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G20 Rome guidelines for the future of tourism

OECD REPORT TO G20 TOURISM WORKING GROUP

OECD

G20 Rome guidelines for the future of tourism

OECD Report to G20 Tourism Working Group

The *G20 Rome guidelines for the future of tourism* identifies key issues and opportunities to rethink and reshape tourism policy in response to the impacts of the COVID-19 pandemic. It presents guidelines for action that are informed by the need to a) restore confidence and enable recovery, b) learn from the experience of the pandemic, and c) prioritise a sustainable development agenda in guiding future tourism. They are based around seven interrelated policy areas: i) safe mobility, ii) crisis management; iii) resilience; iv) inclusiveness; v) green transformation; vi) digital transition; and vii) investment and infrastructure. The G20 Rome guidelines were endorsed in the Rome Communiqué of the 2021 G20 Tourism Ministers' meeting.

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G20 Rome guidelines for the future of tourism

The Italian Presidency of the G20 is taking place at a time of global crisis, with the COVID-19 pandemic bringing widespread suffering and uncertainty to an already challenged world. Facing these challenges, the emphasis of the Italian Presidency is on recovery and new opportunities for people, prosperity and the planet.

As an activity that is inherently dependent on the movement and interaction of people, tourism has been one of the sectors hardest hit by the pandemic and may be one of the last to recover. In 2019, international tourist arrivals reached 1.5 billion¹, with domestic tourism accounting for a further 9 billion². Tourism contributed directly to 3% of GDP in G20 economies, 6% of G20 total exports and 6% of G20 employment³. Then in March 2020, tourism came almost to a standstill. International tourist arrivals fell by 73% in 2020⁴. UNWTO scenarios indicate that it may take between two and a half and four years for international arrivals to return to pre-pandemic levels.

This is having immense and very tangible economic and social consequences for many people, places and businesses. The halt in tourism is also having a knock-on impact on the wider economy, owing to its supply chain and other linkages, leading to estimated total losses that are up to three times greater than those seen directly in the sector itself⁵. In tourism overall, 100 to 120 million direct jobs are estimated to have been threatened by the crisis⁶. Analysis of the structure of the sector and the nature of the likely job losses suggests that there will be a disproportionate impact on women, young people and informal workers⁷. As well as the consequences for the global economy and individual livelihoods, the decline in tourism has seriously affected the level of income and resources for the creative industries and for the conservation of cultural and natural heritage. As a result, the drop in investment by the cultural and creative sectors is expected to affect the production of cultural goods and services and their diversity in the months, if not years, to come⁸.

The pandemic has served to demonstrate the importance of tourism as an economic force and a provider of livelihoods, raising awareness of this at the highest levels of government and amongst the public at large. However, it has also thrown light on the fragility of the sector, which is highly fragmented and interdependent, with a heavy reliance on micro and small enterprises. Furthermore, it has shown that tourism development can be imbalanced, leading to an overdependence on the sector in some economies.

¹ International Tourism Highlights, 2020 Edition, UNWTO, 2020

² UNWTO Briefing Note – Tourism and COVID-19, Issue 3. Understanding Domestic Tourism and Seizing its Opportunities, UNWTO, 2020

³ UN Policy Brief: COVID-19 and Transforming Tourism, August 2020

⁴ UNWTO World Tourism Barometer, March 2021

⁵ COVID-19 and Tourism: Assessing the Economic Consequences, UNCTAD, 2020

⁶ UNWTO World Tourism Barometer, January 2021

⁷ The impact of COVID-19 on the tourism sector, ILO Briefing note, 2020.

⁸ Culture shock: COVID-19 and the cultural and creative sectors, OECD, 2020

With the right support now, tourism can help breathe life back into local communities and contribute to the economic recovery, just as it did after the global recession in 2009.

