top listing on Tourism New Zealand website.

Travel Green Wisconsin

- Advertising a niche market.
- Distinction by State Tourism Dept.
- We were offered no incentives.
- Your name on the list.

Question 4: Would you change any of the following with regards to the certification program?

By Location:

| Country/State | Promotion/Marketing | Indicators/Criteria | Assessment/Auditing |
|---------------|---------------------|---------------------|---------------------|
| Canada | 58 | 51 | 53 |
| Costa Rica | 25 | 24 | 21 |
| Netherlands | 7 | 7 | 7 |
| New Zealand | 19 | 19 | 18 |
| South Africa | 4 | 4 | 5 |
| Wisconsin | 5 | 4 | 5 |
| Grand Total | 118 | 109 | 109 |

By Size of Accommodation:

| # Rooms | Promotion/Marketing | Indicators/Criteria | Assessment/Auditing |
|-------------|---------------------|---------------------|---------------------|
| ≤15 | 36 | 33 | 32 |
| 16-30 | 13 | 13 | 10 |
| 31-45 | 2 | 1 | 2 |
| 46-60 | 8 | 8 | 8 |
| 61-75 | 4 | 3 | 3 |
| 76-90 | 5 | 5 | 4 |
| ≥91 | 50 | 46 | 50 |
| Grand Total | 118 | 109 | 109 |

By Type of Accommodation:

| Accommodation Type | Promotion/Marketing | Indicators/Criteria | Assessment/Auditing |
|------------------------|---------------------|---------------------|---------------------|
| Bed & Breakfast | 7 | 6 | 7 |
| Hotel | 68 | 60 | 61 |
| Inn | 1 | 1 | |
| Lodge | 18 | 18 | 15 |
| Other (please specify) | 17 | 17 | 18 |
| Resort | 7 | 7 | 8 |
| Grand Total | 118 | 109 | 109 |

By respondents overall level of satisfaction with their certification program:

| Satisfaction Level | Promotion/Marketing | Indicators/Criteria | Assessment/Auditing |
|--------------------|---------------------|---------------------|---------------------|
| Dissatisfied | 6 | 7 | 7 |
| Neutral | 13 | 13 | 12 |
| No response | | | |
| Satisfied | 62 | 55 | 55 |
| Very satisfied | 37 | 34 | 35 |
| Grand Total | 118 | 109 | 109 |

By Certification Program:

| Row Labels | Promotion/Marketing | Indicators/Criteria | Assessment/Auditing |
|-----------------------------|---------------------|---------------------|---------------------|
| CST | 25 | 24 | 21 |
| FTTSA | 4 | 4 | 5 |
| Green Globe | 1 | 1 | 1 |
| Green Key | 7 | 7 | 7 |
| Green Key Global Eco-Rating | 58 | 51 | 53 |
| Qualmark Enviro | 18 | 18 | 17 |
| Travel Green Wisconsin | 5 | 4 | 5 |
| Grand Total | 118 | 109 | 109 |

Feedback to what respondents would change about their certification program:

CST

- Marketing could be even better and the CST should make more “noise” about what the certificate means. -The certificate rates exactly the same a big hotel as a small lodge. How is it possible we have the same indicators and criteria than a Marriott or a big chain such Barceló? I don't believe this can continue. It is very demotivating to be compared with these monsters that don't do anything about the environment. In my opinion they just use the CST for marketing and nothing else.
- We will need some technical improvements.
- The government neither helps nor promotes certified hotels.
- Marketing should be even better.
- Thanks to the certification to all hotel operations have been standardized, which allows us to have stronger marketing as well.
- There are more indicators that can be assessed. There are some questions that do not conform to the reality of the region where our properties are.
- Assessments should be tailored to each company, evaluators need to share the same criteria.
- New formats to improve monitoring and compliance.
- To motivate and encourage the growth of tourist entities that have the CST would benefit from a specific marketing for only those who already have the program certification.

- CST should improve its marketing. It does not always bring benefits related to promotion as a recognized certification should. Also, there are many environmental and sustainability certifications in the world which confuses the final consumer.

FTTSA

- Make it more user friendly.
- The certification process is a bit of a nightmare for many so that they need to make easier and also the criteria so more properties feel they want to join.

Green Globe

- While the hotel utilizes the program, in general our being part of the certification it is not well known by the guests.

Green Key

- Criteria are pretty tough and often require investment, which is not always possible.
- Green Key for continuing to provide value by providing information about the latest green initiatives and products.
- More could be done to educate guests about the different sustainability measures that our hotels have implemented.

Green Key Global Eco-Rating

- Audits should be conducted every few years
- Being audited on a consistent basis would help to improve our scores
- Easier labeling on our website.
- Eliminate written documentation.
- Great way to promote our location as a "green" business.
- Greater marketing exposure would strengthen the program.
- Having more auditing and assessments take place to ensure all hotels reach their appropriate level.
- I believe more work could be done from the program to help hotels get recognition for their green initiatives. That being said, they have good projects in mind for the next year.
- I don't the general public is at all aware of what the certification means, nor is it part of their selection process when choosing a hotel. It should be, but it isn't.
- I think there needs to be more information about what you can do to move to next level and how to develop a next step plan
- Increase Assessment
- Increased in depth audits
- It is difficult to design a 'one size fits all program' but we are so small that some of the criteria really do not apply.
- Little to no auditing is done.
- More Marketing/explanation. Audits are not done on a regular basis.
- More promotion and marketing to increase awareness.
- More promotion by the Certifying Organization so the public understands what the certification levels mean - More direct property audits providing more specific direction on how to move from one level to another.
- Needs to be more widely known and appreciated by customers.
- Not even sure where we are promoted being a green key member.
- Need to provide solutions or extra training to achieve highest level of certification
- Satisfied with current program

- Share more ideas between hotels
- Some of the areas are too detailed for a limited service hotel
- The program is well known in the industry, but I think there is room to gain marketable awareness of the rating program and recognition for participants.
- There could be more scheduled audits
- There is not enough flexibility in the program to account for government limitations.
- Too easy, need third party verification
- Well known in our industry but not by our guests.
- Should raise awareness level and more aggressively market.

Qualmark Enviro

- The criteria need to be more thorough.
- I do not agree with the emphasis put on "sustainable tourism."
- I have a private company doing my audits, at a cost.
- If Air NZ can get a gold anyone in the world can get a gold! (It doesn't mean much.)
- Marketing-should be more by the government; assessment is too frequent.
- More regular assessment, better Qualmark Enviro marketing.
- More spent on promotion.
- Marketing is left for the hotels to do.
- The criteria & indicators are expansive so time-consuming to address but also arbitrary/non-targeted so not very sensitive or meaningful
- The criteria are not set for small premises in remote locations - only large hotels in cities!
- The program is not perfect.
- There is a difference between people who live up their award & people who just tick boxes. Some of the criteria don't mean much & some that could be weighted higher & are significant are not strongly weighted.

Travel Green Wisconsin

- A better definition of what green is or should be.
- More marketing.
- The general point program does not adequately take into account small businesses special needs and limitations.

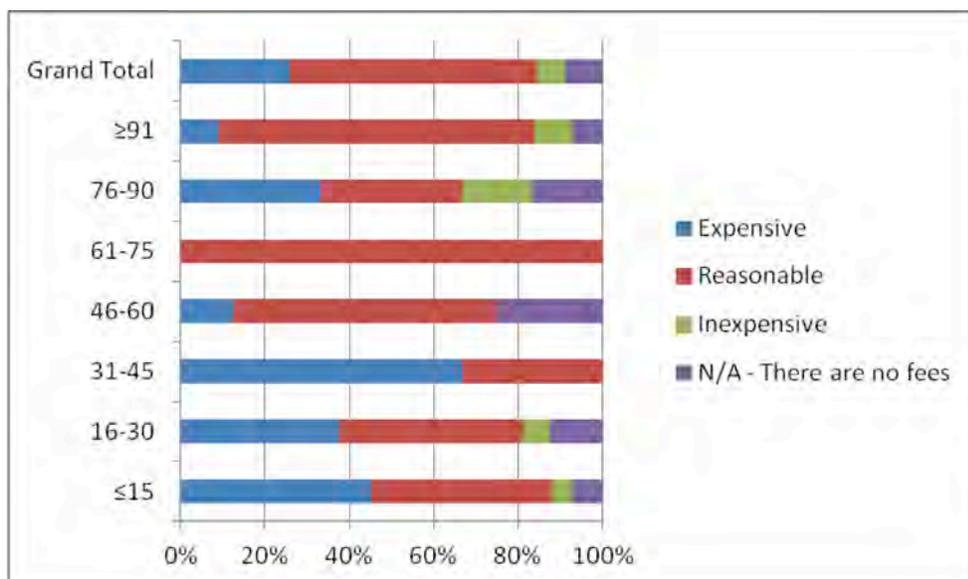
Question 5: The fees associated with the program are?

By Location:

| Country/State | Expensive | Reasonable | Inexpensive | N/A - There are no fees | Grand Total |
|---------------|-----------|------------|-------------|-------------------------|-------------|
| Canada | 5 | 50 | 2 | 6 | 63 |
| Costa Rica | 18 | 7 | 2 | 4 | 31 |
| Netherlands | | 4 | 3 | | 7 |
| New Zealand | 6 | 14 | | 1 | 21 |
| South Africa | 5 | 1 | | | 6 |
| Wisconsin | 1 | 3 | 2 | 1 | 7 |
| Grand Total | 35 | 79 | 9 | 12 | 135 |

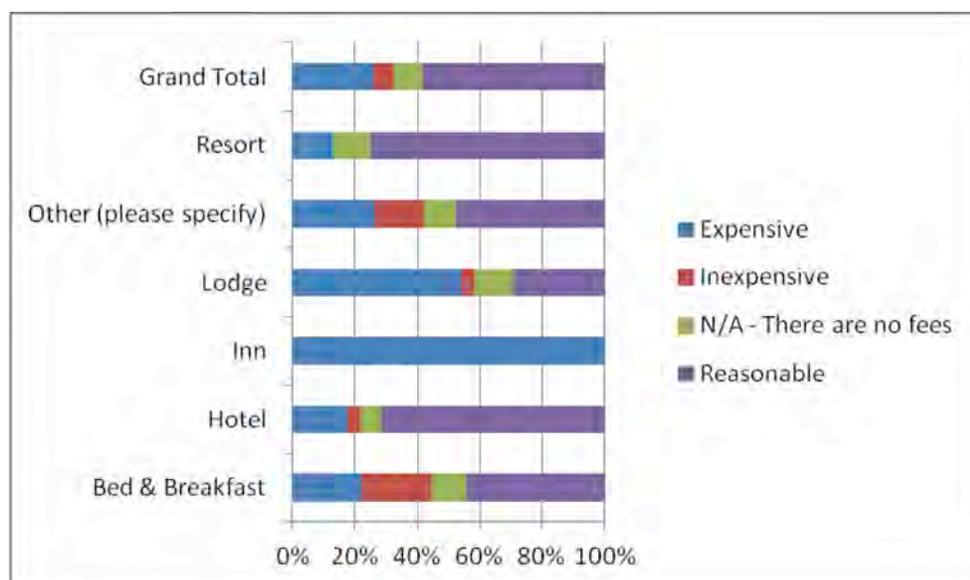
By Size of Accommodation:

| # Rooms | Expensive | Reasonable | Inexpensive | N/A - There are no fees | Grand Total |
|-------------|-----------|------------|-------------|-------------------------|-------------|
| ≤15 | 19 | 18 | 2 | 3 | 42 |
| 16-30 | 6 | 7 | 1 | 2 | 16 |
| 31-45 | 2 | 1 | | | 3 |
| 46-60 | 1 | 5 | | 2 | 8 |
| 61-75 | | 4 | | | 4 |
| 76-90 | 2 | 2 | 1 | 1 | 6 |
| ≥91 | 5 | 42 | 5 | 4 | 56 |
| Grand Total | 35 | 79 | 9 | 12 | 135 |



