SUSTAINABLE TOURISM IN INDIA
INITIATIVES & OPPORTUNITIES
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<th>TITLE</th>
<th>Sustainable Tourism in India - Initiatives &amp; Opportunities</th>
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<td>YEAR</td>
<td>December 2017</td>
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<tr>
<td>AUTHORS</td>
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India’s Travel & Tourism industry is the 7th largest in the world, contributing nearly 9.6% to India’s GDP and estimated to grow by 6.9% p.a. in the next ten years, to become the fourth largest globally. This will create a multiplier impact on India’s socio-economic growth through infrastructure development, job creation and skill development, amongst others.

India, with a diverse cultural heritage and unique traditional values, is among the most preferred destinations for inbound tourism, with 8.8 million Foreign Tourist Arrivals (FTA) during 2016. With a wide variety of price-competitive offerings, India continues to remain a preferred business travel destination and is ranked 10th among the world’s largest business travel markets.

The United Nations World Tourism Organization (UNWTO) has declared Year 2017 as the ‘International Year of Sustainable Tourism for Development’, which underscores tourism’s critical role in fostering inclusive growth.

Sustainability can be achieved by increasing community participation in business, where collaborative community models like cooperatives and Self Help Groups (SHGs) offer platforms that promote inclusive growth and strengthen backward linkages of the industry, apart from ensuring social equity. Given the fact that most parts of India are still unexplored by domestic and international travelers, the policy planning needs to imbibe measures that enable communities to take part in the economic growth offered by tourism. In order to succeed, sustainable tourism requires the combined effort of the host community, tourists, and private and public partnership.

Modern technologies give us clear insights and easy to use tools to advance sustainable and inclusive growth and go far beyond cashless transactions and reservations. Data analytics can help small entrepreneurs scale their business by providing insights into consumer spends and help municipal corporations with better crowd management and urban planning. Enabling a cashless ecosystem for tourists, introducing value added products like the Incredible India travel card, application of GIS and emerging technologies like Artificial Intelligence (AI), amongst others, are some key areas where India has the expertise and competitive advantage.

I am pleased to present this CII-YES BANK knowledge report on ‘Sustainable Tourism in India: Initiatives & Opportunities’ which provides insights into the global sustainable tourism industry and highlights opportunities in India. I am confident that this publication will be beneficial for all stakeholders and promote meaningful dialogues towards developing sustainable tourism models in India.

Thank You.

Sincerely,

Rana Kapoor
Managing Director & CEO
Chairman
Technology, Innovation, Tourism and Travel are rapidly redefining the global economy. Digitization is minimizing the distances and transcending borders. In the process, the impact of the Tourism sector is turning out to be manifold and significant.

Tourism remains the key driver of India’s economic growth, being the backbone for steady and robust progress. According to World Travel & Tourism Council (WTTC), Travel & Tourism continued to show its resilience in 2016, contributing to GDP growth of 3.1% and supporting 6 million net additional jobs in the sector. In total, Travel & Tourism generated US$7.6 trillion (10.2% of global GDP) and 292 million jobs in 2016, equivalent to 1 in 10 jobs in the global economy.

United Nations declared 2017 as the International Year of Sustainable Tourism for Development. This was designated at the United Nations 70th General Assembly with a unique opportunity to advance the contribution of the tourism sector to the three pillars of sustainability-economic, social and environmental. The International Year provides an enormous opportunity to further showcase the tremendous economic, social, cultural, environmental, and heritage value that the sector can bring together for the world to experience this beautiful industry. In India, the tourism sector is based on its unique endowments of biodiversity, forests, rivers, and its rich culture and heritage. Tourism hence has the potential of being a responsible, sustainable, income provider. It is the most promising industry globally which possesses tremendous capacity for growth and revenue generation.

The challenges in this sector lie in successfully preserving these in their original form, and making them accessible to domestic and international travelers, together with safeguarding the economic interest and heritage of local communities.

I am pleased to present the CII – YES BANK report ‘Sustainable Tourism in India: Initiatives & Opportunities’ which provides an overview of the sustainable tourism industry globally and ascertains its current status in India with suggestions to leverage it as a tool for inclusive growth.

CII is proud to partner with Yes Bank for the Sustainable Tourism Report 2017 and we hope this will be fruitful for future businesses. The goal of CII Annual Tourism Summit 2017 is to provide a platform to the Tourism stakeholders, becoming a forum of knowledge exchange and to raise awareness of the contribution of sustainable tourism towards development among public and private sector, decision makers and the public.

Thank You.
Sincerely,

Dipak Haksar
Chairman
CII National Committee on Tourism & Hospitality
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Introduction

1.1 Sustainable Tourism: Definition and Perspectives

The United Nations World Tourism Organization (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’.

The German Forum on Environment and Development elaborates that ‘Sustainable Tourism has to meet social, cultural, ecological and economic requirements. Sustainable tourism holds a long-term view, for present and future generations, ethically and socially just and culturally adapted, ecologically viable and economically sensible and productive’.

A fundamental trait of the tourism sector is its ability to link the economic, social, cultural and environmental aspects of sustainability and to act as a driving force for their mutual enhancement. This is because tourism as an economic activity is highly dependent on the presence of intact environments, rich cultures and welcoming host communities.

However, the impact of tourism goes beyond the tangible economic effects of revenue and foreign exchange earnings. It also has non-economic and intangible effects including changes in value systems, individual behavior, family relationships, collective life styles, moral conduct, creative expressions, traditional ceremonies and community organization. Culture preservation, natural resource management, waste management, and corporate and social ethics in tourism are issues that influence other industries and sectors when it comes to sustainable development and inclusive growth.

Figure 1: Pillars of Sustainable Tourism

(Source: YES BANK Analysis)
While most of the discourses around sustainable tourism are focused on the supply side pertaining to optimal use and management of resources and creation of balanced destination management frameworks while, emerging paradigms are now also laying emphasis on the demand side, placing an onus on the tourist to choose products that adhere to the principles of sustainability and recognizing the fact that such products may come with a price premium and austerity in resource consumption. It ensures well-being of the local population, and contributes to the larger cause of achieving global sustainability including the Sustainable Development Goals (SDGs).

In recent years, the ideology behind sustainable tourism has diffused into other specialized niches that focus on specific components to ensure equitable growth, conservation of environment and culture as well as community driven management frameworks. Fig. 3 highlights some of the key niches.
With rapid growth in the tourism sector post the 1950s, many frameworks have evolved that try to study and identify tourism based issues pertaining to sustainable development. We briefly review the key tools and mechanisms.

1. **Carrying Capacity (CC):** Derived from geography, it is the most popular assessment tool which works on the basic premise that each destination has its limits to how many visitors it can host before the environment or biodiversity is threatened. From a focus solely on environmental issues in the 1960s, the concept has grown to have a wider perspective, including social CC and economic CC (Harry Coccossis 2004).

2. **Limits of Acceptable Change (LAC):** A continuation to the concept of Carrying Capacity, it is a regional planning tool draws on local residents' perspectives on how much change they can accept in order to establish subjective limits to growth (BumYong Ahn 2002).

3. **Sustainable Livelihoods Approach (SLA):** Mainly been applied in developing countries as a tool for poverty reduction, it works on the idea of 'capital'. Impacts of tourism development can be said to influence the capital stocks of residents, the physical destination, developers and/or institutions. Physical capital is influenced in the form of newly built attractions or renovated airports, social capital can be linked to a feeling of togetherness that can increase with tourism development, and cultural capital can be reinforced, for instance, by an upswing of interest in local traditions and handicrafts (J Macbeth 2004).

4. **Sustainable Tourism Benchmarking Tool (STBT):** A policy and decision-making tool based on quantifiable indicators, it aims to compare, on a country-level, different destinations in terms of sustainability measures (Lucian Cernat 2012).

5. **Triple Bottom Line (TBL):** Another popular tool, the concept of TBL attempts to estimate the financial, social and environmental bottom lines, and can correlate larger issues pertaining to sustainable development with tourism impacts. Popularized by the phrase 'People, Planet, Profit', the TBL approach has evolved from a guiding principle to a tool for quantified impact assessment (Vanclay 2004).
6. **Integrated Tourism Yield (ITY):** This framework is proposed by as a way of including costs and benefits across a number of different impact dimensions, using the concept of ‘yield’ outside of its classic territory of financial gains for businesses (Jeremy Northcote 2006).

7. **Cost Benefit Analysis (CBA):** Cognizant to the multi-sectoral nature of tourism, this model tries to incorporate externalities and to apply methodologies that can help measure a wider range of impacts in monetary units by including all costs and benefits to society, both tangible and intangible, i.e. to internalize the externalities (Theobald 2012).

<table>
<thead>
<tr>
<th>FRAMEWORK</th>
<th>CHARACTERISTICS</th>
<th>IMPACT DIMENSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Capacity (CC)</td>
<td>Destinations have limits to growth, thresholds</td>
<td>Physical, perceptual, social or cultural, economic and political/administrative carrying capacity</td>
</tr>
<tr>
<td>Limits of Acceptable Change (LAC)</td>
<td>Local residents’ perceptions of desired conditions, regional tourism planning</td>
<td>Economic, social (cultural) and environmental indicators defined by local residents</td>
</tr>
<tr>
<td>Sustainable Livelihood Approach (SLA)</td>
<td>Capital stocks increase or depreciate</td>
<td>Financial, physical, human, natural, social, cultural and administrative capital</td>
</tr>
<tr>
<td>Sustainable Tourism Benchmarking Tool (STBT)</td>
<td>Benchmarking sustainability, country-level decision-making tool</td>
<td>Economic and socio-ecological impacts and infrastructure</td>
</tr>
<tr>
<td>Triple Bottom Line (TBL)</td>
<td>Calculating the “bottom lines” in three dimensions</td>
<td>Economic, social (cultural) and environmental impacts</td>
</tr>
<tr>
<td>Integrated Tourism Yield (ITY)</td>
<td>Monetary evaluation, assessment of yields, assessment and decision making tool</td>
<td>Originally economic impacts, but recent incorporations of social, cultural and environmental impacts</td>
</tr>
<tr>
<td>Cost Benefit Analysis (CBA)</td>
<td>Includes all tangible and intangible costs and benefits, monetary evaluation</td>
<td>Tangible and intangible costs and benefits</td>
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</tbody>
</table>

Source: Lundberg, 2014

1.2 **Why Sustainable Tourism?**

The United Nations World Tourism Organization (UNWTO) has declared Year 2017 as the ‘International Year of Sustainable Tourism for Development’; which puts the spotlight on tourism’s important role in ensuring economic equanimity and social equality in a rapidly diversifying global economy. Contributing US$ 7,613.3 bn or 10.2% to global GDP in 2016 with an estimated employment creation of 292 million jobs (both directly and indirectly), it is also a driver of international cooperation and harmony.