Despite tourism's clear potential as a driver for positive change, it is widely accepted that rapid or unplanned tourism growth can result in a range of negative impacts, including in the use of land, water and other non-renewable resources, the generation of waste and a significant contribution to global greenhouse gas emissions. Pressure on local communities has occurred in some areas, arising from high visitor volumes and weak management, and the quality of jobs in the sector can be inconsistent. Many businesses and destinations have been unable to develop and manage tourism to their full advantage owing to a lack of planning, co-ordination, skills and resources and a failure to make the most of new opportunities offered by digitalisation.

The hiatus in the tourism sector brought about by COVID-19 is seen as providing a chance to rethink and reset the direction of tourism and the values on which its success is judged. For example, UN Secretary General, António Guterres has spoken of an opportunity for transformation, stating that "The COVID-19 crisis is a watershed moment to align the effort of sustaining livelihoods dependent on tourism to the Sustainable Development Goals (SDGs) and ensuring a more resilient, inclusive, carbon neutral and resource efficient future"⁹. The *G20 Guidelines for Inclusive Community Development through Tourism*, acknowledge that the immense impacts of the COVID-19 pandemic on the travel and tourism sector highlight the need for inclusion to be at the heart of tourism development and to create a more resilient sector. Tourism can be a key driver of inclusive community development contributing to resiliency, inclusivity, and empowerment, while safeguarding natural and cultural resources¹⁰.

The fundamental changes in tourism demand and supply and the responses to them that have occurred since March 2020 point to a need to rethink and reshape tourism policy moving forward. This should be guided by three key requirements and opportunities to:

- restore confidence and enable recovery;
- learn from the experience of the pandemic; and
- prioritise a sustainable development agenda in guiding future tourism.

G20 governments, individually and collectively, should meet this challenge by revisiting and redeveloping tourism policies within their own countries while seeking to work together on common approaches and solutions where this is beneficial.

This policy note has been prepared by OECD on behalf of, and in consultation with, the G20 Italian Presidency. It identifies key issues and opportunities and presents guidelines for action. It has been informed by recent work by OECD and other bodies on key issues in tourism development and management, as affected by COVID-19.

A starting point is the G20 Italy Presidency's agenda, which rests upon three main pillars: People, Planet, and Prosperity. Its call to "take care of people and of our planet, while ensuring a strong, inclusive and sustainable economic recovery" must be strongly heeded by tourism, which above all others is a sector that is dependent on the relationship between people and places for its prosperity and sustainability.

The guidelines are based on the following seven interrelated policy areas, which are considered in turn. Each one of these areas has a bearing on all three of the above pillars.

- Safe mobility: restoring and maintaining confidence in travel
- Crisis management: minimising the impact of future crises affecting tourism
- Resilience: securing a robust and stable tourism sector in uncertain times

⁹ Policy Brief: COVID-19 and Transforming Tourism, United Nations, August 2020

¹⁰ G20 Tourism Ministers' Meeting, Diriyah Communiqué, 7 October 2020

- Inclusiveness: widening community engagement and benefits from tourism
- Green transformation: managing tourism to sustain global and local environments
- Digital transition: enabling all tourism stakeholders to benefit fully from digital opportunities
- Investment and infrastructure: focusing resources on a sustainable future for tourism.

Safe mobility: Restoring and maintaining confidence in travel

Good accessibility is instrumental for the overall competitiveness of destinations. The provision of quality infrastructure and adequate means of transportation are fundamental requirements to facilitate the mobility of tourists. For tourism to deliver on its potential as an engine for economic growth, it is dependent on multimodal transport systems that offer traveller safety, convenience, capacity, reliability and connectivity to suit specific destination types¹¹.

The critical importance of safe mobility has been underlined by the COVID-19 pandemic, where restrictions on mobility, coupled with a reluctance to travel, emerged as the main reasons for the massive decline in tourism in 2020. A carefully considered and orderly removal of travel restrictions and the restoring of confidence as soon as is safely possible are essential to the recovery of tourism and the wider economy. However, public health concerns are not only of paramount importance in their own right, they are also of vital importance for the future of the sector. A co-ordinated, cautious and measured approach is necessary for the industry and wider society.