By Type of Accommodation:

| Accommodation Type | Expensive | Inexpensive | N/A - There are no fees | Reasonable | Grand Total |
|------------------------|-----------|-------------|-------------------------|------------|-------------|
| Bed & Breakfast | 2 | 2 | 1 | 4 | 9 |
| Hotel | 13 | 3 | 5 | 53 | 74 |
| Inn | 1 | | | | 1 |
| Lodge | 13 | 1 | 3 | 7 | 24 |
| Other (please specify) | 5 | 3 | 2 | 9 | 19 |
| Resort | 1 | | 1 | 6 | 8 |
| Grand Total | 35 | 9 | 12 | 79 | 135 |

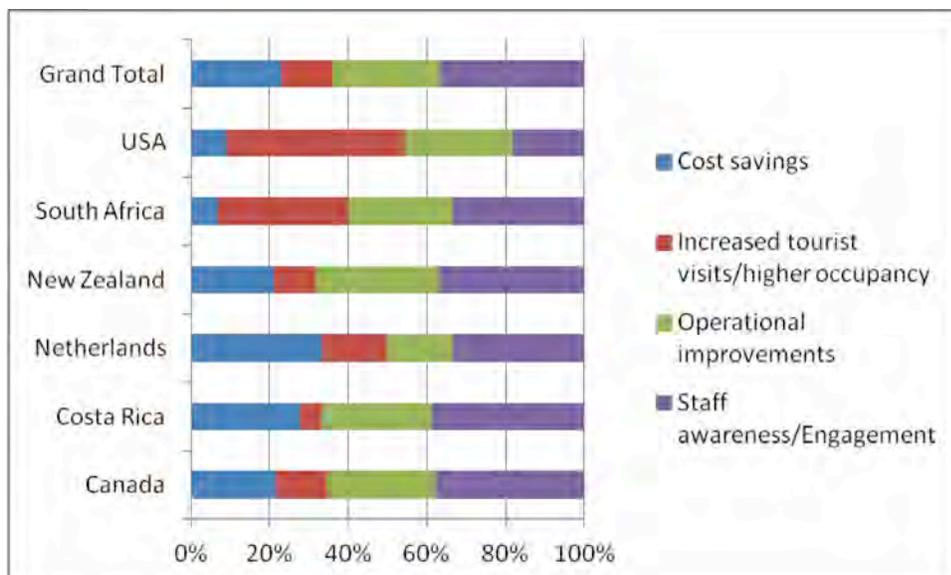


Question 6: What benefits have you realized since being certified? Please select all that apply.

By Location:

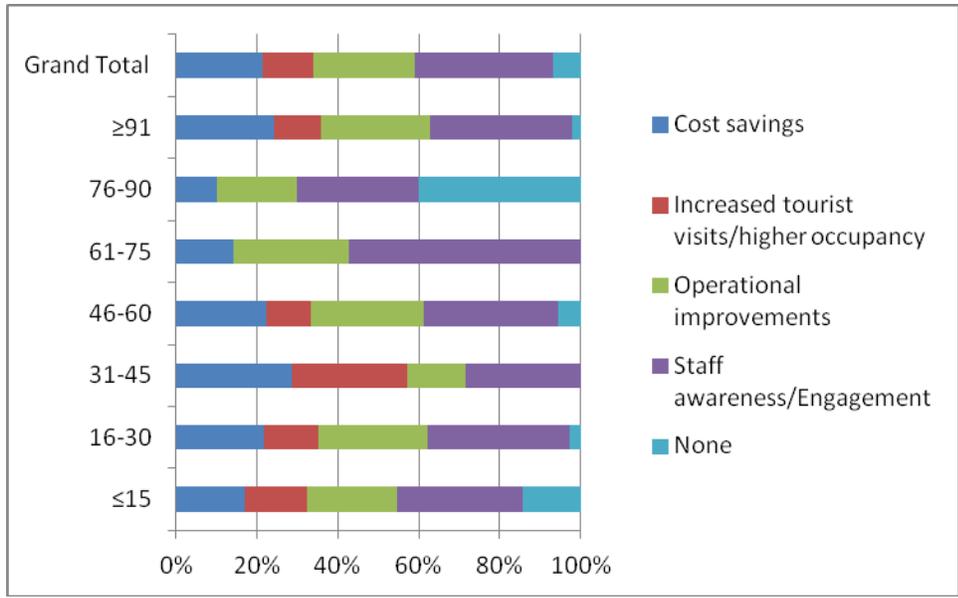
| Country/State | Cost savings | Increased tourist visits/higher occupancy | Operational improvements | Staff awareness/Engagement | None |
|---------------|--------------|---|--------------------------|----------------------------|------|
| Canada | 30 | 18 | 38 | 52 | 7 |
| Costa Rica | 21 | 4 | 21 | 29 | 1 |
| Netherlands | 6 | 3 | 3 | 6 | |
| New Zealand | 4 | 2 | 6 | 7 | 11 |

| | | | | | |
|--------------|----|----|----|-----|----|
| South Africa | 1 | 5 | 4 | 5 | |
| Wisconsin | 1 | 5 | 3 | 2 | 1 |
| Grand Total | 63 | 37 | 75 | 101 | 20 |



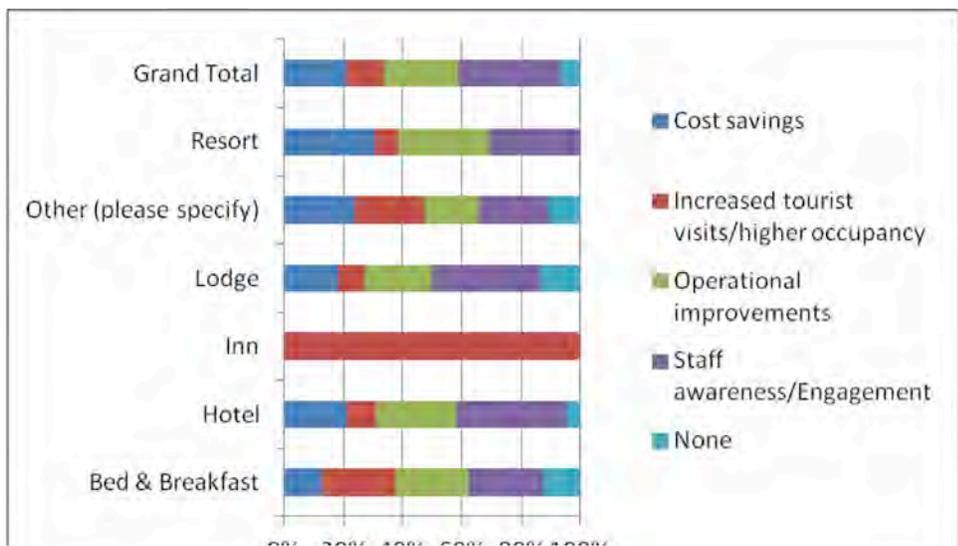
By Size of Accommodation:

| # Rooms | Cost savings | Increased tourist visits/higher occupancy | Operational improvements | Staff awareness/Engagement | None |
|-------------|--------------|---|--------------------------|----------------------------|------|
| ≤15 | 13 | 12 | 17 | 24 | 11 |
| 16-30 | 8 | 5 | 10 | 13 | 1 |
| 31-45 | 2 | 2 | 1 | 2 | |
| 46-60 | 4 | 2 | 5 | 6 | 1 |
| 61-75 | 1 | | 2 | 4 | |
| 76-90 | 1 | | 2 | 3 | 4 |
| ≥91 | 34 | 16 | 38 | 49 | 3 |
| Grand Total | 63 | 37 | 75 | 101 | 20 |



By Type of Accommodation:

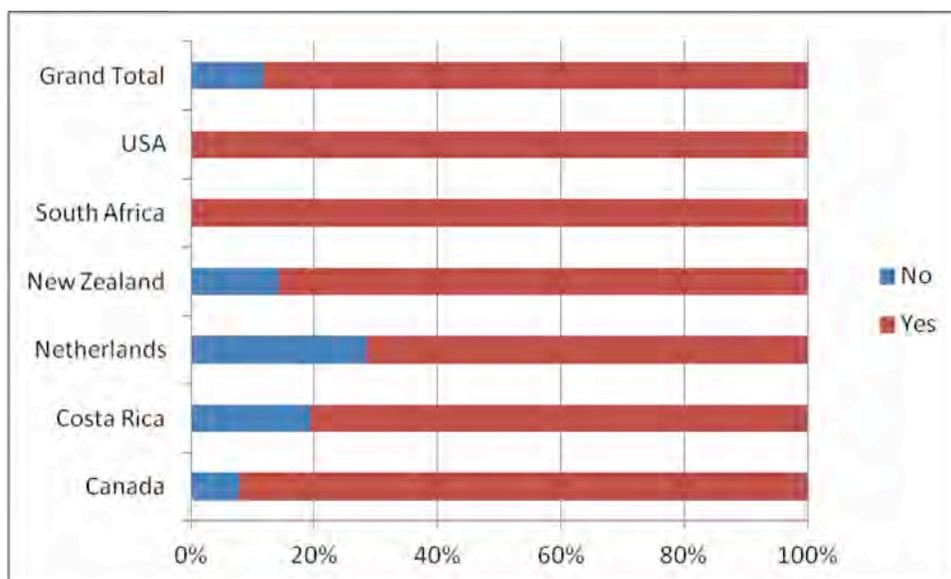
| Accommodation Type | Cost savings | Increased tourist visits/higher occupancy | Operational improvements | Staff awareness/Engagement | None |
|------------------------|--------------|---|--------------------------|----------------------------|------|
| Bed & Breakfast | 2 | 4 | 4 | 4 | 2 |
| Hotel | 36 | 17 | 46 | 64 | 8 |
| Inn | | 1 | | | |
| Lodge | 8 | 4 | 10 | 16 | 6 |
| Other (please specify) | 9 | 9 | 7 | 9 | 4 |
| Resort | 8 | 2 | 8 | 8 | |
| Grand Total | 63 | 37 | 75 | 101 | 20 |



Question 7: Are you using this certification as a marketing tool?