While the Brundtland Report, ‘Our Common Future’ released by the United Nations World Commission on Environment and Development in 1987 can be officially said to have coined the term ‘Sustainable Development’, the need to have a pragmatic approach to mitigate the damaging impact of mass tourism had been felt in the early 70s with the advent of major fairs and festivals in non-urban settings (particularly music) that during a short period of time ended up in causing irreversible damages to the environment as well as the social fabric of small communities.
While the term sustainable tourism started being used in conjunction with the Brundtland Report, it is widely considered that the birth of the concept of sustainable tourism was the publication of the first issue of the Journal of Sustainable Tourism in 1993 (Bâc 2014). In terms of the core ideology, sustainable tourism signified a shift of approach from the wellbeing of the tourist to the wellbeing of the host community.

Tourism has many characteristics that make it especially valuable as an agent for development. As a cross cutting sector, it stimulates productive capacities from trade and the provision of jobs linked to the tourism value chain. In particular, it thrives on assets, such as the natural environment, a warm climate, rich cultural heritage and plentiful human resources, in which developing countries have a comparative advantage. However, tourism can also be a source of environmental damage and pollution, a heavy user of scarce resources and a cause of negative change in society. For these reasons, it is imperative for it to be well planned and managed.

As modern day economies tend to leave a chasm between industrial growth and rural aspirations, tourism is one of the few sectors that can bridge the divide while venerating the socio-cultural as well as environmental ethics. However, the negative impacts of tourism can be very polarizing. It can expose traditional communities to antagonism behaviors detrimental to their own societal fabric, and create resource strain on the environment.

This is where the concept of Sustainable Tourism has emerged to balance the diverse aspects of tourism development. Rather than being a type of product, it is an ethos that underpins all tourism activities.

- While tourism has the potential to contribute, directly or indirectly, to all Sustainable Development Goals (SDGs) as elucidated later in the report, it has been specifically included as targets in Goals 8, 12 and 14 on inclusive and sustainable economic growth, sustainable consumption and production (SCP) and the sustainable use of oceans and marine resources, respectively.
- One of the most pressing needs for the human race is to revert to systems that prevent over exploitation of natural resources and conserve them for posterity. Sustainable tourism not only advocates prudent use of our natural capital, but also endeavors to suitably remunerate communities by helping to achieve this goal through mechanisms like Payments for Ecosystem Services (PES).
The table below highlights how the tenets of sustainable tourism differ from mass tourism.

Table 2: Mass Tourism vis-a-vis Sustainable Tourism

<table>
<thead>
<tr>
<th>Feature</th>
<th>Mass Tourism</th>
<th>Sustainable Tourism</th>
</tr>
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<tbody>
<tr>
<td>MARKET</td>
<td>• Segment</td>
<td>Allocentric to Midcentric</td>
</tr>
<tr>
<td></td>
<td>• Volume</td>
<td>Individuals or Small groups</td>
</tr>
<tr>
<td></td>
<td>• Length of Stay</td>
<td>Long</td>
</tr>
<tr>
<td></td>
<td>• Seasonality</td>
<td>Without Seasons</td>
</tr>
<tr>
<td></td>
<td>• Origin</td>
<td>No dominant markets</td>
</tr>
<tr>
<td></td>
<td>Psychocentric to Midcentric</td>
<td></td>
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<tr>
<td></td>
<td>Large groups</td>
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<tr>
<td></td>
<td>Short</td>
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<td></td>
<td>Distinct Seasons</td>
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<td></td>
<td>1–2 Dominant Markets</td>
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</tr>
<tr>
<td>ATTRATIONS</td>
<td>• Characteristics</td>
<td></td>
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<tr>
<td></td>
<td>• Accent</td>
<td>Pre-existent, ‘Authentic’</td>
</tr>
<tr>
<td></td>
<td>• Drive</td>
<td>Moderately commercial</td>
</tr>
<tr>
<td></td>
<td>Generic, built for tourism</td>
<td>Focus on both local &amp; tourist</td>
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<tr>
<td>LODGING</td>
<td>• Size</td>
<td></td>
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<td></td>
<td>• Spatiality</td>
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<td>• Property</td>
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<td></td>
<td>Large Scale</td>
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<td></td>
<td>Clustered in tourism centres</td>
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<td>High</td>
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<td></td>
<td>International</td>
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<td></td>
<td>Foreign, Corporate</td>
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<tr>
<td>ECONOMICS</td>
<td>• Earnings</td>
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<td></td>
<td>• Leakages</td>
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<td></td>
<td>• Multiplier Effect</td>
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<td>• Role of Tourist</td>
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<td>Low</td>
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<td>Free Markets</td>
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<td>Economic Growth &amp; Profit</td>
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<td>Short-term</td>
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| Source: Weaver, 2006

(Plog’s Model of Tourist Behaviour: Allocentric − A tourist who seeks new experiences and adventure in a wide range of activities; Psychocentric − A tourist who is usually non-adventurous and prefers to return to familiar travel destinations; Midcentric − Between Allocentric and Psychocentric)

1.3 Benefits of Sustainable Tourism Practices

Making tourism more sustainable is not just about controlling and managing the negative impacts of the industry. Tourism is in a very special position to benefit local communities, economically and socially, and to raise awareness and support for conservation of the environment. Within the tourism sector, economic development and environmental protection should not be seen as opposing forces—they should be pursued hand in hand as aspirations that can and should be mutually reinforcing, and practices that commensurate with these values can provide long term benefits to the industry as well as the community.
There is also a clear need for Governments to take a leading role if truly significant progress is to be achieved in making tourism more sustainable. This is because:

- The tourism industry is very fragmented. It is difficult for the individual actions of many micro and small businesses to make a positive difference, hence a coordinator is required.

- Sustainability relates to areas of public concern—air, water, natural and cultural heritage and the quality of life. These and many other relevant resources are managed by Governments.

- Governments have many of the tools that can be used to make a difference—such as the power to make regulations and offer economic incentives, and the resources and institutions to promote and disseminate good practice.

1.4 Sustainable Tourism Industry: A Global Overview

Travel & Tourism is a key sector for economic development and job creation throughout the world. In 2016, Travel & Tourism directly contributed US$2.3 trillion and 109 million jobs worldwide. Taking its wider indirect and induced impacts into account, the sector contributed US$7.6 trillion to the global economy and supported 292 million jobs in 2016. This was equal to 10.2% of the world's GDP, and approximately 1 in 10 of all jobs.

Recent natural calamities exacerbating the anticipated impacts of climate change and global warming, water scarcity and pollution have all brought the theme of sustainability to the fore—it's a general consumer trend that is impacting all industries, including travel and tourism.

Sustainability has emerged as an important issue for some of the fast growing tourism destinations around the world, especially in developing countries which already support large native populations. One parameter highlighting this fact is the number of international visitors compared to the local population, which provides an indication of the impact tourism may have on the destination.

According to United Nations World Tourism Organization (UNWTO), tourism contributes to 5% of global carbon dioxide emissions and 4.6% of global warming by radioactive forcing. The transport accounts for 75% of the total CO2 emissions by the sector, with aviation and road transport accounting for 40% and 32% respectively and the accommodation stands at 21% of the total tourism sector emissions².

For example, in Iceland in 2016, overnight international tourism arrivals outnumbered the resident population by a ratio of 5.1 to 1. The ratio is also particularly high in growing European hotspots like Croatia (3.3 to 1) and Montenegro (2.6 to 1). This ratio highlights destinations where continued strong growth may put a squeeze on infrastructure capacity and could lead to environmental and social pressures if not managed appropriately⁴.
While there is a definitive consensus about the fact that sustainability’s impact will grow in importance over the coming decades, with more and more consumers and businesses travelling responsibly, the extent to which modern day consumers are committed to responsible tourism practices still remains low. In a survey conducted by the British Travel Association ABTA, it was found that just 20% of travel agents have ever been asked about the sustainability of a holiday, and the mainstream tourist still does not believe they can make a difference at individual level, placing the onus on the industry. While these numbers may be low, experts point out the immense potential this reveals for the growth of sustainable tourism. The figure given below gives a quantitative estimate on the difference between adoption of a Green Scenario v/s Business As Usual in the tourism industry from 2010 to 2050.

Consumer demand is one piece of the puzzle, but in the long-term, businesses are anticipated to see reduction in costs and increased efficiency due to adoption of sustainable practices, and this will be the pivotal factor in redefining industry standards which will ultimately positively influence consumer choice.

On a global policy level, initiatives to promote sustainable tourism have been consistently introduced to lay out broad adaptive frameworks that are flexible enough to be adopted by both developed and developing countries. The figure given below highlights the evolution of institutional mechanisms in Sustainable Tourism from the first UN Earth Summit ‘Rio 92’ to the third Earth Summit (United Nations Conference on Sustainable Development) ‘Rio +20’ held in 2012.
In 2007, an organization named the Partnership for Global Sustainable Tourism Criteria was formed as a coalition of 32 partners, initiated by the Rainforest Alliance, the United Nations Environment Programme (UNEP), the United Nations Foundation, and the United Nations World Tourism Organization (UNWTO) to foster increased understanding of sustainable tourism practices and the adoption of universal sustainable tourism principles. In 2008, it developed a set of baseline criteria organized around the four pillars of sustainable tourism: effective sustainability planning; maximizing social and economic benefits to the local community; reduction of negative impacts to cultural heritage; and reduction of negative impacts on the environment.

Figure 6: Sustainable Tourism: from ‘Rio 92’ to ‘Rio +20’

In 2010, the Partnership for Global Sustainable Tourism Criteria and the Sustainable Tourism Stewardship Council (STSC) merged to officially evolve from the Global Sustainable Tourism Criteria to become the Global Sustainable Tourism Council (GSTC). The GSTC is an independent and neutral organization that represents a diverse and global membership, including UN agencies, NGO’s, national and provincial Governments, leading travel companies, hotels, tour operators, individuals and communities – all striving to achieve best practices in sustainable tourism. It is a virtual organization without a main office, with staff and volunteers working from all six populated continents. Financial support from donations, sponsorship, and membership fees allows us to provide services at low costs and to create, revise, and make available the GSTC Criteria.

Figure 7: GSTC establishes and manages globally recognized baseline standards founded on the four pillars of sustainable tourism
It establishes and manages global sustainable standards, known as the GSTC Criteria. There are two sets: (1) Destination Criteria for public policy-makers and destination managers, and (2) Industry Criteria for hotels and tour operators. These are the guiding principles and minimum requirements that any tourism business or destination should aspire to reach in order to protect and sustain the world’s natural and cultural resources, while ensuring tourism meets its potential as a tool for conservation and poverty alleviation.