Provision for safe mobility is an important topic for policy during the pandemic and in the recovery stages. The process of providing safe travel experiences, enabling the lifting of restrictions and restoring travel, requires actions to meet health and safety requirements, guided by science, and then to build confidence. The latter is needed both in encouraging people that it is safe to travel from the first to last mile, and in assuring recipient countries, communities and workers in the sector that it is safe to receive travellers. Safe mobility should also be maintained as a policy objective in the longer term.

Experience during the pandemic has underlined the need for transparency, consistency and clarity in decision-making and communications about travel. This requires close engagement and coordination between government, tourism, health experts and transport bodies, together with the private sector. The multinational dimension of travel also requires co-operation between countries in tackling safe mobility issues. We commend the international initiatives and endeavors aiming to promote greater certainty, safety and security in travel as re-opening takes place. Further G20 action should seek to support, complement, and co-ordinate with existing initiatives for safe international mobility, such as those already undertaken within the EU and proposals by the OECD (including a blueprint for safe international travel), ICAO and WHO.

Prior to the pandemic, safe and seamless travel was already an issue high on the national and international policy agenda and was a key pillar of the Kingdom of Saudi Arabia's Presidency of the G20 in 2020. The OECD report to the G20 Tourism Working Group on Safe and seamless travel and improved traveller experience¹², highlighted that international co-ordinated action and collaboration with international organisations on agreed standards and the interoperability of systems and technology can help to improve the traveller experience whilst enhancing safety and security, which are especially critical in times of crisis, such as the COVID-19 pandemic. This report formed the basis of the Guidelines for Action on Safe and Seamless Travel, endorsed by G20 Tourism Ministers in the Diriyah Communiqué¹³. Many of the issues covered are relevant to safe mobility and have been reflected in this policy note.

¹¹ Policy Paper on Intermodal connectivity for destinations, OECD, 2016

¹² Safe and seamless travel and improved traveller experience, OECD report to G20 working group, 2020

¹³ G20 Tourism Ministers Meeting, Diriyah Communiqué, 7 October 2020,

Connectivity is recognised as an essential requirement for the delivery of prosperity to existing and new destinations through tourism. Restoring and maintaining transport linkages should be seen as an integral part of securing and maintaining a resilient and inclusive tourism recovery. In turn, these services should be designed to provide seamless and safe travel experiences, while also addressing the sustainability agenda.

Guidelines for action

Restoring confidence in travel in the short term and maintaining a focus on safe mobility over time can be assisted by the following actions by government at a national and international level.

- **Work with industry and international partners to provide and share information to inform policies and decisions on safe mobility.**

A key requirement of safe mobility is the provision and sharing of timely, accurate and transparent information on the health and safety situation in source and recipient countries. In addition, tourism industry bodies and health experts should be consulted to establish evidence on the consequences of travel restrictions and on practicalities for delivering safe travel options.

- **Pursue opportunities to agree common international approaches to COVID-19 testing, vaccination, certification and information on travellers to enable lifting of inbound and outbound border restrictions.**

Restrictions on international travel, including travel bans and quarantine requirements, have serious adverse consequences for international tourism and the wider economy. Targeted measures to prevent transmission of the virus by infected travellers should be promoted where these can be shown to be reliable. This could be achieved by appropriate authorities receiving the necessary and reliable information on a traveller, including testing and vaccination certificates and travel history, to make an individual biosecure risk assessment. This should require developing international standards on the necessary type, timing, frequency and facility of testing and vaccinations, and on the provision and checking of testing and vaccination certificates and travel history data, in compliance with national regulations. The implementation of such measures must take into account ethical issues of non-discrimination of travellers and guarantee the protection of data. There is also a need for clear and widespread communication strategies that are agreed and adhered to by all.