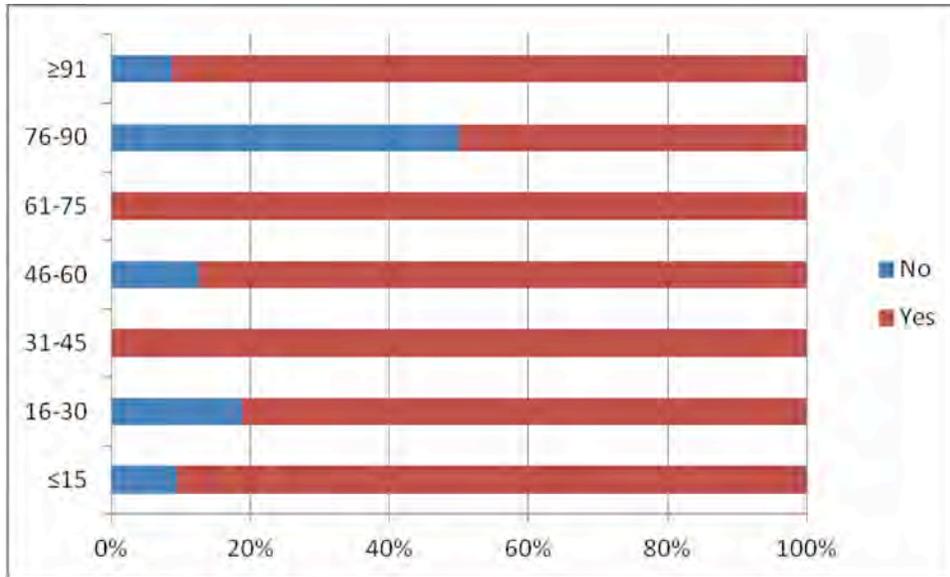
By Location:

| Country/State | No | Yes | Grand Total |
|---------------|----|-----|-------------|
| Canada | 5 | 59 | 64 |
| Costa Rica | 6 | 25 | 31 |
| Netherlands | 2 | 5 | 7 |
| New Zealand | 3 | 18 | 21 |
| South Africa | | 6 | 6 |
| Wisconsin | | 7 | 7 |
| Grand Total | 16 | 120 | 136 |



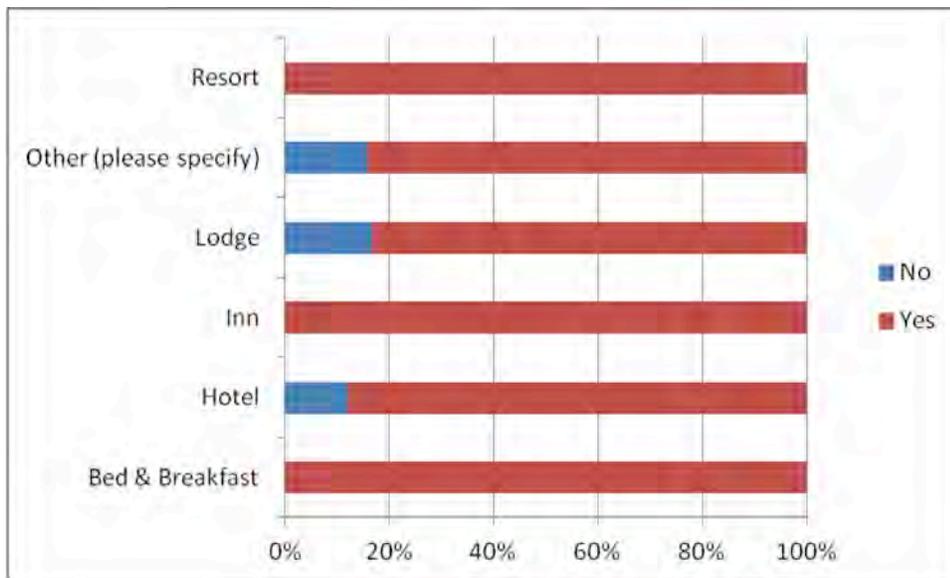
By Size of Accommodation:

| # Rooms | No | Yes | Grand Total |
|-------------|----|-----|-------------|
| ≤15 | 4 | 38 | 42 |
| 16-30 | 3 | 13 | 16 |
| 31-45 | | 3 | 3 |
| 46-60 | 1 | 7 | 8 |
| 61-75 | | 4 | 4 |
| 76-90 | 3 | 3 | 6 |
| ≥91 | 5 | 52 | 57 |
| Grand Total | 16 | 120 | 136 |



By Type of Accommodation:

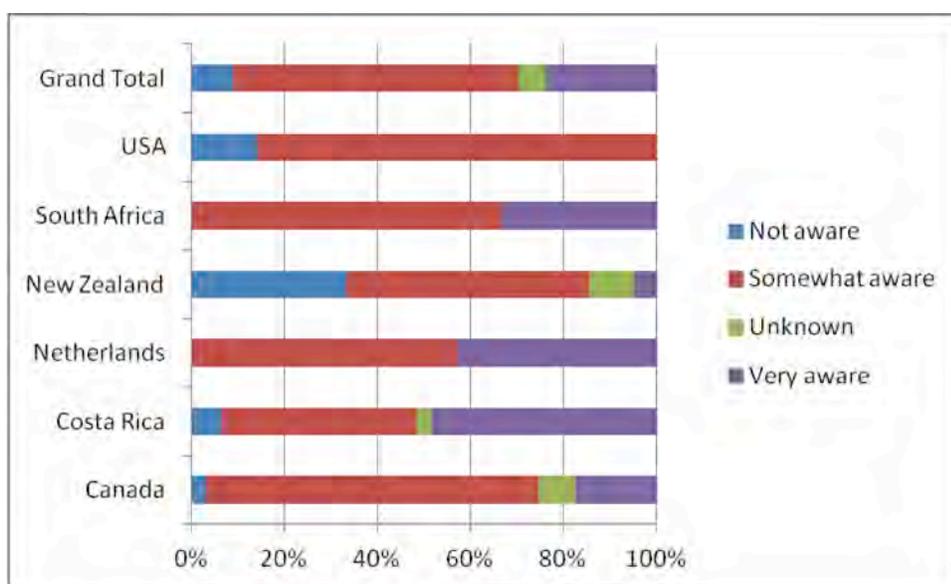
| Accommodation Type | No | Yes | Grand Total |
|------------------------|----|-----|-------------|
| Bed & Breakfast | | 9 | 9 |
| Hotel | 9 | 65 | 74 |
| Inn | | 2 | 2 |
| Lodge | 4 | 20 | 24 |
| Other (please specify) | 3 | 16 | 19 |
| Resort | | 8 | 8 |
| Grand Total | 16 | 120 | 136 |



Question 8: How aware is your clientele of the certification?

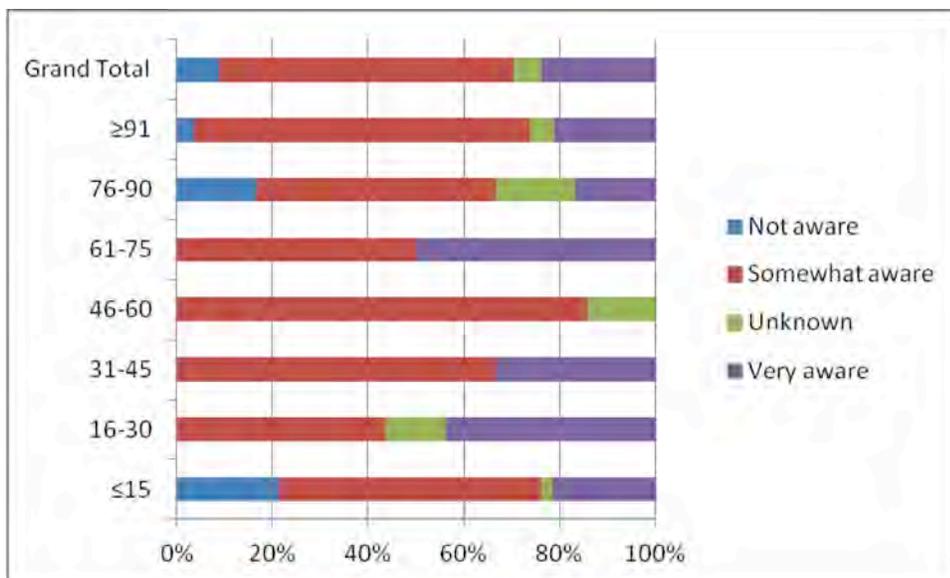
By Location:

| Country | Not aware | Somewhat aware | Unknown | Very aware | Grand Total |
|--------------|-----------|----------------|---------|------------|-------------|
| Canada | 2 | 45 | 5 | 11 | 63 |
| Costa Rica | 2 | 13 | 1 | 15 | 31 |
| Netherlands | | 4 | | 3 | 7 |
| New Zealand | 7 | 11 | 2 | 1 | 21 |
| South Africa | | 4 | | 2 | 6 |
| Wisconsin | 1 | 6 | | | 7 |
| Grand Total | 12 | 83 | 8 | 32 | 135 |



By Size of Accommodation:

| # Rooms | Not aware | Somewhat aware | Unknown | Very aware | Grand Total |
|-------------|-----------|----------------|---------|------------|-------------|
| ≤15 | 9 | 23 | 1 | 9 | 42 |
| 16-30 | | 7 | 2 | 7 | 16 |
| 31-45 | | 2 | | 1 | 3 |
| 46-60 | | 6 | 1 | | 7 |
| 61-75 | | 2 | | 2 | 4 |
| 76-90 | 1 | 3 | 1 | 1 | 6 |
| ≥91 | 2 | 40 | 3 | 12 | 57 |
| Grand Total | 12 | 83 | 8 | 32 | 135 |



By Type of Accommodation:

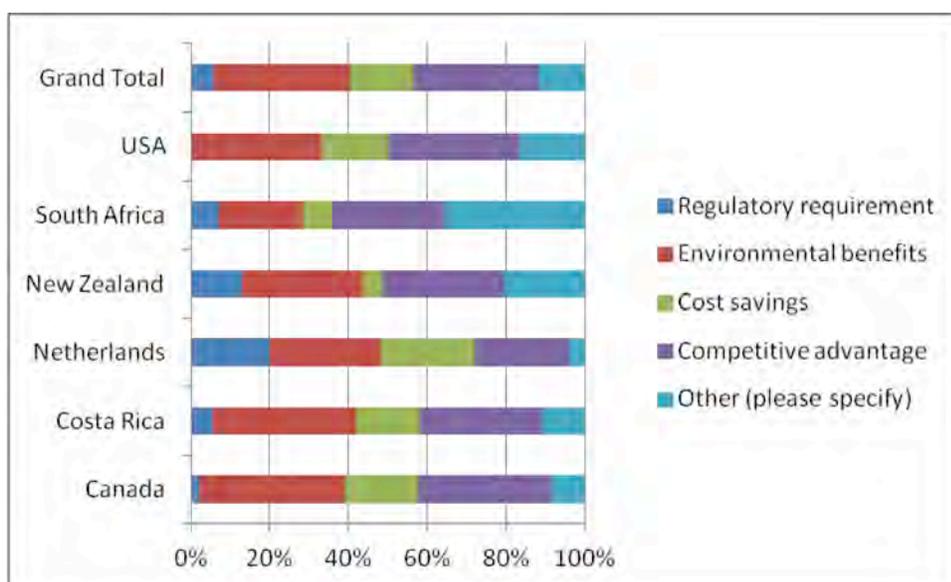
| Accommodation Type | Not aware | Somewhat aware | Unknown | Very aware | Grand Total |
|------------------------|-----------|----------------|---------|------------|-------------|
| Bed & Breakfast | 2 | 6 | 1 | | 9 |
| Hotel | 3 | 49 | 4 | 17 | 73 |
| Inn | | 1 | 1 | | 2 |
| Lodge | 5 | 10 | 1 | 8 | 24 |
| Other (please specify) | 2 | 11 | 1 | 5 | 19 |
| Resort | | 6 | | 2 | 8 |
| Grand Total | 12 | 83 | 8 | 32 | 135 |



Question 9: Why did you become certified? Please select all that apply.