Mainstreaming sustainable tourism models requires multi-pronged stakeholder coordination – businesses, Governments, local and indigenous communities, NGOs, academics, development agencies, media and travelers – to advance sustainable tourism practices. The first step involves development and adoption of toolkits that nudge existing business models towards a more sustainable approach. Examples include the US Travel Care Code, created by a network of academics and professionals committed to encouraging responsible travel; Sustainable Travel International’s ‘Travel Better Club’, which offers training programs, resources, travel benefits, and an online community to travelers committed to ‘making a difference by traveling better’; and an increasing number of online travel purchasing platforms, such as Kind Traveler, which help consumers choose responsibly-minded companies that are giving back to their communities.

According to an in-depth study by Sustainable Travel International in partnership with Mandala Research, 60% of all leisure travelers in the United States alone (105.3 million Americans) have taken a ‘sustainable’ trip in the last three years. They spend significantly more (on average $600 per trip), stay longer (seven days compared to four days), and over three-fifths believe they have a great deal of responsibility for making sure their trips do not harm a destination’s people, environment, or economy.

Two-fifths of sustainable travelers say they have purchased from travel companies because they believe they offer fair wages to their employees and invest in employees; while 38% say they have done business with travel companies who have helped to reduce human trafficking. 89% of consumers will switch to a brand that supports a good cause over one that does not, given similar price and quality.

The millennial consumer, born between 1981 and 1997, is significantly more attracted to destinations with cultural or historical significance (76% versus 63% of the general population), access to adventures like scuba diving and hiking (59% versus 45%) and festivals or regional events (66% versus 49%). In addition, 74% of Americans said having a unique experience is the most important reason for taking a vacation, topping rest and relaxation at 69%.

### 1.5 Best Practices and Case Studies

#### 1.5.1 Country Case Studies

##### 1. Slovenia

With a strategic vision of becoming a green boutique destination for demanding guests who are seeking a diverse and active experience, peace and personal well-being, Slovenia is one of the pioneer nations promoting the cause of sustainable tourism as well as sustainable development on the whole. Tourism in Slovenia contributes close to 13% of the country’s gross domestic product, accounting for 8% of total exports, and approximately 37% of service exports.

The Slovenian Tourism Board is implementing the ambitious Slovenia Green programme to improve the competitiveness of local destinations. Under the green scheme, the tourism sector can become certified as ‘green’ and receive recognition and rewards for their efforts. This programme is expected to have a significant impact on sustainable tourism in Slovenia.
board has been implementing the European Tourism Indicator System (ETIS) since 2015 and uses the criteria of the Global Sustainable Tourism Council (GSTC) to set up a holistic certification scheme that takes into account Slovenia’s national characteristics on the level of destinations and tourism providers.

Each destination that wants to receive the Slovenia Green label is required to sign a green development policy as a sign of official commitment, and carry out a 7-step process including raising awareness, creating a destination profile, and collecting statistical data. Once certified, destination coordinators have to submit annual progress reports and enter a re-evaluation phase every two to three years. According to the level of sustainability that can be proven, destinations can rise up from bronze to platinum in their certification. Hotels are encouraged to obtain an internationally recognised green certification such as Green Globe, Travelife, or the EU Ecolabel, before they qualify for the Slovenia Green certificate. These initiatives have ensured a steady growth of tourist inflows that commensurate with efforts to enhance carrying capacity.

Two Slovenian regions of Gorenjska and Goriška have partnered with neighbouring regions in Italy to create a Slow Tourism network. This comprises small businesses such as eco-accommodations, restaurants and activities. There is an emphasis on meeting local people, discovering traditions such as cheese making and folk music, and low-impact, “slow” activities such as walking, cycling and rafting.

The Government of Slovenia has recently adopted the Sustainable Development Strategy for Slovenian Tourism 2017-2021 to develop competitive advantages and the promotion of systemic solutions in this area.
2. Bhutan

Bhutan is one of the few countries globally that has the ethos of sustainability embedded deep into its social structure as well as public policy. The only carbon negative country in the world, it has developed a unique Gross National Happiness (GNH) index based on four pillars: sustainable development, environmental protection, cultural preservation, and good governance.

Being a completely land-locked mountain country with difficult accessibility, tourism is the mainstay of the Bhutanese economy, contributing more than 9% to GDP, earning the highest hard currency reserves and providing the highest employment opportunity. Despite this fact, the country had consciously chosen to go on the path of ‘high value, low impact’ tourism.

With very strict entry requirements, travellers to Bhutan must be with an approved tour operator who will arrange all travel while in the country and arrive via Druk Air, which offers a limited number of flights from few cities in Asia. All visitors must pay a daily tariff, starting at US$200 per day during the low season and US$250 during peak season. US$65 from this daily tariff is considered ‘sustainable tourism’ royalty, which is used to bolster the country’s free health-care and education system, as well as the building of tourism infrastructure. It should be noted, however, that this rule does not apply for visitors from neighbouring countries, referred to as ‘regional tourists’ (citizens from India, Bangladesh and the Maldives do not require a Visa).

The success of this model can be ratified by the fact that despite the high cost barrier, tourism in Bhutan continues to flourish, with steady rise in the growth rate as observed in Fig. 9. The duration of tourist visits also remains high, with tourists from top 20 international market sources spend seven nights in the country on an average. An interesting thing to note is the high revenue that the country is able to garner from a relatively lower number of visitors due to the higher average spend per tourist enabled through policy mechanisms.

The RISE programme (Rapid Investment in Selected Enterprise) is an initiative taken by the current Government to accelerate economic growth and achieve the objective of self reliance. One of the key sectors identified is Tourism
- with a focus to achieve higher yield per tourist as well as double the arrivals, but ensuring that it is spread across the country and throughout the calendar year. The tourism objectives are aligned with the four pillars of Gross National Happiness (GNH) as elucidated in Table 3.

Table 3: Tourism Sector Key Result Areas and Key Performance Indicators

<table>
<thead>
<tr>
<th>GNH Pillars</th>
<th>Sector Key Results Area</th>
<th>Key Performance Indicators</th>
<th>Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable &amp; Equitable Socio-economic Development</td>
<td>Improved Service Delivery</td>
<td>Tourist arrivals (no. per annum)</td>
<td>1,05,407</td>
<td>&gt;200,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tourist satisfaction</td>
<td>85% (2011)</td>
<td>&gt;90%</td>
</tr>
<tr>
<td></td>
<td>New products developed</td>
<td>No. of new products (wellness, cultural, sports, eco-tourism, MICE, community based tourism)</td>
<td></td>
<td>Min. 2 in each category</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of tourists visiting east, south and central circuits &gt; 50%</td>
<td>21.86% (2011)</td>
<td>&gt;50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contribution to GDP (US$ Mn)</td>
<td>62.8 Mn</td>
<td>&gt;250 Mn</td>
</tr>
<tr>
<td></td>
<td>Contribution to GDP, revenue and employment increased</td>
<td>No. of Bhutanese employed</td>
<td>28,982 (2012)</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yield per tourist per night (US$)</td>
<td>344</td>
<td>350</td>
</tr>
<tr>
<td>Preservation &amp; Promotion of Culture</td>
<td>Bhutanese culture and tradition promoted among visitors</td>
<td>% of tourist on cultural tours</td>
<td>77.09% (2011)</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Growth in sale of handicraft products</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Conservation &amp; Sustainable Environment</td>
<td>Environment conservation promoted and well-being of rural communities improved through eco-tourism</td>
<td>Rural communities benefitting from eco-tourism</td>
<td>4 communities</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of tourist opting for eco-tourism</td>
<td>13.04% (2012)</td>
<td>20%</td>
</tr>
<tr>
<td>Strengthening Good Governance</td>
<td>Enhance effectiveness and efficiency in delivery of public service</td>
<td>Turnaround time (TAT) for public services reduced</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Anticorruption Strategy implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average performance rating (Govt. Performance Management System – GPMS)</td>
<td></td>
<td>&gt;90%</td>
</tr>
</tbody>
</table>

(Source: National Council of Bhutan)

1.5.2 Sustainable Tourism and UN Sustainable Development Goals (SDGs)

In recognizing 2017 as the International Year of Sustainable Tourism for Development, UNWTO has identified following five key pillars required to ensure sustainable tourism for development.

1. Inclusive and sustainable economic growth
2. Social inclusiveness, employment, and poverty reduction
3. Resource efficiency, environmental protection, and climate change adaptation and mitigation
4. Respect for cultural values, diversity, and heritage
5. Mutual understanding, peace and security

We examine a few case studies around these pillars to elaborate emerging trends and best practices that in a consolidated manner can create the ‘critical mass’ for sustainable tourism to successfully integrate into the mainstream.
1. Inclusive and sustainable economic growth

Tourism is one of the driving forces of global economic growth, and currently accounts for 1 in 10 jobs worldwide. By giving access to decent work opportunities in the tourism sector, society—particularly youth and women—can benefit from enhanced skills and professional development. The sector’s contribution to job creation is recognized in target 8.9 of Sustainable Development Goals, “By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.”

Figure 12: Tourism’s role in economic growth is linked to SDGs 8, 9, 10 and 17

(Source: UNWTO)

This would require cultivating a favorable business environment for communities, many of whom would require intensive capacity building to create an understanding of formal economies to initiate and manage their own business enterprises. Creating this bridge through institutional and industrial collaborations, and fostering inter-linkages with other sectors are the pivotal factors determining the success of responsible tourism models.

Case Study:
Nominated for a 2017 WTTC Tourism for Tomorrow Community Award, Cinnamon Wild Yala, a Sri Lankan hotel and resort chain, has made considerable efforts to continuously support the local community. A total of 80% of all hotel staff are recruited from the local neighbourhood, and Cinnamon Wild Yala has partnered with drivers from the area who are contracted to supply safari jeeps for guests. Local school children are engaged through a nature club and are taught to appreciate their natural surroundings, and efforts are made to source select ingredients and produce from members of the local community on a regular basis. All sustainability and CSR initiatives implemented at Cinnamon Wild Yala stem from corporate level policies that are applied, monitored, and assessed on a regular basis.

2. Social inclusiveness, employment and poverty reduction

One of tourism’s salient features is the opportunities it offers for economic activity at the local level, especially for women and youth—the sector employs higher number of women and young people than are represented in the overall global workforce. While not all forms of tourism can directly alleviate poverty, their contribution can still be felt in poverty reduction given the low skills requirements for entry-level positions and the prospects it offers for small-scale entrepreneurs to pursue new activities or formalize existing micro ventures.

The multi-sectoral and complex nature of tourism value chain presents significant opportunities for generating backward and forward linkages which can engage local micro-, small- and medium-sized enterprises (MSMEs).