- **Explore ways to promote the use of digital traveller identity, biometrics and contactless transactions to facilitate safe and seamless travel.**

The use of such procedures has become more widespread in recent years and should be accelerated in the interests of safe mobility. Requirements include the interoperability of technologies and systems and mutual recognition of them by appropriate authorities and other users, together with respect for data privacy based on agreed international standards and principles and in accordance with national laws and regulations.

- **Provide accessible, consistent, clear and updated information to travellers to encourage and facilitate travel planning and journeys.**

Information provision is a critical tool in promoting traveller confidence and safe mobility. Clarity is key for the resumption of international travel. Information strategies should seek to promote:

- Clarity on the health and safety situation in destinations and when returning to the origin country, including restrictions and requirements placed on travellers and access to health and emergency services.
- Transparent and reliable information from operators on health and safety protocols in place, in line with international standards, and other arrangements affecting travellers including cancellation options, insurance coverage and repatriation.

- Mobile applications providing real-time information to guide movements, including data on areas of crowding or other health and safety factors, while respecting personal privacy.
- Processes for receiving feedback from travellers, to facilitate better future planning to meet their needs and information requirements.
- **Maintain and improve the connectivity, safety and sustainability of transport systems.**
Transport providers have been seriously affected by the COVID-19 pandemic and the future of certain services is in doubt. Appropriate authorities should work together and with the transport sector on policies and actions to restore or maintain connectivity, while also addressing safe mobility and sustainability issues.

Link to other G20 workstreams

Safe mobility relates to the **Health Working Group**, notably in its priority 4 on the development and distribution of treatments and vaccines, and the use of contact tracing technologies and medical documentation.

Crisis management: Minimising the impact of future crises affecting tourism

Crisis management in tourism, as an area of policy, is concerned with the handling of events which may cause a significant loss of trade in the sector, affect the viability of tourism businesses and endanger the wellbeing of communities and visitors. It mainly refers to events which occur relatively suddenly rather than building up slowly over time. Crisis management should be seen alongside the wider policy area of resilience, covered elsewhere in this paper, which includes crisis avoidance and longer-term strategic planning.

Three main sources of crises affect tourism: natural disasters; social and political instability and terrorism; and public health. The cause of the crisis may be very short lived (even though its impact may be longer lasting) or continue for weeks, months or years. Crises vary in the size and type of area that they affect and may be international, national or related to just one or more destinations or to quite small areas.

Recent years have seen a growing incidence and awareness of crises and threats affecting tourism, especially those arising from natural disasters, such as severe weather and flooding resulting from climate change, and from the spread of infectious diseases. The importance and need to develop crisis preparedness and response strategies in the tourism sector is being increasingly recognised by industry¹⁴ and policy-makers. In this regard, the G20 ministers endorsed *Actions for Strengthening the Resiliency of Tourism* as Annex II of the ministerial declaration in 2019.

The COVID-19 pandemic has produced by far the most serious crisis experienced by the sector overall. At the international level, the World Tourism Organization (UNWTO) convened a Global Tourism Crisis Committee, reflecting the need for co-ordinated and efficient action by the private and public sectors, governments, and relevant international institutions, and called for urgent and strong support to help the global tourism sector to 'grow back better' from the unprecedented challenge of COVID-19. Industry initiatives include the World Travel and Tourism Council's Travel & Tourism Task Force on COVID-19, which brings together key industry associations and international institutions to share developments on a regular basis.

The objective of crisis management is to minimise the impact of the crisis on the tourism sector and those affected by it. Lessons learned from previous crises and the early stages of COVID-19 point to the need for destinations to be well prepared so that they can take swift action. This requires advance planning,

¹⁴ E.g. Crisis Readiness, World Travel and Tourism Council and Global Rescue, 2019

engagement with key bodies, strong alignment between the public and private sectors and excellent communication. Specific actions are needed to address the immediate needs of visitors, businesses and local communities, contain the impact and take initial steps to stimulate recovery. Actions taken during the crisis and beyond may include marketing programmes and incentive schemes aimed at selected market segments and more general communication to maintain destination brand values and visibility.