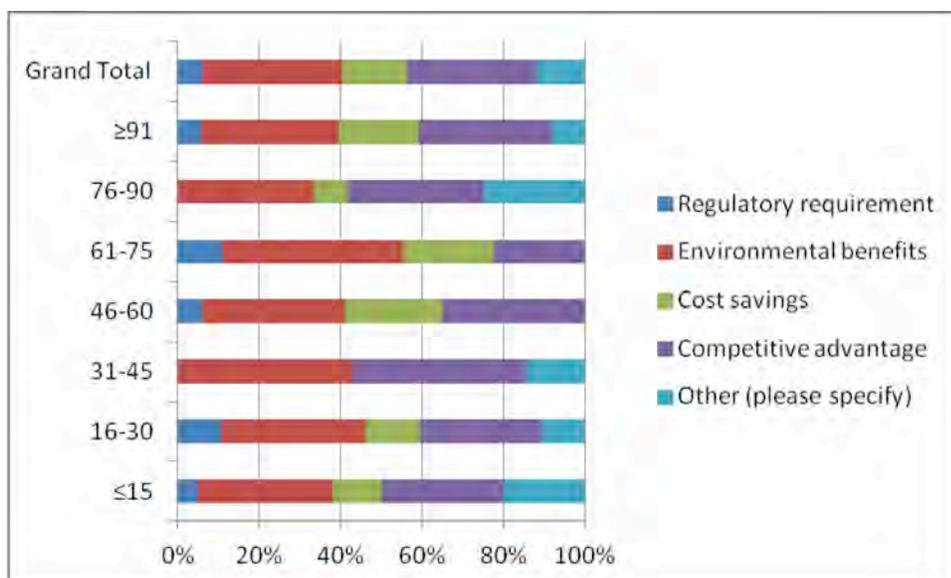
By Location:

| Country/State | Regulatory requirement | Environmental benefits | Cost savings | Competitive advantage | Other (please specify) |
|---------------|------------------------|------------------------|--------------|-----------------------|------------------------|
| Canada | 3 | 52 | 26 | 48 | 12 |
| Costa Rica | 4 | 27 | 12 | 23 | 8 |
| Netherlands | 5 | 7 | 6 | 6 | 1 |
| New Zealand | 5 | 12 | 2 | 12 | 8 |
| South Africa | 1 | 3 | 1 | 4 | 5 |
| Wisconsin | | 4 | 2 | 4 | 2 |
| Grand Total | 18 | 105 | 49 | 97 | 36 |



By Size of Accommodation:

| # Rooms | Regulatory requirement | Environmental benefits | Cost savings | Competitive advantage | Other (please specify) |
|-------------|------------------------|------------------------|--------------|-----------------------|------------------------|
| ≤15 | 4 | 29 | 10 | 26 | 17 |
| 16-30 | 4 | 13 | 5 | 11 | 4 |
| 31-45 | | 3 | | 3 | 1 |
| 46-60 | 1 | 6 | 4 | 6 | |
| 61-75 | 1 | 4 | 2 | 2 | |
| 76-90 | | 4 | 1 | 4 | 3 |
| ≥91 | 8 | 46 | 27 | 45 | 11 |
| Grand Total | 18 | 105 | 49 | 97 | 36 |



By Type of Accommodation:

| Accommodation Type | Regulatory requirement | Environmental benefits | Cost savings | Competitive advantage | Other (please specify) |
|------------------------|------------------------|------------------------|--------------|-----------------------|------------------------|
| Bed & Breakfast | | 6 | 2 | 7 | 2 |
| Hotel | 9 | 59 | 30 | 57 | 17 |
| Inn | | 1 | 1 | 2 | |
| Lodge | 4 | 16 | 4 | 15 | 9 |
| Other (please specify) | 4 | 15 | 7 | 10 | 8 |
| Resort | 1 | 8 | 5 | 6 | |
| Grand Total | 18 | 105 | 49 | 97 | 36 |

Feedback from respondents by certification body:

CST

- Compromiso social en todos sus alcances
- Community benefits.
- Environmental awareness.
- Self-initiative and things that we applied directly.
- Hotel policies established since 1996. Protect and preserve natural resources.
- Ease of educating employees.
- We think this should be a MUST and not a choice.

FTTSA

- Because we support the initiative even before getting certified. Was great to be certified for doing good work.
- Choice of principle.
- Community involvement.
- Ethical principle
- Right thing to do

Green Globe

- Appropriate for our brand's ethos and staff involvement

Green Key

- It was felt that customers, especially young ones, not so much demand but also expect a green label. Jaarbeurs Utrecht joined Green Key not to stand out, but because we felt that we would stand out in a negative sense by not being a member.

Green Key Eco-Rating Program

- Best Western International guidelines
- Community is very eco friendly and a leader in environmental programs - staff and management are very aware of the environment in daily lives - and wish to work and live with sustainable programs
- Guests appreciate that we are doing something to be a, "Greener" business. It is becoming an expectation.
- Head office regulated.
- Increase attractiveness of property on web and when guest is on site.
- To learn more.
- Ownership cornerstone.
- Encourage ownership.
- See answer for question 5.
- Our hotels have a mission to work towards continued sustainability.
- To demonstrate environmental responsibility to our guests and employees.
- We wish to make a difference

Qualmark Enviro

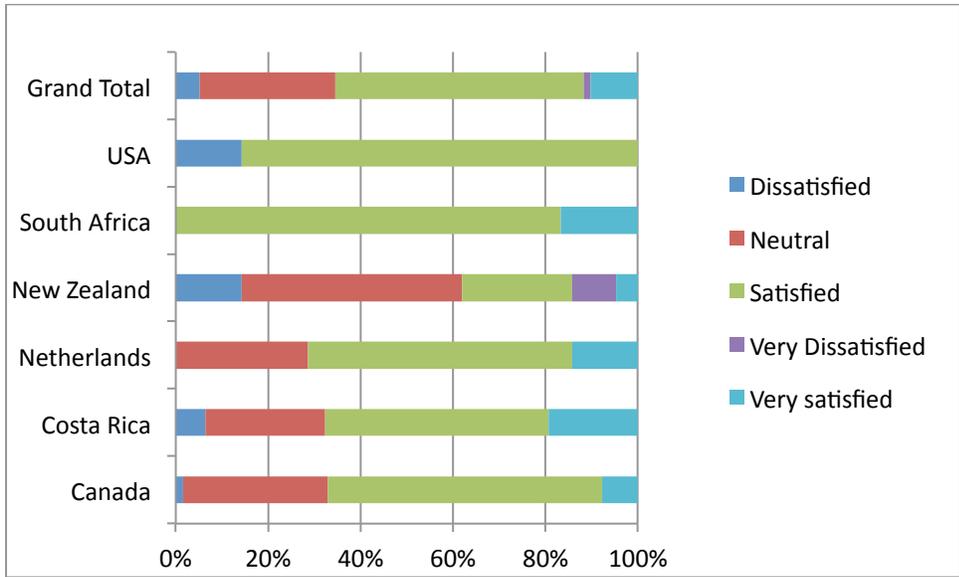
- Bought the business.
- It is good to have a check on what you are doing vs. the industry.
- Recognition of how we live & work & competitive advantage.
- This award was ascribed to us without us applying for it.
- We do all the initiatives anyway because we live in a rural location not because of the certification.
- We were doing it anyway so why not be certified.

- We would have taken all the measures we have anyway as we are committed to sustainability. So the certification just gives us a way us demonstrating to our customers that we are serious about it and deliver at an independently verified level.
- Environmental engagement.
- Fits our business model & personal goals.

Question 10: How satisfied are you with the value that the sustainable tourism certification program has brought to your overall business?

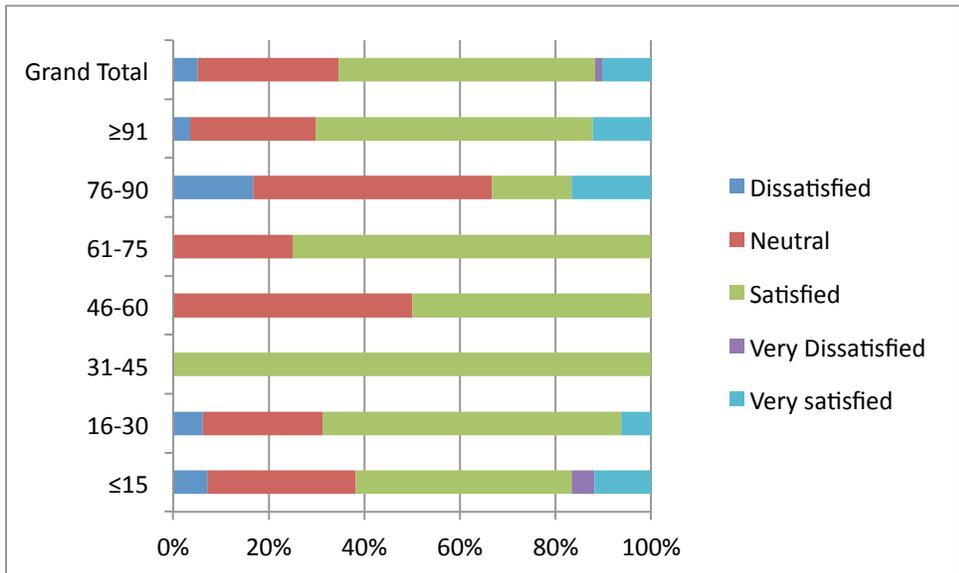
By Location:

| Country/State | Dissatisfied | Neutral | Satisfied | Very dissatisfied | Very satisfied | Grand Total |
|---------------|--------------|---------|-----------|-------------------|----------------|-------------|
| Canada | 1 | 20 | 38 | | 5 | 64 |
| Costa Rica | 2 | 8 | 15 | | 6 | 31 |
| Netherlands | | 2 | 4 | | 1 | 7 |
| New Zealand | 3 | 10 | 5 | 2 | 1 | 21 |
| South Africa | | | 5 | | 1 | 6 |
| Wisconsin | 1 | | 6 | | | 7 |
| Grand Total | 7 | 40 | 73 | 2 | 14 | 136 |