Figure 13: Tourism’s role in social inclusiveness, employment and poverty reduction is linked to SDGs 1, 3, 4, 5, 8 and 10

(Source: UNWTO)
Case Study:
In 1986, the Mexican Government established the Sian Ka’an Biosphere Reserve, now a UNESCO World Heritage Site. In the early 1990s, a Mexican NGO called Amigos de Sian Ka’an started a boat tour to help fund conservation, which eventually evolved into a plan for the area to become an entire ecotourism destination that benefits the local community.

In 2004, Amigos de Sian Ka’an transferred the tour initiative completely to local community cooperatives. Maya Ka’an was officially launched in 2014 and now covers 10,000 km² in three municipalities, and there are 18 cooperatives in Mayan and fishing communities operating tours. Nine of the cooperatives and 35 of their guides are certified ecotourism operators. Amigos de Sian Ka’an has invested over 200 hours of training for the cooperatives and promotes the destination in several media and tourism fairs in Mexico and Europe. The project now directly benefits 400 people in the Mayan region of Mexico13.

3. Resource efficiency, environmental protection, and climate change adaptation and mitigation

While tourism’s multi-faceted social and economic impact has the potential to improve living indices at the bottom of the pyramid, we have to be cognizant of the present context the increasing number of air travelers, large hotels with massive energy consumptions and other modern day amenities that putting a strain on natural and cultural resources and also contributing to climate change.

Figure 14: Tourism’s role in resource efficiency, environmental protection and climate change adaptation and mitigation is linked to SDGs 6, 7, 8, 11, 12, 13, 14 and 15

(Source: UNWTO)

While GHG emissions remain a global concern, energy and water consumption, food waste and overall waste management are some of the pertinent issues that the tourism sector needs to tackle urgently, especially in context of ‘honeypot’ destinations that draw in a large chunk of tourists and put a high seasonal pressure on the carrying capacity.
Case Study:
The history of tourism in Barcelona has been relatively brief. In the 1960s tourism developed on the coast of Catalunya. The staging of the Olympic Games in Barcelona in 1992 drew the world’s attention the dramatic and photogenic architecture of the city. A tired provincial, heavy industry port city was transformed, through a major urban renewal programme, into a cosmopolitan city with Mediterranean beaches, open to the sea. Barcelona was launched by the Games as a major European destination. However, the sudden spurt in the growth of tourism also brought in the negative elements, of drugs, gambling and prostitution which resulted in a highly antagonistic local community.

The authorities in Barcelona were concerned that negative attitudes towards tourism would diminish Barcelona’s reputation. The 2010-2015 Strategic Tourism Plan recognized that in recent years the growth in tourism had led to ‘a certain unease among the community’ as a consequence of the significant change in the ‘social, retail and urbanistic network of the city’. The strategy identified four key challenges for the management of tourism in the city:

• Territorial deconcentration of tourist activity, extending the destination of the metropolitan area, creating new economic attractions and managing tourism in the neighbourhoods
• Governance of tourism, from promotion to governance, from the generation of data to the generation of shared knowledge to facilitate management and moving from managing tourists to managing visitors.
• Generation of synergies with the society and institutions, moving from indifference to involving the community
• Competitive improvements, moving from accelerated growth to the consolidation of sustainable growth

The systemic improvements not only improved the quality of tourist visits with more repeat visitors and higher spending, more importantly it created a positive culture of feedback and interaction between the community and the administration which have established Barcelona as a creative, diverse and cosmopolitan city that has become an indisputable icon in contemporary urban tourism. Barcelona has had its own tourism statistics for many years, now comprising an annual tourist profile, a periodic citizen perception survey recently improved to give greater detail on those neighbourhoods with a larger tourist-activity presence. The tourist mobility plan and work currently underway undertaking big data analysis using sensors and mobile phone data will provide more tourism management information and a Tourist Activity Observatory is being developed with the Barcelona Provincial Council and the Barcelona Tourism Consortium.

The city has devised an extensive range of mechanisms linking participation in person to neighbourhoods through face-to-face meetings, discussions and debates and proposal collection trolleys; with digital participation through the decidim. Barcelona platform and other social media networks. Tourism is part of the participatory processes which Barcelona has developed to engage with its citizens in decision making through open Government, rather than to create its own structures (Goodwin 2016).

4. Respect for cultural values, diversity, and heritage

The relationship between heritage and tourism is two-way:

• Heritage offers tourists/visitors and the tourism sector destinations, products and recreational opportunities,
• Tourism offers heritage sites the ability to realize community and economic benefits through sustainable use.

Figure 15: Tourism’s role in promoting cultural values, diversity and heritage is linked to SDGs 8, 11, 12

Source: UNWTO
Heritage and Cultural tourism is growing at an unprecedented rate and now accounts for around 40% of global tourism. New opportunities exist to strengthen links between tourism and other creative industries, including music, the performing arts, design and cuisine. Recently, significant attention has been paid to the growing significance of food tourism, as well as the role of contemporary culture in urban regeneration and renewal linked to tourism. Given the rapid growth of the creative industries – with trade in creative goods increasing by 8.6% per year from 2003 to 2012 – the time is ripe to link contemporary culture and creative cultural activities to tourism. Not only would this enrich tourism offer, it can help to revive urban areas, facilitate host-guest interaction, and promote local creativity.

It is an undisputed fact that tourism aids the revival of traditional activities and customs, and provides an economic incentive to communities to preserve and showcase them. However, prolonged unsustainable use can lead to not only lead to physical damage to the sites, but also distort the social landscape of the destination if mass tourism activities become unsustainable. UNESCO’s World Heritage and Sustainable Tourism (WH+ST) Programme aims to integrate sustainable tourism principles into the mechanisms of the World Heritage Convention.

**Case Study:**
The European partners that collaborate in Van Gogh Europe unveiled a new initiative during the ITB Berlin 2017. Through Route Van Gogh Europe they aim to collectively put the European heritage of the world-renowned painter Vincent van Gogh on the map. International routes, a multilingual website and brochures will allow visitors to tread in the footsteps of Vincent van Gogh when travelling through the Netherlands, Belgium and France, bringing together six museums, nine heritage locations and fourteen towns in the three countries.

The strategy is to attract Vincent Van Gogh visitors, who generally restrict themselves to museums in Amsterdam and Paris, to rural regions with Van Gogh heritage (Mons, Noord-Brabant, Arles, St Rémy), and bring them benefit from tourism opportunities.

5. **Mutual understanding, peace, and security**

There exists a strong, positive correlation between tourism and peace. While peace and security is a prerequisite for the very existence of tourism, the transformative power of tourism – grounded upon billions of encounters that occur every day – paves the way towards dialogue, mutual understanding and tolerance, the cornerstones towards ensuring and maintaining peace.

On a long-term canvas, sustainable tourism models foster and nurture economic development, democratization, social justice, education, equality, empowerment, and reconciliation, the pillars on which the prosperity and development of a society rests upon.
### Table 4: 10YFP Sustainable Tourism Programme: Mission and Objectives

<table>
<thead>
<tr>
<th>Goals</th>
<th>Action Areas</th>
</tr>
</thead>
</table>
| Integrating sustainable consumption and production (SCP) patterns in tourism related policies and frameworks | • Integrating SCP principles and objectives for sustainable development  
• Monitoring policy implementation |
| Collaboration among stakeholders for the improvement of the tourism sector’s SCP performance | • Data sharing and exchange of information  
• Fostering stakeholder collaboration and joint action  
• Capacity building for stakeholders  
• Establishing monitoring frameworks |
| Fostering the application of guidelines, tools and technical solutions to improve, prevent and mitigate tourism impacts and to mainstream SCP patterns among tourism stakeholders | • Developing integrated tools for use at destinations and in tourism enterprises  
• Research and action on priority issues of the tourism value chain  
• Influencing consumer choice and behavior |
| Enhancing sustainable tourism investment and financing                | • Promoting use of sustainable tourism investment and financing tools  
• Enabling and mainstreaming sustainable tourism investment and finance |

Source: UNWTO
Sustainable Tourism in India: An Overview
Sustainable Tourism in India: An Overview

With a diverse geography that further diversifies significantly into many microcosms of cultures, art, architecture and heritage not only across the length and breadth of the country but even beyond its borders, India offers a wide range of tourist attractions for all class of travelers.

The year 2016 witnessed a growth of 10.7% in Foreign Tourist Arrivals (FTAs) in India. FTAs during 2016 were 88.9 lakh (p) as compared to 80.3 lakh during 2015. About 84.5% of the FTAs entered India through air followed by 14.8% by land and 0.7% by sea. Delhi and Mumbai airports accounted for about 47.8% of the total FTAs in India. Foreign tourist arrivals into the country are forecasted to increase at a CAGR of 7.1 % during 2005–2514.

Domestic Tourist Visits (DTVs) in 2016 have witnessed a Y-o-Y growth of 15.5% over 2015, with a CAGR of 13.83% over the last 10 years. During 2016, the number of domestic tourist visits to the States/ UTs was 1653 million (p) as compared to 1432 million in 201519.

From an economic point of view, Indian tourism sector is a significant source of foreign exchange and jobs. India can take the advantage of its unmatched tourism potential by providing policy tools and mechanisms to channelize investments in the right direction.

Table 5: Tourism in India - Key Statistics

<table>
<thead>
<tr>
<th></th>
<th>Tourism's contribution to capital investment was 5.7% of total investments in 2016 and is projected to grow 5.7% p.a. during 2017–27, higher than the global average of 4.5%.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Investments</td>
<td></td>
</tr>
<tr>
<td>Visitor Exports</td>
<td>Contribution of visitor exports to total exports is estimated to increase 6.1% p.a. during 2017–27 compared to the world average of 4.3% p.a.20</td>
</tr>
<tr>
<td>FTA</td>
<td>Foreign Tourist Arrivals (FTAs) which were 7.68 million in 2014, increased to 8.03 million in 2015 and 8.89 million in 2016. FTA has grown with a CAGR of 8.45% against the international growth rate of 4-5%. By 2025, Foreign Tourist Arrivals in India are expected to reach 15.3 million, according to the WTO.21 FTAs during the period January - April 2017 were 35.85 lakh with a growth of 15.4%, of which 5.82 lakh tourists arrived on e-Tourist Visa as compared to 3.91 lakh during January-April 2016, registering a growth of 48.8%.</td>
</tr>
</tbody>
</table>
When it comes to sustainable tourism, the Government of India has recognized the immense potential of this niche in becoming a source of sustainable livelihoods in a high population scenario, and has given a special focus on promoting ‘Incredible India’ brand to attract tourists, not only to major cities and heritage attractions, but also to rural India where through correctly aligned policy mechanisms, the problems of disguised unemployment in agriculture as well as migration to urban areas can be mitigated through community based tourism models mentored by the industry.