Guidelines for action

The following actions support policies to increase crisis preparedness, and response measures to minimise impacts on tourism and related stakeholders:

- **Ensure that tourism needs are integrated in overall crisis management policies and actions.**
In most situations tourism will be one amongst many other sectors affected by a crisis in a destination. Therefore the needs of tourism should be understood and fully integrated in overall crisis management policies and actions, requiring close collaboration across government and between tourism bodies, other sectors and stakeholders, especially those responsible for the provision of emergency services.
- **Prepare and regularly review a crisis management strategy for tourism at different levels, linked to tourism policy, and with necessary support and buy-in.**
An up-to-date crisis management strategy for tourism should be in place at a national and destination level, which covers preparedness as well as actions during a crisis. It should play a central role in tourism policy and strategy and not be an isolated document that is set to one side. The strategy should be drawn up in close consultation with the emergency services (including police, fire and health services) and with representatives of tourism businesses and other stakeholders, to ensure their engagement and support for the actions outlined.
- **Establish structures to implement the strategy and respond to crises when they occur.**
Lessons from previous crises point to the need for clear identification of responsibilities and chains of command. This can be achieved through crisis response bodies, which are dedicated to or fully cover tourism. Personnel need to be fully trained and briefed, with sufficient capacity and resources to take swift action when required.
- **Develop procedures for meeting the needs of tourists affected by crisis situations.**
Travellers caught up in a crisis away from home should be given priority assistance. Plans could include procedures to track and trace travellers, establish their condition, give essential information, and provide assistance¹⁵. This may include the use of geo-located mobile devices, apps and possibly big data, while following international standards and procedures to respect data privacy.
- **Give high priority to a communication strategy aimed at tourism stakeholders, visitors and and markets.**
Information management should play a key part in crisis management strategies. Strategic communication and effective media engagement during the immediate aftermath of a crisis has been found to be critical to the tourism sector's timely recovery. Two-way communication is important, gaining relevant information from tourism stakeholders to build up a picture of the sector's performance and needs. Experience has shown the need for communications to be clear, consistent and factually accurate.
- **Provide necessary support to tourism businesses and workers.**
Crisis management strategies should include action to cushion the impact of a collapse in tourism demand. The COVID-19 pandemic has shown the importance of government assistance aimed at

¹⁵ Related guidance may be found in *Recommendations for the Assistance to International Tourists in Emergency Situations*, UNWTO, 2020

retaining the essential structure and framework of the tourism value chain through prolonged crises, so that key parts remain in place to enable a successful recovery. Tourism businesses should also be encouraged and helped to adapt their services during the crisis, for example in providing services within the local community. Support for workers may include job retention schemes, social protection and security, and supplementary unemployment benefits. Training and skills development can help to retain and strengthen capacity. Support should be sufficiently flexible to meet changing conditions.

Link to other G20 workstreams

Crisis management is relevant to the work of the **Health Working Group**, which has a priority to plan co-ordinated and collaborative responses to health crises and emergencies, including the handling of information. The **Employment Working Group** is addressing the impact of the pandemic on employment, and the **Finance Ministers AP** is considering business support and recovery in times of crisis.

Resilience: Securing a robust and stable tourism sector in uncertain times

Steady growth in tourism over recent years led to a widely held belief in the inherent resilience of the sector. A global tourism decline in the immediate aftermath of the financial crash in 2008 was short-lived. Individual destinations have suffered significant losses in tourism income following natural disasters and other events, but business has largely picked up over time. While COVID-19 has led to an unprecedented depth and breadth of disruption, the crisis could provide the catalyst necessary to drive the often difficult structural changes and transformation widely recognised as being needed in the sector. The uncertainty over the evolution of the COVID-19 coronavirus and potential future vulnerability to other health-related, environmental, or other threats underlines the need to build more resilience into the future planning and development of tourism.