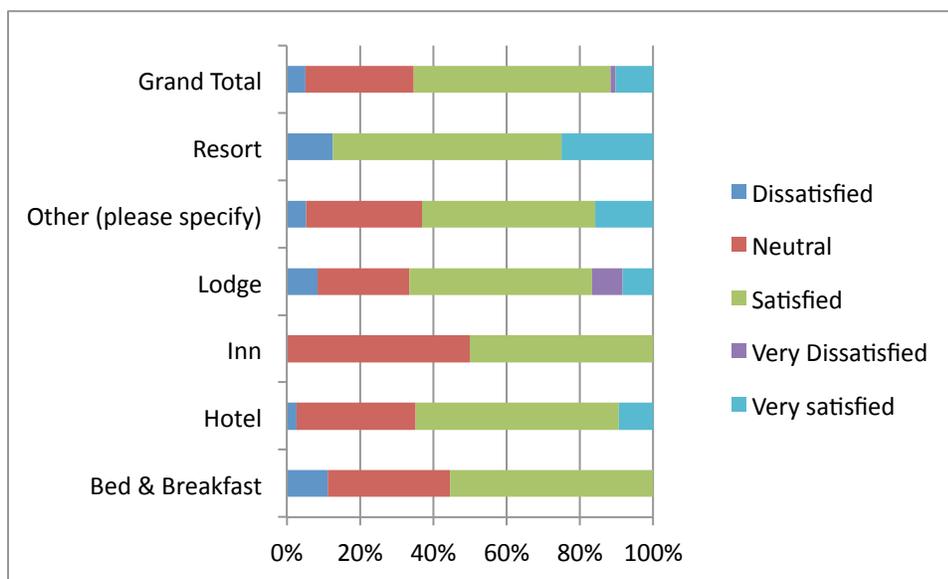
By Size of Accommodation:

| # Rooms | Dissatisfied | Neutral | Satisfied | Very dissatisfied | Very satisfied | Grand Total |
|-------------|--------------|---------|-----------|-------------------|----------------|-------------|
| ≤15 | 3 | 13 | 19 | 2 | 5 | 42 |
| 16-30 | 1 | 4 | 10 | | 1 | 16 |
| 31-45 | | | 3 | | | 3 |
| 46-60 | | 4 | 4 | | | 8 |
| 61-75 | | 1 | 3 | | | 4 |
| 76-90 | 1 | 3 | 1 | | 1 | 6 |
| ≥91 | 2 | 15 | 33 | | 7 | 57 |
| Grand Total | 7 | 40 | 73 | 2 | 14 | 136 |



By Type of Accommodation:

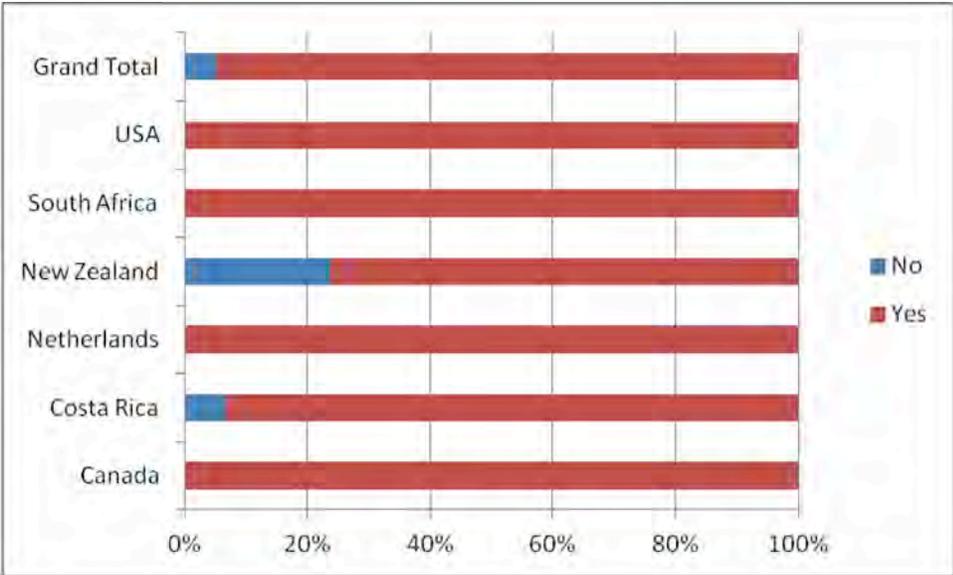
| Accommodation Type | Dissatisfied | Neutral | Satisfied | Very dissatisfied | Very satisfied | Grand Total |
|------------------------|--------------|---------|-----------|-------------------|----------------|-------------|
| Bed & Breakfast | 1 | 3 | 5 | | | 9 |
| Hotel | 2 | 24 | 41 | | 7 | 74 |
| Inn | | 1 | 1 | | | 2 |
| Lodge | 2 | 6 | 12 | 2 | 2 | 24 |
| Other (please specify) | 1 | 6 | 9 | | 3 | 19 |
| Resort | 1 | | 5 | | 2 | 8 |
| Grand Total | 7 | 40 | 73 | 2 | 14 | 136 |



Question 11: Do you plan to re-certify?

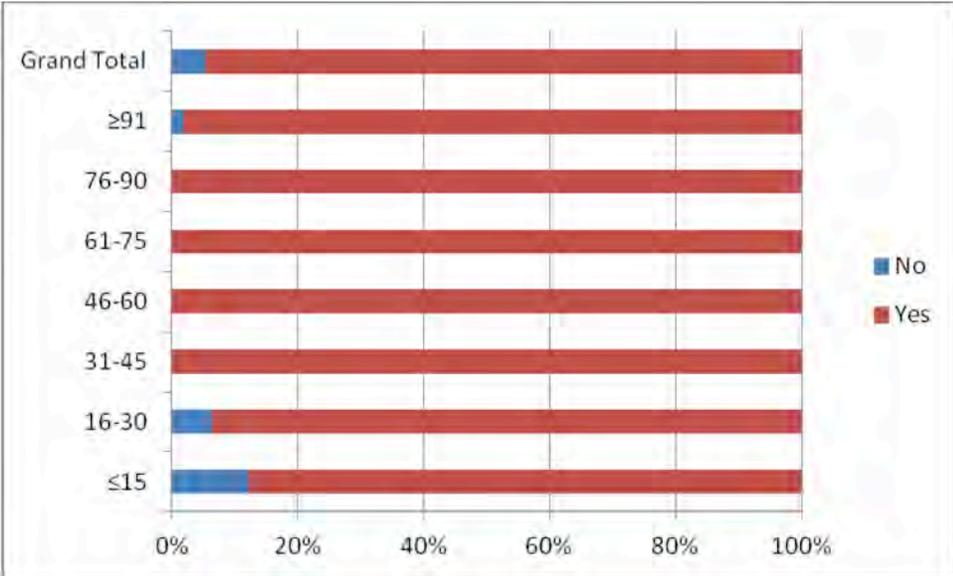
By Location:

| Country/State | No | Yes | Grand Total |
|---------------|----|-----|-------------|
| Canada | | 63 | 63 |
| Costa Rica | 2 | 28 | 30 |
| Netherlands | | 7 | 7 |
| New Zealand | 5 | 16 | 21 |
| South Africa | | 6 | 6 |
| Wisconsin | | 7 | 7 |
| Grand Total | 7 | 127 | 134 |



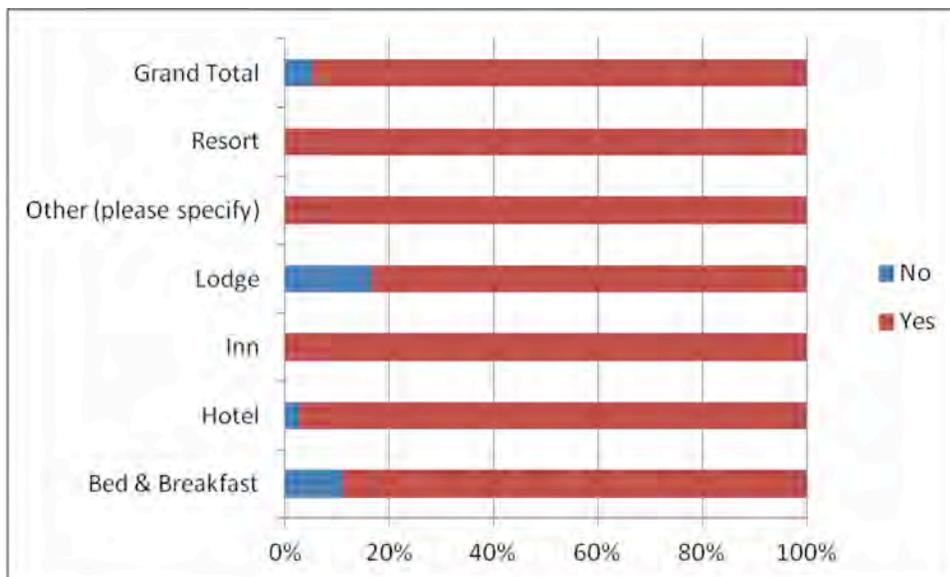
By Size of Accommodation:

| # Rooms | No | Yes | Grand Total |
|-------------|----|-----|-------------|
| ≤15 | 5 | 36 | 41 |
| 16-30 | 1 | 15 | 16 |
| 31-45 | | 3 | 3 |
| 46-60 | | 8 | 8 |
| 61-75 | | 4 | 4 |
| 76-90 | | 6 | 6 |
| ≥91 | 1 | 55 | 56 |
| Grand Total | 7 | 127 | 134 |
| # Rooms | No | Yes | Grand Total |



By Type of Accommodation:

| Accommodation Type | No | Yes | Grand Total |
|------------------------|----|-----|-------------|
| Bed & Breakfast | 1 | 8 | 9 |
| Hotel | 2 | 70 | 72 |
| Inn | | 2 | 2 |
| Lodge | 4 | 20 | 24 |
| Other (please specify) | | 19 | 19 |
| Resort | | 8 | 8 |
| Grand Total | 7 | 127 | 134 |



Question 12: Open ended responses.

By Certification Program:

CST

- We are currently in the process of recertification
- Helping the company, order certain things if they are not. For example an accounting more orderly, regular inventories and encouraged to use resources appropriately naturales.
- We believe that the CST is a valuable environmental certification program, if we believe that the assessment does not differentiate hotels rurales areas with city hotels, plus some questions are very rigorous and are not open. Then certified hotels increased demand generated evaluators and control systems that currently are just as scarce. Hotel companies think that in a high cost of investment but is actually gradual.