2.1 Tourism Governance Framework

Under the federal structure of India, Tourism falls under the State list of the Indian constitution, hence issues of land, transport, hotels, industry, law and order and the development of tourism infrastructure are handled by the State Governments/Union Territory Administrations.

At the national level, the Ministry of Tourism, Government of India formulates national policies and programmes for the development and promotion of tourism in India. The Ministry also plays a crucial role in co-coordinating the activities of various central and state-level Government agencies, co-coordinating and supplementing the efforts of the State Governments/Union Territory Administrations, catalyzing private investment, strengthening promotional and marketing efforts and providing trained manpower resources. State tourism departments provide tourist information and monitor the implementation of tourism projects, while 14 overseas offices promote India as a tourism destination.

The India Tourism Development Corporation (ITDC) is a public sector enterprise under the administrative control of the Ministry of Tourism. It plays a key role in the development of tourism infrastructure. Apart from developing hotel chains in India (which is currently in the process of divestment), ITDC offers tourism-related services like transport, duty-free shopping, entertainment, production of promotional materials and professional consultancy services. The National Council for Hotel Management and Catering Technology (NCHMCT) is an autonomous body of the Ministry of Tourism responsible for the growth and development of hospitality management education through its affiliated institutes. The Indian Institute of Tourism and Travel Management (IITTM) is another autonomous institute under the Ministry of Tourism providing specialized education and training for the tourism and travel industry.

Apart from this, the Ministry is constantly working to put in place a system of training and professional education, with necessary infrastructure support, capable of generating manpower sufficient to meet the needs of the tourism and hospitality industry, both quantitatively and qualitatively. There are now 36 Institutes of Hotel Management (IHM), comprising 21 Central IHMs and 15 State IHMs and seven Food Craft Institutes supported by the Ministry. These institutes have been set up as autonomous bodies with the specific mandate to impart hospitality education and conduct training in hospitality skills (OECD 2016).
2.2 Central Government Initiatives

As we stepped into the 21st century, the impacts of global warming and climate change started exacerbating through frequent natural calamities not only causing damage to life and property, but also proving detrimental to tourism industry globally, including many developing and under developed regions where tourism constituted a major share of the GDP. However, this also put the spotlight on tourism value chains’ increasing share in GHG emissions and other indices negatively impacting the environment, including accommodation units, tour operators, MSME providers of visitor services, transporters and nature tour outfitters.

Moreover, tourism is one of the few service sectors operating in rural areas and other fragile ecosystems, where the conservation of cultural heritage also becomes an important facet apart from the natural heritage. Recognizing this challenge to create a sustainable balance between visitor numbers and heritage conservation, the Ministry of Tourism is working to provide policy mechanisms to guide the industry towards sustainable use of resources and mitigating negative impacts on environment and society.

In 1998, the Ministry of Tourism extensively deliberated with the industry and other stakeholders and came up with “Eco-tourism in India – Policy and Guidelines”, covering:

1. Ecotourism definition and ecotourism resources of India
2. Policy and planning
3. Operational guidelines for Government, developers, operators and suppliers, visitors, destination population / host community, and NGOs/scientific & research institutions

In this vein, various parameters were introduced around which issues and solutions would be identified, including carrying capacity, the polluter pays principle, regulatory issues, environment care, sustaining heritage (cultural, natural, built, oral, intangible), and inclusive economic growth.
With the institutionalization of Global Sustainable Tourism Council in 2010, the Ministry undertook to adapt the GSTC criteria for sustainable tourism in the Indian context, specifically taking cognizance of India’s attainments in sustainability, while also considering criteria generated by other sources, including GSTC. In this global backdrop, sustainable tourism and its various branches were integrated proactively into the policy framework in the 12th Five Year Plan, with focus on:

1. Major social awareness campaign under the ‘Atithi Devo Bhavah’ initiative
2. Involving schools, NGOs, industry associations, etc. in carrying out sustained cleanliness drives at important tourist destinations. Suitable incentives and awards will be provided to all organizations and individuals involved in this initiative
3. Top most priority for sanctioning Central Financial Assistance for setting up of way-side amenities, biodegradable toilets, etc.

A National Workshop on Sustainable Tourism Criteria for India was convened in July 2010. Based on the recommendations of this National Workshop on Sustainable Tourism Criteria for India, a sub-committee chaired by the Joint Secretary (Tourism), Government of India, and comprising expert stakeholders was constituted in 2010 for defining Sustainable Tourism Criteria for India (STCI) and Indicators (Ministry of Tourism, Government of India 2016).

In 2016, the Ministry of Tourism launched the Sustainable Tourism Criteria for India (STCI) in association with Ecotourism Society of India (ESOI), a non-profit organization formed in 2008 with the sole aim to promote and ensure environmentally responsible and sustainable practices in the tourism industry25. The criteria were introduced for three major segments of tourism industry, viz. Tour Operators, Accommodation and Beaches, and Backwaters, Lakes and Rivers.

Further, the Ministry has also formulated guidelines for approval of Hotel Projects at the implementation stage and guidelines for classification/re-classification of operational hotels under various categories.

- Hotels at the project stage itself are required to incorporate various eco-friendly measures like Sewage Treatment Plant (STP), Rain Water Harvesting System, waste management system, pollution control, introduction of non-Chlorofluorocarbon (CFC) equipment for refrigeration and air conditioning, measures for energy and water conservation etc.

- Under the guidelines for project level & classification/re-classification of operational hotels, it has been prescribed that the architecture of the hotel buildings in hilly and ecologically fragile areas should be sustainable and energy efficient and as far as possible be in conformity with the local ethos and make use of local designs and material.

Also, tour operators approved by Ministry of Tourism have to sign a pledge for commitment towards Safe & Honourable Tourism and Sustainable Tourism to fully implement Sustainable Tourism practices, consistent with the best environment and heritage protection standards26.

As several stakeholders in sustainable tourism such as airlines fall outside the ambit of Ministry of Tourism, Government of India, the Sustainable Tourism Criteria for India, at present include only tour operators and the accommodation sector that come directly within the Ministry’s purview.

We now highlight key initiatives undertaken by some of the progressive states towards the promotion of sustainable tourism.
## 2.3 Key Initiatives in Sustainable Tourism (States)

<table>
<thead>
<tr>
<th>State</th>
<th>Policy and Promotional Initiatives</th>
<th>Institutional Initiatives</th>
<th>Infrastructure and Capacity Building, New Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>Partnered with UNWTO to promote sustainable tourism</td>
<td></td>
<td>Coastal Tourism Circuit in Sri Potti Sriramalu, Nellore under Swadesh Darshan Scheme Community based eco-tourism development has been taken up at a cost of INR 2.5 cr at Bairutla and Pacharla in Nallamala forest</td>
</tr>
<tr>
<td>Assam</td>
<td>‘Majuli Sustainable Tourism Development Project’ to encourage a carbon free tourism experience in the island</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>Provisions to promote Eco tourism, rural tourism, adventure tourism and tourism promotion through Special Tourism Areas/Zones</td>
<td>Tribal tourism circuit has been identified for development under Swadesh Darshan Scheme</td>
<td></td>
</tr>
<tr>
<td>Gujarat</td>
<td>Homestay policy</td>
<td>Infrastructure Development Investment Program for Tourism (IDIPT)</td>
<td></td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>HP Eco Tourism Policy 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karnataka</td>
<td>Declared “2017 – Year of the Wild” Adventure Tourism Policy and Homestay Policy under preparation</td>
<td>Jungle Lodges &amp; Resorts - Joint Venture of Department of Tourism and Department of Forest Karnataka Eco-Tourism Development Board (KEDB)</td>
<td></td>
</tr>
<tr>
<td>Kerala</td>
<td>Re-branding Kerala as ‘Land of Adventure’</td>
<td>Introduction of Coracle Ride as part of the Seethathode - Gavi Popular Tourism (SGPT) project 10 forest-centered ecotourism circuit projects</td>
<td></td>
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<tr>
<td>Madhya Pradesh</td>
<td>Madhya Pradesh Forest (Entertainment and Wildlife experience) Rule 2015</td>
<td>Madhya Pradesh Ecotourism Development Board</td>
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<tr>
<td>Maharashtra</td>
<td>Mahabhraman Scheme</td>
<td>Signed MoU with AirBnB to promote unique experiences Pustakanche Gaon (village of books) Concept</td>
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</tr>
<tr>
<td>Odisha</td>
<td>Odisha Ecotourism Policy 2013</td>
<td>42 eco-tourism facilities across 23 forest divisions</td>
<td></td>
</tr>
<tr>
<td>Sikkim</td>
<td>Sikkim Ecotourism Policy 2011</td>
<td>Sikkim Ecotourism Council</td>
<td>Sikkim Himalayan Home Stay Program</td>
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</tbody>
</table>
2.4 Key Issues & Challenges

While sustainable tourism positions itself well as a panacea to curb the negative impacts of tourism activity without compromising on the economic benefits, its adoption into the mainstream has presented certain challenges, especially in an emerging tourism market like India.

1. **Change in Consumer Patterns:** While inbound tourism comes from an evolved market that is better aligned towards sustainable tourism products, the domestic market is still in a nascent stage and highly dominated by mass tourism activities. Changing the mindset of the domestic tourist to be more amenable to sustainable tourism products represents one of the major challenges hindering growth of sustainable tourism in India.

2. **Low Adoption of Sustainable Practices and Certifications:** Many guidelines and certification mechanisms exist today that can guide the tourism industry towards adopting sustainable practices, especially when it comes to the use of resources like water, electricity and also waste management. The Ministry of Tourism has prepared an extensive Sustainable Tourism Criteria for India (STCI), adapting the tenets of Global Sustainable Tourism Criteria (GSTC) in the Indian context. However, adoption of these principles remains low, in some cases due to the high costs involved in acquiring certification.

3. **Price Barriers:** Many sustainable tourism products are positioned at a higher price point than their conventional counterparts owing to the higher input and localization costs involved. As a result, many tourists, especially domestic travelers, are compelled to settle for mass tourism based livelihoods even if they have an inclination to try out sustainable tourism products.

4. **Capacity Creation in Rural Areas:** While creating necessary tourist infrastructure is one part of the puzzle, motivating communities to take up tourism activities, especially in rural areas, requires building up skill sets (sometimes form the scratch) in areas pertaining to both hospitality as well as business operations. In a scenario where a large part of the rural population is living on frugal agrarian means with low literacy rates and limited access to basic amenities, motivating them to undertake new ventures can prove to be a challenging ordeal.
5. **Informed Policy Frameworks:** In order to create a framework that can be easily adopted and implemented by the industry, policies need to be informed by evidence, making the collection of data collection, analysis and monitoring critical. Efforts are needed to ensure that data collection is sustained and participatory; makes use of existing statistical frameworks where relevant; involves needs-based indicators; and that the data collected is used to guide tourism management in practice.