Experience from the coronavirus pandemic points to the need for a more strategic integration of the tourism sector within the wider economy. Too many destinations have been over dependent on tourism, which might have been avoided by seeking tourism growth within the context of broader economic and regional development planning. Tourism value chains become less vulnerable if the businesses involved have access to a range of sources of income. Policies should seek to diversify and spread risks within the sector. Destinations and businesses with a diversified market base (including a mix of domestic and international tourists) are generally less exposed to potential market failure.

Overall, there has been too little understanding of the performance and needs of the sector. This has been illustrated by the fact that some forms of financial and other support introduced during periods of COVID-19 lockdown did not fully meet the needs of tourism businesses, requiring additional, more tailored implementation and initiatives. This can be addressed by better communication structures and by improved data and evidence.

Resilience requires leadership and co-ordination, bringing together the main players, both public and private, behind an agreed vision and direction. At the same time, there is a need for greater awareness of risk, which should be factored into future policy.

Guidelines for action

The following actions by government, in conjunction with the private sector and other stakeholders, provide a basis for achieving higher levels of resilience for the tourism sector over time:

- **Maintain and where necessary strengthen, whole of government, multi-stakeholder and multi-level structures for tourism planning and management.**

The multi-faceted nature of tourism means that it relies on actions being taken by a range of government ministries and agencies, together with the private sector, which has the main responsibility for service delivery. The need for resilience underlines the need for co-ordination and support between them. Permanent structures involving key ministries and industry bodies should be established and maintained at a national level. The pandemic has also shown the importance of action, support and co-ordination at a local level, within cities and rural and coastal destinations, requiring the presence of local tourism stakeholder bodies, such as destination management organisations, which are networked and supported from the centre. The roles of different levels and components of governance and their institutional capacity should be reviewed over time.

- **Integrate tourism policies within wider policy frameworks.**

Many of the main decisions affecting tourism are guided by higher level or parallel policies in the fields of economics, trade and investment, the environment, transport, security and increasingly health. The needs of the sector should be reflected in these policy areas, at both a national and local level. Policy-makers should also ensure that efforts to grow tourism are pursued within the wider context of relevant city, regional, and economic development strategies, and in close co-operation with industry and local communities.

- **Prepare sustainable tourism strategies and action plans, which are actively monitored and sufficiently flexible to respond to changing circumstances.**

Vision-driven medium to long term strategies and action plans for tourism should be prepared at a national and local destination level, based on principles of sustainable tourism. They should address potential risks and be flexible to the need for change. The requirements of resilience underline the importance of monitoring the delivery and impact of strategies and action plans, enabling more capacity and resources to be devoted to them where and when necessary.

- **Improve tourism related data and the evidence base for policy-making planning and taking decisions.**

Effective policy-making, planning and management all rely on the availability of robust evidence, preferably in the form of reliable and timely data that is sufficiently disaggregated and comparable. Opportunities for improvement include:

- Establishing sets of indicators that can be used consistently to assess tourism performance and the effectiveness of actions against sustainability targets (e.g. UNWTO's Measuring the Sustainability of Tourism framework).
- Combining conventional statistical data with emerging big data sources to enhance its spatial and temporal granularity.
- Working internationally and with partner countries to establish comparable data and evidence gathering programmes and to pool and share knowledge and results.

- **Diversify the market and product base for tourism.**

A key strategy for strengthening resilience is to diversify the market base, to avoid reliance on a limited range of markets which could be susceptible to decline. During the COVID-19 pandemic, a re-focus on domestic tourism, when possible, has occurred in many countries. Domestic and nearby markets may play an increasing part in resilient tourism strategies into the future, in the face of increasing restrictions, costs, safety concerns and emissions issues associated with long haul travel. The tourism offer and product base may need to be adapted to meet new market

profiles. Irrespective of specific market requirements, innovation and related product diversification can also contribute to resilience in their own right.