- Wish to continue certificate
- The certificate CST needs many changes
- The CST is a tool that maximizes the entrepreneur's commitment ara tourist with its environment, a totally necessary and must be harmonized to the sustain the tourist areas.
- The fall in love is the most important program.
- The sustainable business model making is the best way to positively impact the communities and ecosystems. More than a fashion must be a real and effective commitment to the management of sustainable development, thanks
- The certification takes a long time "bureaucratic" is not always useful, such as daily record the weight of the trash or water meter and light. For small business / family the time needed to keep all this part of a day is a lot, especially in time of crisis, the working staff has been greatly reduced. Serious enough to score once a week.
- The vast majority of our customers comment - or inclusion or initial motivation-that the CST and the policy of our hotel together with government support is a very important part of your overall experience. Do not want to travel to destinations that are not responsible and CST is a program with a lot of credibility to stand out and ensure good business practices.)
- More own benefit what you are looking Asclepios is helping the environment.
- I think it is a very good tool to raise awareness, both employees of the company, as guests on the importance of tourism to the environment repsonsable.
- We were recently re-evaluated and re-certified. Based on the issues raised in Question 8, we are clear that the benefits not obtained for certification as such, but sostenibiles programs implemented. In other words, we have the option to implement these programs and get certified and the benefits would be the same.
- Not bad - CST are pioneers with this in Costa Rica but they can improve a lot!!! We could arrange an interview or conf call for extra matters. Cheers. Adriana
- It will be much better when everyone has awareness of sustainability

FTTSA

- I would really recommend more properties to get certified. And also when they do to work actively with the organization to achieve better heights.
- question 4 does not have my answer - we heard about it through SAYTC - South African Youth Travel Confederation
- (blank)
- Green Globe
- the certification is a good measure of our sustainability and drives hotel maintenance team and management in general to be more conscious of environmental programs.

Green Key

- Despite our colleagues at other facilities having adopted the Green Globe label instead of Green Key, we joined Green Key because of the recognition has with our customer base, as well as the excellent communication we have received from Green Key representatives, who took a very proactive stance in reaching out to us, and who put in a great deal of initial work with us before the certification was complete.
- Every year the representatives from Green Key push us to improve our performance, which can be burdensome but helps to keep our results high.

Green Key Global Eco-Rating

- Certification is expensive for an operation of our size. It is quite reasonable for larger properties.
- Great way to promote the Hotel as a green facility, reducing our environmental footprint, and reducing energy consumption and costs.
- Raise standards , provide more information about where to buy products example outdoor lighting.
- This certification is unfortunately not valued by our guests very much
- Very happy and proud to be part of the Green Key Program, and I thank the association for making it all possible. This program helps give properties the little push that they need to go green, and therefore this does great things for the environment. If possible, the fees could be reduced as more and more properties and other domains get on board.
- We found out about the program through an internet search. The program is so generic that it does not account for age of a building (we are a national historic site), and it does not distinguish between hotels that are only hotels, and ones that provide conference facilities which make demands on waste, energy, and recycling very different. In addition there are no categories for hotel size. The program could benefit by providing stronger customer service. The entire process is online - there would be a strong benefit to providing support (phone, e-mail) on how to improve property rating.
- We re-audited and became a 3 key in February of 2011

Qualmark Enviro

- bureaucratic requirements are extremely time consuming, and amount of paperwork required is not environmentally friendly
- I am one of the very few Heritage properties having achieved an Enviro Gold award
- It is important to note you don't apply for this award it is just given to all the assessment who score a minimum number of points on the sustainability section of the general assessment. I applaud that the assessment has a sustainability section,

but didn't ask for the "award" and both the assessment and "award" are completely irrelevant to my business because they have no branding traction with my clientele.

- Our main concern is that the 'paperwork' is substantial and often feels insensitive/irrelevant to our situation and context. Not sure how to fix it though - perhaps some sharing of international best practice will help!
- To explain Qualmark NZ is a grading program in NZ for accommodation/tourist activities. They introduced the Enviro awards in addition to their grading program for accommodation.
- Unsure about re certifying at this stage
- When it came in the Enviro program was good but now it is floundering as there does not seem to be a 'next level'. The assessment is about continuous improvement and new initiatives and not about an industry standard to aspire to.

Travel Green Wisconsin

- I think that the program needs refreshing to gain better public awareness.
- There is no accountability at this time structured into this program which has had several changes in management since its inception. small businesses should be judged by a separate criteria than other larger establishments.
We were "green" before the certification, it is how we live. Other businesses use it only as a marketing gimmick, only making minimal changes to qualify. As far as benefits for increasing business - consumers notice the travel green, but price is always the bottom line issue when selecting a vacation destination.

Chile Survey

Responses by City:

| City | Count |
|----------------|-------|
| Ancud | 1 |
| Los Andes | 1 |
| Curicó | 1 |
| La Serena | 1 |
| Panguipulli | 1 |
| Puerto Natales | 2 |
| Puerto Varas | 2 |
| Puyuhuapi | 1 |
| Quintero | 1 |
| Santa Cruz | 1 |
| Santiago | 10 |
| Talca | 1 |

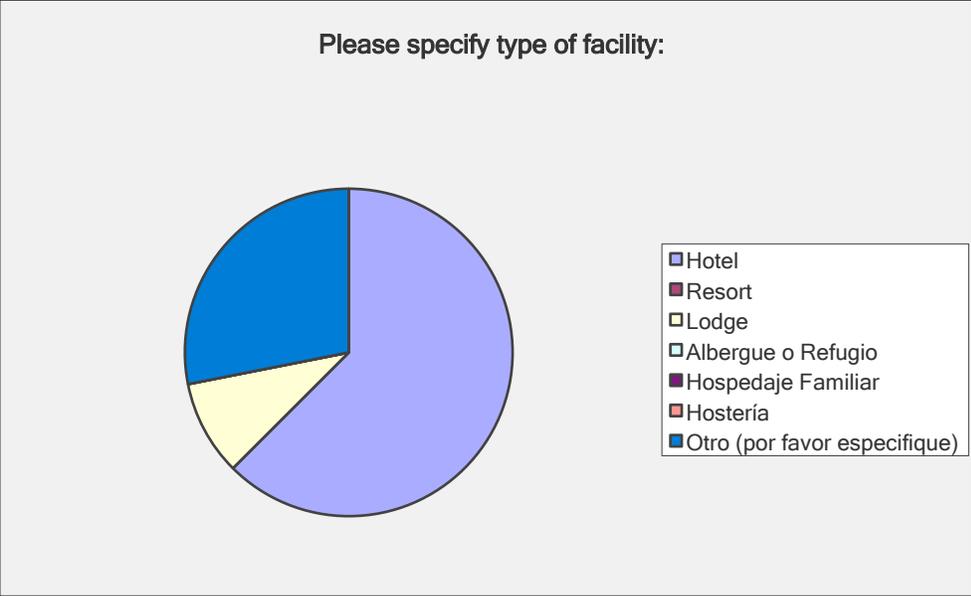
| | |
|---------------------|----|
| Torres del Paine NP | 1 |
| Valdivia | 3 |
| Viña del Mar | 4 |
| Grand Total | 31 |

Responses by Size:

| Size Range (# rooms) | Count |
|----------------------|-------|
| ≤15 | 6 |
| 16-30 | 10 |
| 31-45 | 3 |
| 46-60 | 3 |
| 61-75 | 3 |
| 76-90 | 1 |
| ≥91 | 5 |
| Total responses | 31 |
| Surveys sent | 194 |
| Response Rate | 16% |

Question 1:

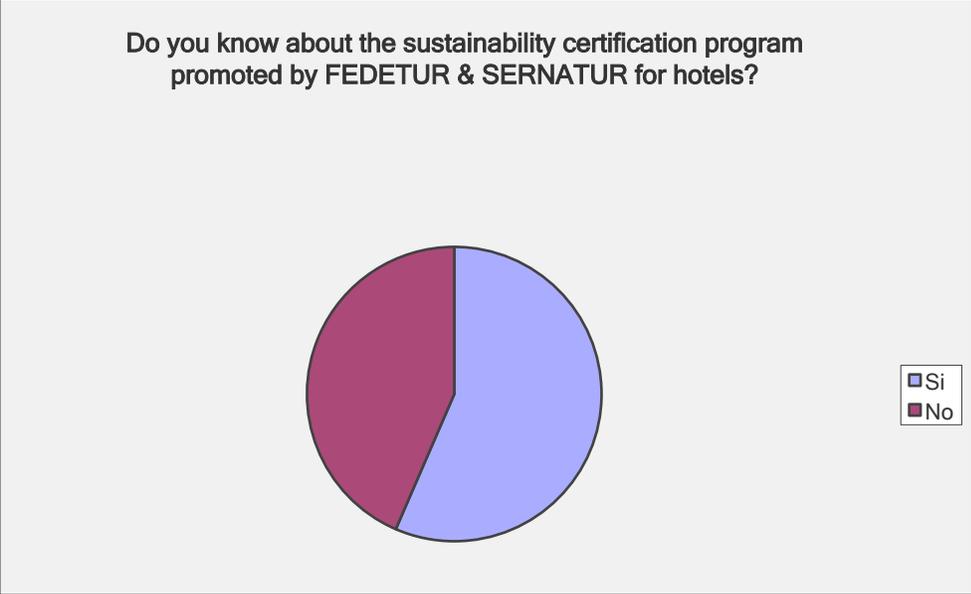
| Please specify type of facility: | | |
|----------------------------------|------------------|----------------|
| Answer Options | Response Percent | Response Count |
| Hotel | 62.5% | 20 |
| Resort | 0.0% | 0 |
| Lodge | 9.4% | 3 |
| Hostel | 0.0% | 0 |
| Bed & Breakfast | 0.0% | 0 |
| Inn | 0.0% | 0 |
| Other | 28.1% | 9 |



Question 2:

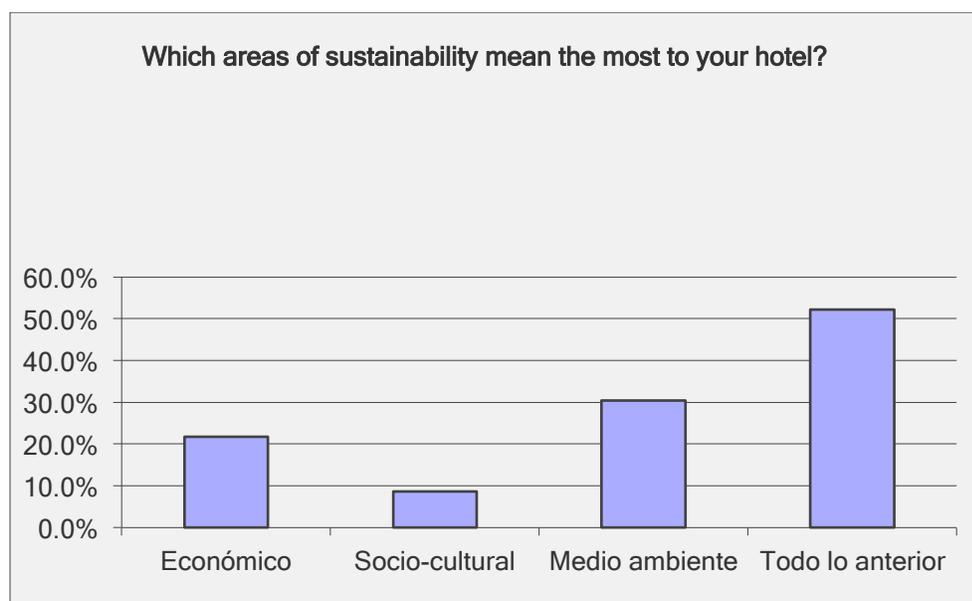
Do you know about the sustainability certification program promoted by FEDETUR & SERNATUR for hotels?