2.5 **Best Practices & Case Studies**

**Responsible Tourism - Allepey Tourism Development Cooperative Society, Kerala**

When it comes to successfully implementing community based tourism models, Kerala is one of the pioneer states in the country. Blessed with a verdant coastline and backwaters that play host to a multitude of scenic locations, it has been able to successfully create a diverse portfolio of tourism products including nature, wellness (ayurveda), heritage, culture and cuisine. One of the reasons has been the major role that tourism has played in counterbalancing the decline in agriculture. The state has a clear policy focus towards responsible tourism and an institution setup to promote and manage the same.

Alleppey Tourism Development Cooperative (ATDC) Society has been one of the earliest community based tourism models in the country that has been running successfully for almost three decades, thereby demonstrating a model of business sustainability for local communities. Registered in 1987 under the State Cooperatives Act, the initial aim of the organization was to secure sustainable livelihoods for local communities who were increasingly finding agriculture to be unprofitable. The state had seen success in cooperative model in areas of agricultural

![Diagram of Responsible Tourism Organizational Layout in Kerala](source: Kerala Tourism)
credits, milk marketing, cotton weaving and beedi making, and with some persuasion, the local communities were able to set up the first tourism cooperative focusing on houseboats, albeit with some challenges since there was no precedence of such models in the sector.

With ATDC serving as the consolidated marketing face for all houseboat owners thereby providing scalability, the individual boat owners were responsible for the operational aspects. Boat owners were instructed to make the essential modifications in the rice boats to suit tourist needs, and credit for this was provided through an arrangement with a banking cooperative. However, no state subsidies were involved, which in part motivated the locals to ensure that their business model was a success (George 2007).

**Nature & Wildlife Tourism – Jungle Lodges and Resorts, Karnataka**

Through consistent conservation efforts, Karnataka has firmly established itself as the premier destination for wildlife tourism in India. A large part of the state encloses the Nilgiri Biosphere Reserve, containing 5 National Parks and 25 Wildlife Sanctuaries (of which 7 are bird sanctuaries), and this large swath of natural area provides a plethora of opportunities for nature-based tourism activities.

One of the earliest examples of PPP in tourism, Jungle Lodges and Resorts (JLR) was established as Joint Venture between the Government of Karnataka and Tiger Tops Jungle Lodges way back in 1980 with an aim to promote eco-tourism, wildlife tourism, adventure tourism and various outdoor activities like trekking, camping, white water rafting, joy fishing etc., that are non-consumptive components of eco-tourism and help in environment conservation. Although Tiger Tops withdrew from the partnership in 1987 and sold its share to the Government, the brand continued to flourish today is one of the best examples of a Government led institution working at the efficiency levels of the private sector.

The resort today has a healthy mix of inbound as well as domestic tourists, majority of them highly educated with a deep seated appreciation for nature. Since inception, it has now expanded its footprint across Karnataka to 18 resorts and 2 heritage hotels each with its own distinctive characteristics, and a remarkable degree of consistency in positive consumer feedback and adherence to policies of local employment and procurement that fits into the overall model of sustainability.

**Figure 19: Revenue Realized by Tourism Agencies in Karnataka**

![Figure 19: Revenue Realized by Tourism Agencies in Karnataka](source: Economic Survey of Karnataka 2016-17)
Working as a fully self-sufficient entity, apart from budgetary appropriations from the Government of Karnataka for minor development works, JLR implements no subsidy programmes, nor does it receive any permits, concessions or organizations. As can be observed from Figure 19, it single-handedly generates around 50% of the revenue only from ecotourism activities that the Karnataka State Tourism Development Corporation (KSTDC) does through all of its other properties and ventures.

Ecotourism – The Case of Sikkim

Combining natural charm with a unique, indigenous culture, Sikkim, taking a cue from the neighbouring country of Bhutan, has been constantly striving to develop tourism with a conservative approach, keeping a check on carrying capacity infringements and devising mechanism to diversify tourism in the hinterland and avoid undue pressure on the fragile mountain ecosystem.

Realizing its advantage of an immensely diverse landscape coupled with a unique culture, the state Government took two progressive policy mechanisms that made it stand out amongst all states of the India as well as other Himalayan counterparts – first, Sikkim became the first state to be declared completely organic, thereby automatically incentivizing agriculture sector in the state, and second, it again became the first state to launch an ecotourism policy.

The state demonstrated how a pragmatic approach from the administration can catalyze small and medium enterprises on the ground. The Government made topical changes to central Government schemes like the ‘Indira Awas Yojana’ that enabled villagers to construct extra rooms and sanitation facilities for homestays.

The Department of Forests, Environment and Wildlife Management (DFEWM) is implementing a Japan International Cooperation Agency (JICA) assisted Sikkim Biodiversity Conservation and Forest Management Project. The project is for a period of ten years commencing from 2010-2011 to 2019-2020 at a total cost of Rs. 330.57 Crores. The Project objective is to strengthen biodiversity conservation activities and forest management capacity, and to improve livelihood for the local people who are dependent on forests by promoting sustainable biodiversity conservation, a forestation and income generation activities including eco-tourism for the community development, thereby contributing environment conservation and harmonized socio-economic development of Sikkim.

Figure 20: Domestic and Foreign Tourist Visits in Sikkim

Source: Dept. of Tourism and Civil Aviation, Govt. of Sikkim
Sikkim Himalayan Home Stay Program promotes ecotourism in rural areas of Sikkim. It is supported by UNESCO, Norwegian Govt. and the Principality of Andorra, and implemented by Ecotourism & Conservation Society of Sikkim (ECOSS), a nonGovernmental organization. The Sikkim Himalayan Homestays Program is operational at Dzongu (North Sikkim), Pastanga (East Sikkim), Yuksam (West Sikkim) and Kewzing (South Sikkim). ECOSS is also developing new rural ecotourism sites at Naitam (East Sikkim), Lingee Payong (South Sikkim) and Ray Mindu (East Sikkim).

Private Sector Initiatives

1. **ITC Hotels**

One of the greenest hotel chains in the world, ITC Hotels has created a niche value for itself through persistent efforts to create new benchmarks in energy, water efficiency, solid waste recycling and carbon reduction. Embodying the ethos of ‘Responsible Luxury’, ITC Hotels began its journey in establishing green buildings with the ITC Green Centre in 2004, and today 13 of ITC’s hotels are certified LEED Platinum the highest certification awarded by the U.S. Green Building Council, with numerous awards and accolades under its belt.

Some of the unique initiatives undertaken by the hotel chain include:

- More than 50% of the total electrical energy demand at ITC hotels is met through renewable sources.
- A significant amount of food & beverage used and served at ITC Hotels is procured locally.
- ITC Hotels annually offset carbon emission equivalent to carbon footprints created by flying across the globe almost 1200 times.
- The energy produced through wind farms at ITC Hotels is enough to light up the Delhi-Mumbai Highway for one year.
- ITC Hotels treat and recycle enough water to irrigate 65000 trees which aids in sequestering approximately 13000 tonnes of CO₂.
- Hot water generated at ITC Hotels through the use of solar energy would be sufficient to address the average hot water consumption of 6000 households.
- ITC Hotels endorse socially and environmentally responsible forestry by ensuring that more than 50% of the paper, stationery and wood is either FSC (Forest Stewardship Council) certified, sourced locally or recycled. The wood used in the hotel has also been out-sourced from The Forest Stewardship Council (FSC).
- ITC Grand Chola is the World’s largest LEED Platinum certified green hotel. ITC Gardenia, ITC Windsor, ITC Maratha and ITC Grand Chola are powered 100% by renewable energy.
- Extensive use of CO₂ sensors for better management of IAQ and ventilation.

2. **Our Native Village**

Started in 1990 as a hobby farm in Hessargatta village, 50 kms north of Bangalore, the family owned and operated farm decided to stop active farming in 2001 due to inconsistent yields, and instead focused on creating a tourism enterprise leading to the launch of Our Native Village, a 24 room holistic resort offering programmes.

While the consumer facing end focused on holistic wellness, it is the extensive work behind the scenes that makes Our Native Village a unique and inspiring initiative. From the very outset, the owners were unwavering on making the enterprise fully self-sufficient and adherence to the the 5 pillars of sustainability, viz. energy, water, waste, architecture and the food chain, with the first two being the major areas of concern.
Energy use at Our Native Village is limited due to use of open air spaces, natural light, passive cooling, proper insulation, and location on high ground providing a natural breeze. In addition, absence of high energy consuming electrical amenities including air conditioning and televisions further saves on additional energy requirements. Only 20% of the energy requirement is supplied by the grid, the rest generated in-house by a mix of wind, solar and biogas based systems.

Rainwater catchments are available on all rooftops and funnel harvested water through a network of underground pipes to the resort’s 84,000 litre rainwater tank. 5 rainwater recharge wells throughout the resort channel rainwater to regenerate the water table. In addition, grey water from taps and showers is filtered through natural reed beds before regenerating the water table.

By using time tested practices that process and reuse all waste, Our Native Village produces very little landfill waste. Native landscaping reduces the water and maintenance needed for survival of non native species. In addition, over 90 traditional medicinal plants are found around the resort for guests to learn about and sample. More than 60% of the resort’s employees are hired from nearby villages.

Sustainable operating practices in all aspects of energy, water, waste, architecture and food clearly demonstrate the resort’s complete dedication to a holistic environment. A consistent sustainability policy has generated demand and loyalty from guests who seek products that resonate with their own values. The resort receives 30% of repeat business, and 90% of guests are recommended through word-of-mouth marketing.

3. CGH Earth

Synonymous with experiential vacations with a focus on sustainability, heritage, wellness and nature, CGH Earth offers luxury travel experiences across 17 properties in three states in India. Since 1988 when the company successfully bid to manage the property at Bangaram Island in Lakshadweep, it has followed the core philosophy of ‘experience over ostentation’, CGH earth has carved a unique niche for itself in the luxury hotel segment by adopting a highly sensitized value system that makes every property adhere strictly to its local environment and culture.

For instance, the Spice Village in Thekkady, in the South of India, is built like an old mountain village, using traditional techniques of huts with thatched-roofs made out of elephant grass. The Coconut Lagoon was built using material from 150 years old, destroyed houses while the Marari Beach Resort consists of 16 huts with coconut palm thatched-roofs arranged like an old fishing village.

From a vanilla hotel company, the organization has through persistent efforts and commitment to sustainable development transformed itself into one of the leading responsible tourism operators, reflected aptly by the change in its name from ‘Casino Group of Hotels’ (CGH) to Clean, Green and Healthy (CGH).