| Answer Options | Response Percent | Response Count |
|----------------|------------------|----------------|
| Yes | 56.5% | 13 |
| No | 43.5% | 10 |



Question 3:

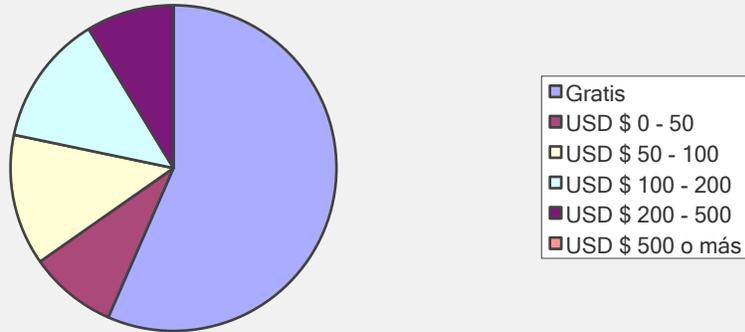
| Which areas of sustainability mean the most to your hotel? | | |
|--|------------------|----------------|
| Answer Options | Response Percent | Response Count |
| Economic | 21.7% | 5 |
| Socio-cultural | 8.7% | 2 |
| Environmental | 30.4% | 7 |
| All of the above | 52.2% | 12 |



Question 4:

| The range of fees I would be willing to pay to participate in the program are: | | |
|--|------------------|----------------|
| Answer Options | Response Percent | Response Count |
| Free | 56.5% | 13 |
| USD \$ 0 - 50 | 8.7% | 2 |
| USD \$ 50 - 100 | 13.0% | 3 |
| USD \$ 100 - 200 | 13.0% | 3 |
| USD \$ 200 - 500 | 8.7% | 2 |
| USD \$ 500 o más | 0.0% | 0 |

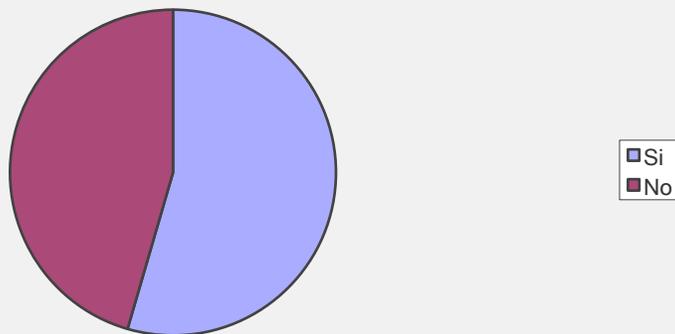
El rango de tarifa que estaría dispuesto a pagar para participar en el programa es:



Question 5:

| Do you have the capital to achieve the certification? | | |
|---|------------------|----------------|
| Answer Options | Response Percent | Response Count |
| Yes | 54.5% | 12 |
| No | 45.5% | 10 |

¿Cuenta con el capital necesario para lograr la certificación?



Question 6:

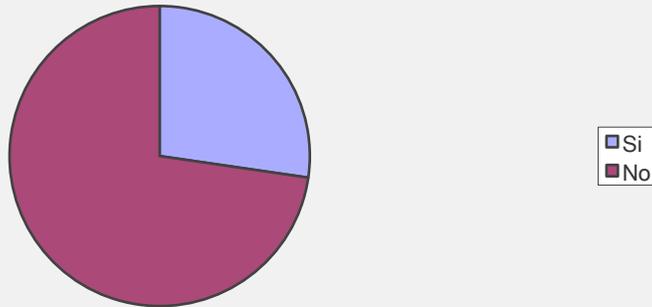
Do you know of any incentives that might help you cover the investments in order to become certified?
 ¿Conoce usted de incentivos que podrían ayudarlo a cubrir las inversiones para llegar a certificarse?

| Answer Options | Response Percent | Response Count |
|--|------------------|----------------|
| Yes | 27.3% | 6 |
| No | 72.7% | 16 |
| En caso afirmativo, por favor indicar: | | 6 |

If yes, please state:

- Herramientas Corfo
 - (Corfo Tools)
- sí puedo optar a un APL.
 - (I can opt into an APL)
- En nuestro país existen entidades que prestan asesorías para certificar a las pyme
 - (In our country there are many entities that provide accessories to certify the small to medium businesses)
- Ya estamos certificados desde el 2011
 - (we have been certified since 2011)
- Corfo, Sercotrec, etc. pero es muy vaga y amplia la consulta efectuada. Deben especificar.
 - (Corfo, Sercotrec, etc. But it is too low and wide in what it can actually effect. It should be more specific.)
- TRAER MAS UNIVERSIDADES, COMO LA QUE TENEMOS DURANTE 4 MESES HACE 10 AÑOS
 - (Bring more universities, like the one we had for 4 months 10 years ago)

Do you know of any incentives that might help you cover the investments in order to become certified?

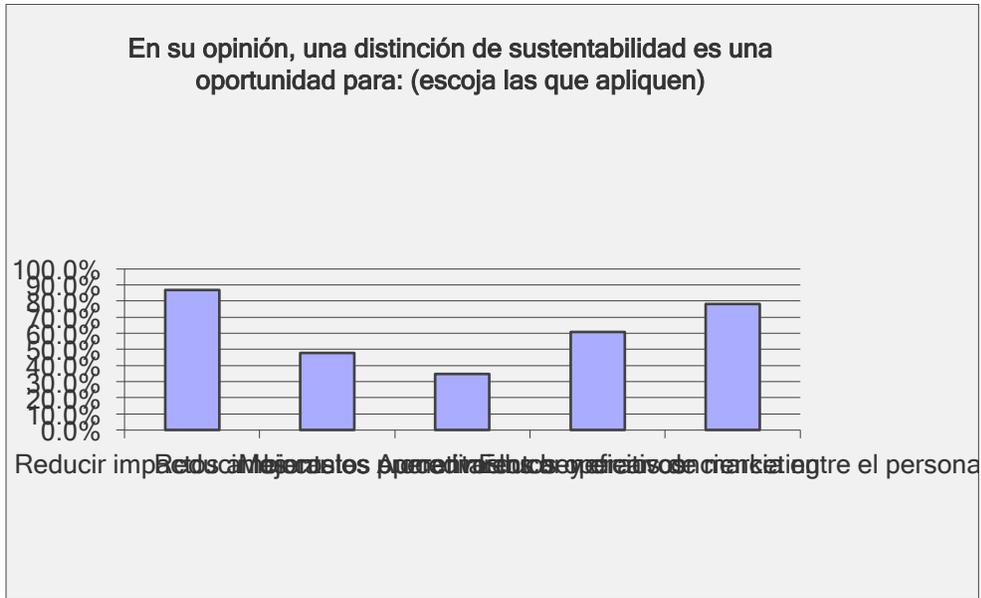


Question 7:

Do you view a sustainability certification as an opportunity to?

En su opinión, una distinción de sustentabilidad es una oportunidad para: (escoja las que apliquen)

| Answer Options | Response Percent | Response Count |
|--|------------------|----------------|
| Reduce environmental impacts | 87.0% | 20 |
| Reduce operational costs | 47.8% | 11 |
| Improve operational procedures | 34.8% | 8 |
| Increase marketing/ promotional benefits | 60.9% | 14 |
| Educate and create awareness among staff | 78.3% | 18 |



Question 8:

Do you view sustainability as a competitive advantage?
¿Ve la sustentabilidad como una ventaja competitiva?

| Answer Options | Response Percent | Response Count |
|----------------|------------------|----------------|
| Yes | 100.0% | 23 |
| No | 0.0% | 0 |



Question 9:

Do you have someone in your company managing sustainability issues?

¿Existe alguien en su empresa encargado de manejar temas de sustentabilidad?

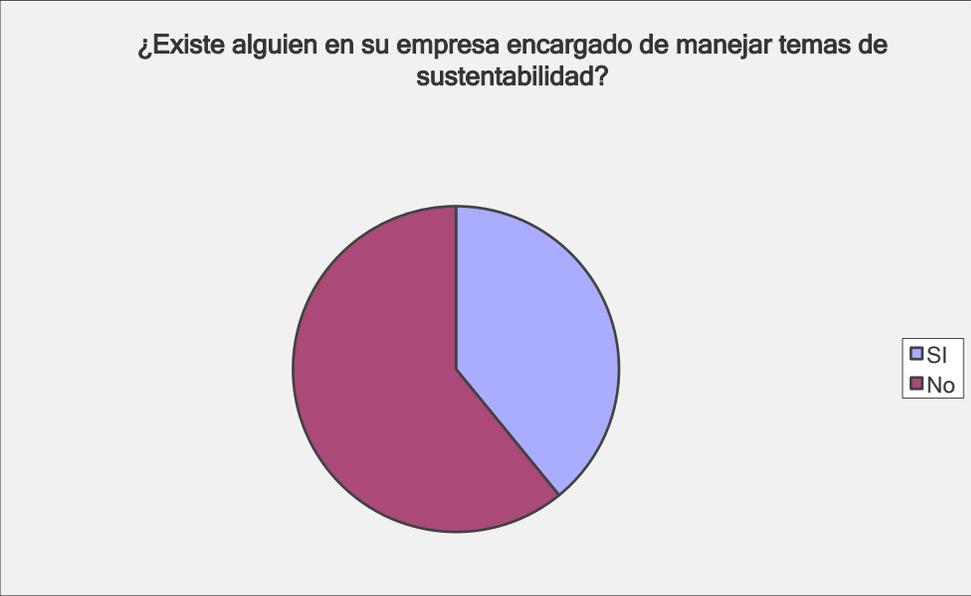
| Answer Options | Response Percent | Response Count |
|--|------------------|----------------|
| Yes | 39.1% | 9 |
| No | 60.9% | 14 |
| En caso afirmativo, por favor indicar el nombre del cargo: | | 9 |

If yes, please state position name:

- Claudio Molina, Gerente de operaciones
 - *(Operations Manager)*
- casi todo el equipo que trabaja en el hotel trata de aportar en esta área
 - *(Almost the entire team in our hotel takes the task of sustainability into their daily jobs)*
- Jefe de Mantenimiento y Seguridad es además Presidente del comité de sustentabilidad
 - *(The Director of Security and Engineering, he is also the head of the sustainable committee)*
- Miriam Alvarez
- Gerente
 - *(General Manager)*
- Gonzalo Correa de la Cerda
- Angela Nuñez
- Gerente
 - *(General Manager)*
- Los dueños.
 - *(the owners)*

Responses by Size of Accommodation:

| Do you have someone in your company managing sustainability issues? | Room Range | | | | | | | Grand Total |
|---|------------|-----|-------|-------|-------|-------|-------|-------------|
| | ≤15 | ≥91 | 16-30 | 31-45 | 46-60 | 61-75 | 76-90 | |
| No | 4 | 3 | 3 | | 2 | 2 | | 14 |
| SI | 2 | 1 | 3 | 2 | | 1 | | 9 |
| (blank) | | | | | | | | |
| Grand Total | 6 | 4 | 6 | 2 | 2 | 3 | | 23 |



Question 10:

| | |
|--|----------------|
| What is your biggest economic risk? ¿Cuál es su mayor riesgo económico? | |
| Answer Options | Response Count |
| | 13 |

- La marcada estacionalidad
 - *(The seasonality)*
- Que los costos se disparen por una baja eficiencia de los equipos, o que quedemos fuera de mercado en cuanto a la tecnología utilizada.
 - *(That costs rise abruptly due low efficiency equipment, or we lag the market in terms of outdated technology)*
- Que se produzca una disminución del negocio hotelero a consecuencia de un incremento en la crisis económica internacional, que afecte al destino Chile > Santiago.
 - *(A decrease in hotel business as a result of an increase in the international economic crisis, which affects Chile (Santiago) as a destination)*
- No hay riesgos es una Empresa conocida por mas de 20 años
 - *(There are no risks for a company known for more than 20 years)*
- Aumento en el número de hoteles en la ciudad.
 - *(Increase in the number of hotels (competition) in the city)*
- No poder cubrir las necesidades basicas de mi empresa
 - *(Not being able to meet the basic needs of my company)*
-

- Que la inversion no se pague
 - *(That the return on investment is not realized)*
-
- Alta inversion en activos que ayuden a la sustentabilidad
 - *(High investment in assets that improve sustainability)*
- Respecto a la sustentabilidad, ninguno.
 - *(With regards to sustainability, none)*
-
- Para la empresa la mala conectividad y la estacionalidad.
 - *(For the company it's the poor connectivity and seasonality of the business)*
- NO TENER PASAJEROS, QUE NOS PAGUEN LA EXCLUSIVIDAD QUE POSEEMOS UNICA EN LA QUINTA REGION
 - *(Reaching customers who are willing to pay our exclusive product unique to this región)*
- NO ARRENDAR NUESTROS DEPARTAMENTOS
 - *(Not being able to lease our departments)*

Question 11:

| What is your biggest social risk? | |
|-----------------------------------|----------------|
| ¿Cuál es su mayor riesgo social? | |
| Answer Options | Response Count |
| | 12 |

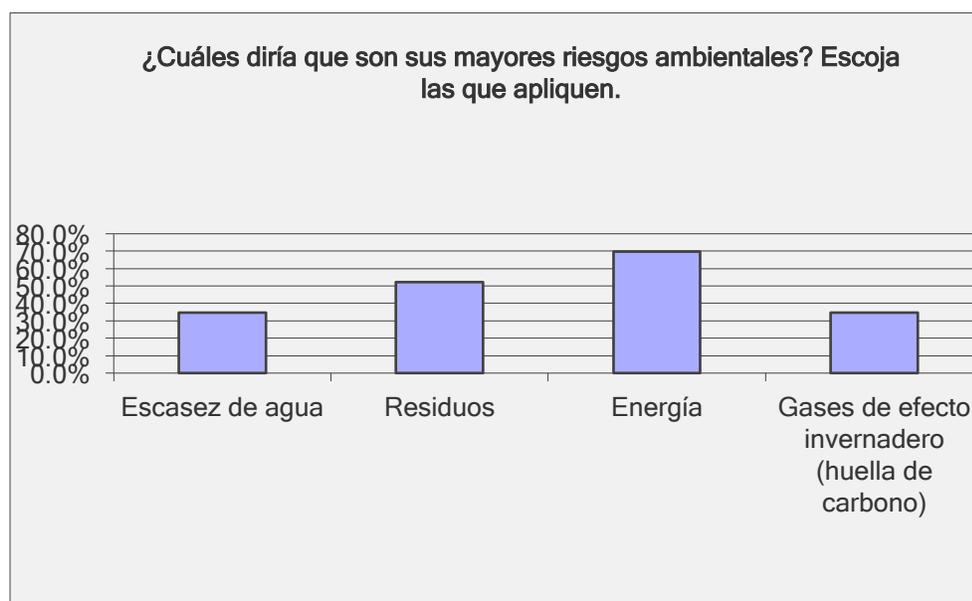
- La gente de la zona se esta yendo a otros lugares a trabajar
 - *(The people of the area are moving to other places for work)*
- No estar en una sana convivencia con los vecinos y el entorno en general
 - *(Fall into an unhealthy coexistence with neighbors and the environment in general)*
- Dissemination of internal communication channels
 - *(I do not visualize any social risks that could affect our operation)*
- Aparentemente no tengo riesgo social
 - *(Apparently I do not have any social risks)*
- Protestas estudiantiles
 - *(Student protests (strikes))*
- Dejar de ser una fuentes de trabajo permanente para mis empleados
 - *(To not be able to be a source of jobs for my employees)*
- Motivacion el entorno que los rodea
 - *(Motivation and the surrounding environment)*

Question 12:

What would you say are your biggest environmental risks?

¿Cuáles diría que son sus mayores riesgos ambientales? Escoja las que apliquen.

| Answer Options | Response Percent | Response Count |
|------------------------|------------------|----------------|
| Water scarcity | 34.8% | 8 |
| Waste | 52.2% | 12 |
| Energy | 69.6% | 16 |
| GHG (carbon footprint) | 34.8% | 8 |
| Other (please specify) | | 1 |

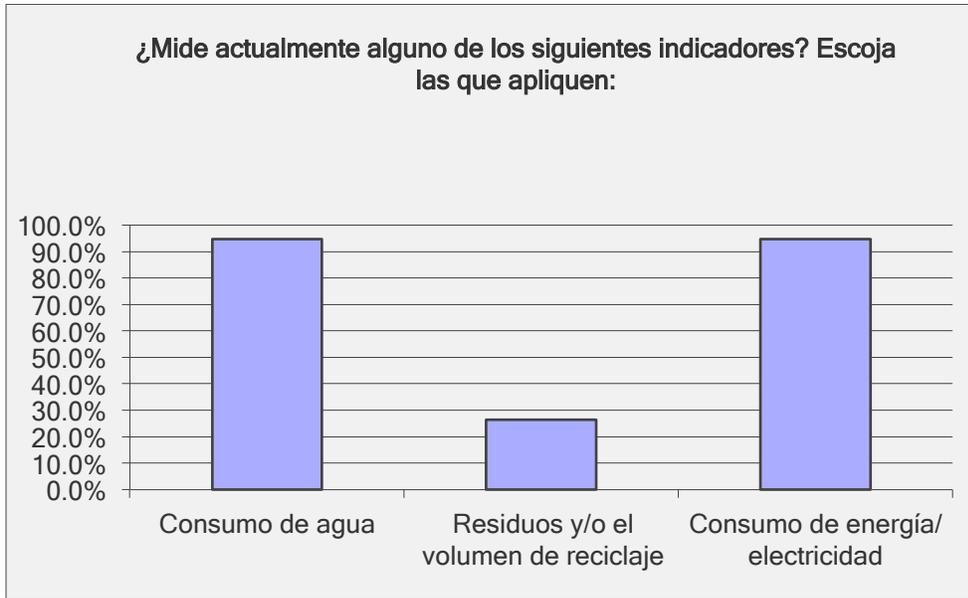


Question 13:

Are you currently measuring any of the following indicators?

¿Mide actualmente alguno de los siguientes indicadores? Escoja las que apliquen:

| Answer Options | Response Percent | Response Count |
|---------------------------------|------------------|----------------|
| Water consumption | 94.7% | 18 |
| Waste and /or recycling volume | 26.3% | 5 |
| Energy//electricity consumption | 94.7% | 18 |
| Other | | 2 |

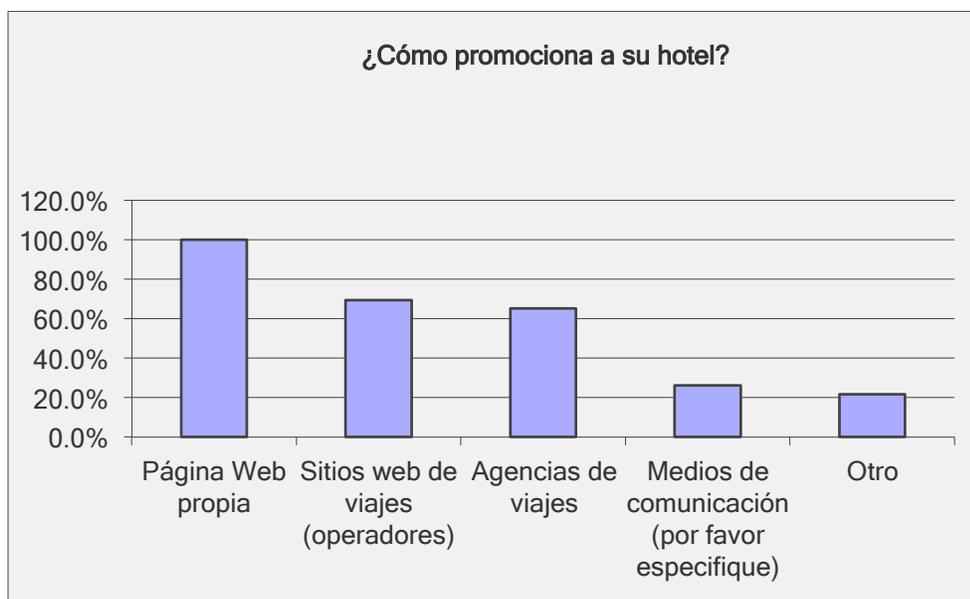


Question 14:

How do you market your hotel?

¿Cómo promociona a su hotel?

| Answer Options | Response Percent | Response Count |
|------------------------|------------------|----------------|
| Own Website | 100.0% | 23 |
| Travel Agents | 69.6% | 16 |
| Travel Wevbsite | 65.2% | 15 |
| Media (please specify) | 26.1% | 6 |
| Other | 21.7% | 5 |
| Comment on other | | 10 |



Question 15:

What type of media do you use to market your hotel?

Que tipo de canales de media us para el marketing de su hotel?

- Radio, periodicos, revistas
 - *(Radio, newspapers, magazine)*
- en eventos especiales, por medio de prensa escrita y radio
 - *(Special events, through printed press and radio)*
- Diario La Segunda , Revista Mensaje, Revista Hacer Familia
 - *(La Segunda newspaper, Post magazine, To Make Family magazine)*
- Empresas
 - *(Companies)*
- Feriasde turismo, workshop
 - *(Travel and tour fairs)*
- Diarios, revistas, etc
 - *(Newspapers, magazines, etc.)*
- Gds, internet, revistas,
 - *(Online travel agencies, internet, magazines)*
- Redes socailes, cupones, convenios y etc.
 - *(Social Networks, coupon websites, conventions, etc.)*
- El comentario de pasajeros es lo mejor
 - *(Customer's comments and word of mouth are the best)*
- A través de recomendaciones
 - *(Through recommendations)*

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