CGH Earth is one of the best examples of creating a holistic tourism ecosystem that goes ‘beyond the property’. Its wellness products based on yoga and Ayurveda have garnered global accolades, and the company is looking to expand to other parts of India as well as Asia.
Sustainable Tourism: Initiatives & Opportunities
Sustainable Tourism: 
Initiatives & Opportunities

The large gap between domestic and foreign tourist arrivals in the country, and the preference of the former towards niches of mass tourism has implied that sustainable tourism demand is not very high in India. However, as the economy has grown, the younger generation has had more disposable income in hand, and coupled with the global momentum towards reducing the rich-poor divide while conserving the natural heritage for posterity, demand for experiential tourism products by the youth has shown an impressive growth in the last decade.

Adventure tourism, Eco-lodges, Homestays, Wildlife Safaris, Bird watching and Photography Tours are seeing an increasing demand in India, with many foreign tourists also looking for long haul Volunteer Tours and Gap Year Programmes. There is also a trend where high end domestic tourists are choosing luxury nature camps over foreign vacations, thereby promoting development of eco-friendly architectures of international standards.

This represents an immense opportunity in a young country where the Government is looking to promote entrepreneurship over employment and formulating strategies to fast track livelihood creation in rural and hinterland areas, and mitigating the negative impacts of mass tourism in urban areas.

3.1 Sustainable Tourism and Smart Cities

The demand for travel to cities has greatly increased over the last few decades. While many travel for business or convention purposes, others travel during leisure time to learn about other cultures, indulge in their specific interests and seek entertainment.

However, popular cities of the world are large multifunctional entities into which tourists can be effortlessly absorbed and thus to a large extent can become economically and physically, ‘invisible’, and over a period of time, the sustained pressure exerted by them on the city’s resources can lead to a collapse in urban infrastructure.

On the flipside, if developed in a sustainable manner, tourism can create long term benefits for urban communities. It encourages development of new cultural and commercial facilities that can be used both by residents and tourists, and facilitates the collection of necessary funds to preserve the natural and archaeological heritage, art and cultural traditions. It also contributes to improvement in environment quality.

There has been a trend for tourism to be increasingly incorporated into broader urban approaches to economic development. In the last few years, we can observe the intensification of activities in two areas associated with urban
Sustainable Tourism in India: Initiatives & Opportunities

and city tourism. Specifically, it is the development of a growing infrastructure and associated cultural amenities in downtown and/or specialized districts, and the expanded image building and urban branding campaigns. This trend is not only evident in larger cities, but also in smaller towns.

The correlation between development of smart cities and tourism is high. Most smart cities globally have a strong tourist inflow, and the success of many is driven by the fact that they are successfully able to extend business visits into recreational avenues. Smart cities embody the concept of sustainable development and creation of ‘intelligent’ and ‘smart’ infrastructure to mitigate negative impacts upon the environment and alleviate the bottlenecks while ensuring the architectural, aesthetic, historical, religious and socio-cultural integrity of the destination. The figure below elucidates some of the specific elements, attractions and activities that attract tourists to urban areas, and smart city interventions that broadly work to create a sustainable infrastructural and governance framework.

Figure 21: Urban Tourism & Smart City Elements for Sustainability

Bringing ‘Smartness’ into Sustainable Urban Tourism requires two major focus areas – first, upgrading existing infrastructure as well as creation of new ‘smart’ infrastructure that offers high service quality in a resource conscious and environmental friendly manner, and second, dynamically interconnecting stakeholders through a technological platform on which information relating to tourism activities can be exchanged instantly. There are three forms of ICT which are vital for setting up Smart Tourism Destinations, viz. Cloud Computing, Internet of Things (IoT) and End-User Internet Service System.

Tourism is an integral part of the smart city phenomenon, and with an increasing amount of people migrating to urban areas, emerging smart cities need re-engineered governance processes, policies and tools in order to reduce impacts on the organization of cities and urban livability, including increasing use of technological components in citizen services delivery as well as data interpretation to improve infrastructure and amenities.
Cultural heritage, cultural and creative industries, arts and crafts, sustainable cultural tourism, culture-led urban revitalization and cultural infrastructure can serve as strategic tools for livelihood and revenue generation, inclusive economic development, attracting investment and ensuring green, local and stable jobs.

Urban tourism, if designed carefully can hugely benefit host communities while providing significant links between urban heritage assets and sustainable development. Protection, preservation and safeguarding of urban cultural heritage go in tandem with the sustainable development of urban tourism and where urban planning is harmonized (Strategic Government Advisory (SGA), YES BANK 2017).

3.2 Sustainable Tourism for Rural India

Sustainability has always been a core component of Indian culture. Its philosophy and values have underscored a sustainable way of life. Yoga and Ayurveda are perhaps among the most well-known ways of holistic Indian living. Sustainable and environmentally friendly practices and psyches still continue to be part of the lifestyle and culture. India has both a culture of hoarding (in case something might come in useful), and thriftiness (re-use and hand-me-downs).

Figure 22: Greendex 2014

National Geographic28 and Globescan29 have developed a ‘Greendex’ to measure how consumers are responding to climatic concerns. The 2014 survey comprised 18 nations ranked India at the top of the index, with particular advantage in housing, transportation and food choices. This can be largely attributed to the fact the rural communities, who practice austerity in almost every walk of life, constitute around 70% of the country’s total population.
India is one of the least wasteful economies. It has frequently been acknowledged by stakeholders for its cooperation and efforts to promote climate change mitigation and environmental sustainability; this has been achieved through policy measures, dialogue facilitation between nations, and taking decisive steps (especially after India emerged as a key player in shaping the Paris Agreement), along with adopting energy-efficiency measures (Pandey 2017).

However, one also has to take cognizance of the fact that the rural region also faces challenges including low incomes, increased pressure and dependency on agriculture, lack of diversified livelihood opportunities, housing and solid waste management, education and healthcare facilities among others.

This is where tourism can intervene to uplift rural communities and improve social indices in the hinterland. Impact tourism is a community and tourist-centered approach in which tourism is leveraged to help deliver sustainable community infrastructure. It gives tourists an authentic experience of local culture and traditions while helping the community—and both these objectives are aligned with the evolving targets of the Paris Agreement and the UN SDGs. Impact tourism leads to sustainable rural development and provides livelihood opportunities for rural communities, a win-win situation for all stakeholders (Bansal 2017).

Take the example of traditionally sustainable farming practices. In India, there are 13 provisionally identified Globally Important Agricultural Heritage sites (GIAHs) by FAO based on the ingenuity and uniqueness of agricultural heritage. Almost all these sites are family and group farming oriented that encourage collectiveness and bonding. The systems have high potential for creating income and livelihood security if managed with the point of view of niche agriculture and sustainable tourism.
Table 6: Globally Important Agricultural Heritage sites (GIAHs) – Certified, Under Review & Provisional

<table>
<thead>
<tr>
<th>Activity</th>
<th>State</th>
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<tbody>
<tr>
<td>Koraput Traditional Agriculture System (tribal agriculture) 31</td>
<td>Odisha</td>
</tr>
<tr>
<td>Kuttanad Below Sea Farming System (Below sea level Rice farming)12</td>
<td>Kerala</td>
</tr>
<tr>
<td>Saffron Heritage (Family Farming in Saffron cultivation) 33</td>
<td>Jammu &amp; Kashmir</td>
</tr>
<tr>
<td>Grand Anicut (Kallanai) Farming system 34</td>
<td>Tamil Nadu</td>
</tr>
<tr>
<td>Catamaran Fishing system</td>
<td>Tamil Nadu</td>
</tr>
<tr>
<td>Koranganadu Silvo-pastoral system</td>
<td>Tamil Nadu</td>
</tr>
<tr>
<td>Soppina Bettas Systems</td>
<td>Western Ghats</td>
</tr>
<tr>
<td>Tribal Agricultural Systems of Sethamphat</td>
<td>Andhra Pradesh</td>
</tr>
<tr>
<td>Apatani Rice Fish Culture system</td>
<td>Arunachal Pradesh</td>
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<tr>
<td>Darjeeling system</td>
<td>West Bengal</td>
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<tr>
<td>Traditional Ladakhi agriculture system</td>
<td>Jammu &amp; Kashmir</td>
</tr>
<tr>
<td>Raika Pastoralists</td>
<td>Rajasthan</td>
</tr>
<tr>
<td>Sikkim Himalayan agriculture</td>
<td>Sikkim</td>
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</tbody>
</table>

(Source: FAO)

The macro headwinds are also optimistic on promoting tourism as a tool to alleviate growth issues in rural areas. The World Bank group and Airbnb recently signed a Memorandum of Understanding (MoU) to examine ways in which emerging destinations use new technology and platforms such as Airbnb to create economic opportunities for communities that have not traditionally benefited from tourism and hospitality. In the initial pilots, the two organizations will share information on the current scale of alternative accommodation options and home sharing across India and Sri Lanka, trying to ascertain the development impacts of these accommodation options while paying particular attention to the ways in which they can be leveraged to unlock economic opportunities in marginalized regions and communities35.

3.3 Public Private Partnerships (PPP) for Sustainable Tourism

In the modern day economic scenario where large infrastructure in industrial clusters and urban centers is driving business and services, ‘social-economy’ enterprises, or the ‘third’ sector, aim to check unsustainable imbalances in growth, both regional and demographic that can often arise out of differences in ‘skills’ and ‘scale’, and this is the primordial thought around which sustainable tourism models are structured, striving to ensure ‘cultural and environmental preservation’ in the backdrop of ‘infrastructure and income augmentation’.

Companies that adopted environmental, social and governance policies in the 1990s outperformed those that did not. The outperformance is stronger in sectors where the customers are individual consumers, companies compete on the basis of brands and reputation, and in sectors where companies’ products significantly depend upon extracting large amounts of natural resources (Robert G. Eccles, 2011, 2012). Thus, it comes as no surprise that there is an increasing emphasis on fully integrating the ethos of sustainability into all forms of tourism - mainstream or offbeat, with dedicated emphasis on ‘green’ and ‘local’ supply chains.

There are certain institutional and regulatory aspects that cannot be expanded beyond the Government due to social and governance considerations, including developing and approving tourism policy and strategy, contracts for major infrastructure projects including connectivity, grant project approvals, permits and licenses, evaluate/monitor contracted services, approve payment for contracted services, but it is difficult for the administration to move beyond this domain full-fledged into creating and managing tourism enterprises.
While there are certain instances where the Government ventures into creating and running its own infrastructure, recent policy decisions including divestment of Government owned hotels have shown the Government’s intent to restrict its role to overall governance and trunk infrastructure development and let the private sector work towards creating and managing specific tourism infrastructure, products and enterprises.

In a burgeoning economy, Public Private Partnerships are essential tools to ensure that stakeholder engagement, especially Government and large enterprises, shift from delivering services directly, to service management and coordination, entrusting last mile implementation to the local community. Not only are PPP structure more amenable to structured funds and sustainable finance, tourism is one of the sectors where this ‘social’ aspect of PPP is omnipresent, with focus on community enterprises that can deliver the ‘entrepreneur-owner-manager’ model at the grassroots, as elucidated in the figure below.

Figure 24: Social Equity based PPP model for Sustainable Tourism

Large corporate organizations, especially the hospitality conglomerates that offer ‘authentic’ and ‘traditional’ experiences to their clients, have an important role to play here. Not only can they help develop quality tourism products for the local communities and hone their skills, the long term vision should be to integrate these as a part of their own product portfolio. We need an effective policy mechanism that can ensure this Value Chain Linkage in the short to medium term. One possible avenue is channelizing CSR spending from the hospitality sector into the development of skills and markets for community tourism ventures.

The synergy between the public sector and private sector has been a major force in stimulating tourism competitiveness in a number of countries at National, State and Local levels. Comprehensive development of tourism is best possible if created jointly by Government, private sector and local community. PPPs enable the public sector to benefit from commercial dynamism; the ability to raise finance in an environment of budgetary restrictions, innovations and efficiencies harnessed through the introduction of private sector investors who contribute their own capital, skills and experience.
3.4 Private Sector Participation

Tourism sector, globally as well as in India, is largely driven by the private sector, and while Governments can lay the broad policy framework and placeholders for the triple bottom line approach that defines sustainability, the private sector has to take the lead in creating business mechanisms that work closely with local communities and are cognizant of the need to conserve fragile ecosystems, and through these collaborative mechanisms to create profitable business models.

However, from a financial standpoint, investment in sustainable tourism is as much impact-focused as return-oriented. It requires a steady, long-term investment and owing to its social benefits, is commonly a part of many impact investing portfolios. Also, many businesses remain too small for investment. Often, local and indigenous communities with interest in tourism have trouble finding the support they need to start businesses. Investors and development banks also have lower interest and a limited ability to be able to support many small operations, since they often have to work more closely with their investments in order to ensure proper practices are being used. However, sustainability led measures can deliver faster RoI with strict monitoring and evaluation. For instance, energy and water efficient infrastructure can pay for itself through the energy-cost savings of greening operations (Tazawa 2017).

There is a range of options for the use of outsourcing, which include concessions, leases, licenses and permits. Within concessions, there are forms that have different implications for the level of capital investment and maintenance that the concessionaire takes for responsibility for. These include Build Operate and Transfer (BOT), where the concessionaire is responsible for the construction costs and activities, their operation, and then transfers them to the Government at the end of the concession period.

Other forms include Rehabilitate Operate and Transfer (ROT), Design-Build-Operate (DBO), and Maintain and Operate. The Government can include performance bonds in contracts to ensure funds to invest in capital repairs and maintenance during the contract. The figure below demonstrates the decision making process for choosing the appropriate contracting mechanism.

Investing in sustainable tourism also requires ‘balancing out’ the differences in planning horizons of various stakeholders involved. It is important for the private sector to recognize and follow the Equator Principles to underline the benefits associated with identifying, assessing and managing social and environmental issues. While signatories recognize their need to make profits, they also state that their “role as financiers affords (them) opportunities to promote responsible environmental stewardship and socially responsible development”.

3.5 Effective Cross-institutional Linkages to Attract Private Sector

The private sector is primarily concerned with the economic viability and the competitive advantage of both the destination and the organization. At the destination level Governments are required to put in place adequate land-zoning, clearly defined tourism products, appropriate development regulations and the monitoring of a focused range of sustainability principles.
In the current scenario, the nature of overall responsibilities of the Government institutions that promote tourism and those concerned after protection of natural and wildlife areas have often been on opposing ends of the spectrum, thereby acting as a deterrent for the private sector, both at the central and state levels. Without relaxation in guidelines for protected areas, it is not possible for private sector to come up with viable business models while even the smallest infringement in protected ecosystems compels the Government authorities to impose a blanket ban upon any tourist activity. The Ministry of Environment and Forests (MoEF) has mandated the state Governments to prepare a State-level Ecotourism Strategy and the Chief Wildlife Warden (CWLW) of the state to prepare an ecotourism plan for each protected area which has laid the initial framework to actualize.

However, recent initiatives in the Indian context have shown the way towards the middle path. If examined closely, factors which seem to be divergent in the first glance can turn out to be complementary. The forest department through controlled tourism activities can not only ensure livelihoods for the fringe communities around the ecosystem and also activate a revenue source for the department, but also assist in conservation efforts. In many cases, it is the forest guides and naturalists that warn the authorities on possible discrepancies and illegal infringements.

One of the successful models to enable this synergy has been the establishment of Eco Tourism Development Boards by progressive states like Madhya Pradesh. Led by the state forest department, the board has representation from all relevant departments, private sector and local communities that together facilitate Government departments, travel businesses, local communities and other stakeholders in achieving their specific objectives of benefiting from creating visitor access to protected areas. Through this mechanism, opportunities can be created to outsource O&M to the private sector while ensuring community participation and adherence to conservation and protection-centric objectives.
Way Forward: Harnessing Sustainable Tourism to Catalyze Inclusive Growth
Way Forward

With rising demand for tourism products – both mainstream and offbeat, many new destinations have emerged that are competing fiercely to garner larger footfalls, and many businesses within destinations are also competing. Tourism development brings new circumstances that can affect the competitive advantage of a destination severely, including congestion, the quality of ecosystems and socio-cultural fabric.

The challenge lies in coordinating the size, pace and form of investments and developments to heighten, rather than detract from, competitive advantage. This is only possible if the competitive advantage is sustained or strengthened over time in order to ensure long-term destination success and thus, a constant flow of resources.

In order to succeed, sustainable tourism requires the combined effort of the host community, tourists and private and public sectors. The public sector needs to set up the planning, regulation and monitoring systems that satisfy the niche market they have decided to cater for and the related tourism development strategy. The private sector is particularly interested in the dimensions that enhance the competitiveness of the destination and the adequate set and equitable application of the rules of the game so that this competitiveness is maintained in the future.

Each dimension of sustainable tourism requires close liaison between community, private and public sectors. From the perspective of economics, recreational landscapes are common goods supported by multi-functional ecosystems and this is why cooperation between different stakeholders is critical. The following areas can help create a conducive ecosystem for sustainable tourism models to thrive and deliver envisaged benefits to the communities.

1. **Create Central Repository of Land Banks:** Availability of suitable land is one of the main concerns for investing in tourism projects, especially when it comes to sustainable tourism infrastructure in fragile areas. The states need to develop land bank outlining the land parcels available for tourism projects, which are made accessible over an interactive web platform with the support of Ministry of Tourism. This will enable investors to assess the preliminary viability of their projects basis the nature of land parcel/ select the appropriate land parcel suitable to the proposed project.

2. **Incentivize Private Sector Participation:** Government/(s) should incentivize private players to invest in unserved/ under-served tourism projects. The incentive pattern can be friendlier for attracting more innovative tourism projects vis-à-vis run-of-the-mill projects. For instance, interest subvention scheme can be introduced for small tourism projects like community homestays, tour operators, RO-RO and boat operators. Additional incentives, like additional interest subvention post COD, can be provided to projects (incl. new Hotels and resorts) at tourist destinations with limited tourist facilities and connectivity.
3. **Tourism Specific Ease of Doing Business (EoDB) Rankings:** ‘EoDB Tourism State Rankings’ can be introduced by the Ministry of Tourism and NITI Aayog with comprehensive parameters for assessment of State initiatives. Currently, there is a dearth of data pertaining to sustainable tourism, and the tourism ministry can introduce a standardized format for collection and publishing of tourism data and statistics across states and districts to facilitate easier decision making by investors and also measure impact of initiatives of various states and other stakeholders.

4. **Reduce GST on Homestays:** Currently, hotel rooms with rents more than INR 1,000 attracts GST of 18% on home-stays across the country. Prior to GST, a service tax of 8% was levied on homestays. This was applicable only on accommodation while food and other services were exempted. However, GST is applicable on the entire bill, including food and other services. This has resulted in financial burden on small homestay owners, and hence needs to be rationalized.

5. **Sustainable Tourism Authority (STA) under proposed National Tourism Board (NTB):** The Ministry of Tourism is already working on an institutional structure to set up a National Tourism Board as an autonomous organization under the Government to implement policy instruments. A Sustainable Tourism Authority (STA) can be institutionalized under this body to work with other ministries and institutions on sustainable tourism.

6. **Promote Smart and Frugal Infrastructure:** As we expect sustainable tourism models to uplift rural communities, creation of modern infrastructure will be pivotal towards attracting tourists to offbeat locations. Currently, the minimum project cost for tourism projects to qualify for infrastructure status is INR 200 Cr, which is under consideration to be lowered to INR 50 Cr. However, if this entry barrier can be further lowered, or a separate incentive scheme can be carved out for smaller projects, it will encourage private players to invest in rural infra like homestays.

7. **Technology & Digitization:** Today’s technologies give us clear insights and easy to use tools to advance sustainable and inclusive growth, and go far beyond cashless transactions and reservations. Data analytics can help small entrepreneurs establish credit to scale their business, or insights into consumer spending trends which can further facilitate municipalities on crowd management and urban planning. Enabling a cashless ecosystem for tourists, introducing value added products like Incredible India Travel Card, application of GIS and emerging technologies, like Artificial Intelligence (AI) are some areas where India has knowledge expertise and manpower advantage.

8. **Tourism Startups:** New age entrepreneurs have demonstrated the power of frugal innovation and lean startups in transforming the travel industry. Online aggregators and travel tech startup are redefining supply chain models and putting the consumer in the driver’s seat. The Government’s Startup India campaign can provide a platform to link aspiring youth, especially in rural and remote areas, looking for opportunities to start their own tourism enterprises with new age tech startups to create sustainable local economies.

9. **Skill Development and Community Entrepreneurship:** While infrastructure is one part of the puzzle, training communities at the same time is the other essential aspect. This would involve a wide range of skills ranging from soft skills to technical aspects pertaining to sustainable utilization of resources, waste management, and business management skills including financial management, marketing and promotion.

10. **Carrying Capacity Management:** In order to ensure sustainable utilization of resources and to avoid any irreversible damage to the environment or communities, a nationwide survey of carrying capacity needs to be undertaken basis which location-specific action strategies can be formulated to implement the Sustainable Tourism Criteria for India (STCI).
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