- **Identify and address areas of supply-side weakness and fragility in the tourism sector.**
 COVID-19 has revealed the fragility of many tourism business, some of which have closed or have been struggling to survive. Government emergency support programmes have often provided an essential lifeline. However, they cannot be maintained indefinitely. Even with a return of tourism markets, many enterprises will continue to struggle until the sector recovers. Relevant action to address this could include programmes to support the acquisition of skills, digitalisation, re-investment and new forms of targeted funding, amongst others.
- **Work across sectors and internationally to anticipate, identify and be better prepared to respond to potential and emerging threats and risks for tourism.**
 Tourism policy-makers should undertake long-term horizon scanning, working closely with representatives from the tourism and related sectors, foresight experts and planners, to identify weak signals of change that may affect tourism. These may occur in economic, environmental, health, security or other spheres. Information should be used to inform avoidance and mitigation strategies and actions. This is an area where international co-operation, awareness raising and knowledge sharing can be very beneficial. Action may include:
 - Undertaking national or regional analyses, to be used as inputs to forecasting and policy
 - Developing an annual global risk assessment report for the tourism sector, for consideration by the G20.

Link to other G20 workstreams

Resilience in the tourism sector has been related in particular to the needs of MSMEs, which is a topic of interest to the **Trade and Investment Working Group**, whose third priority refers to the presence of MSMEs in global markets. The working groups on **Environment, Climate and Energy** are also addressing topics relevant to the management of resources which are key to the long term resilience of tourism.

Inclusiveness: Widening community engagement and benefits from tourism

The effects of the coronavirus pandemic on tourism have been asymmetrical, with some countries, destinations, and people more exposed than others. Even under normal circumstances, destinations with a high reliance on the tourism sector are more vulnerable to the effects of such crises. This disparity is likely to be significantly exacerbated following the pandemic, and developing countries likely to be disproportionately impacted due to limited or slower access to vaccines and an often limited ability to rely on domestic tourism.

The aim for tourism to build back better following the disruption of the COVID-19 pandemic is frequently associated with a desire to create a more inclusive sector where benefits are more widely shared and impacts are managed to better meet the needs of local communities. A fairer development model is called for which involves stakeholders at different levels in its planning and implementation and provides decent work conditions and opportunities for all, including women, youth, migrants and indigenous communities.

Tourism has a reach that is wider than that of many other sectors, for example in rural and coastal areas. However, the benefits it brings may not readily trickle down to the community level or may not be fully maximised to promote inclusion, combat depopulation and enhance regional cohesion. Furthermore, tourism's role as a catalyst for inclusive community development is often undervalued in policy formulation

and implementation.¹⁶ Past models of development have sometimes led to an imbalance, whereby some destinations receive visitor volumes at certain times that place a considerable strain on local communities while others are seeking more visitor spending to support the local economy. Better planning and more community engagement are required.

In many countries, experiences during the pandemic have emphasized the importance of the relationship between tourism and local communities. Many tourism businesses have diversified by providing services within their local areas, which have been highly valued, and consumers have indicated that they may be more aware of local products and community engagement in their future travels. On the other hand, some rural communities have felt vulnerable in the face of an unmanaged and sometimes unwelcome influx of new visitors seeking outdoor and nature-based recreation.

Additional inclusiveness issues arising from COVID-19 include enhanced concerns about the availability and quality of jobs and the viability of small business. A different but important issue, which is less frequently raised, is equitable access to holiday opportunities in the face of possible supply shortages and price increases. Mental health and wellbeing issues, alongside accessibility and diversity, have become more apparent during COVID-19, with implications for tourism.

In 2020, G20 Tourism Ministers endorsed Guidelines for *Inclusive community development through tourism* in the Diriyah Communiqué¹⁷, based on the UNWTO AIUla Framework for Inclusive Community Development through Tourism. This is highly relevant to this policy area and has been reflected in the contents of this policy note. The Framework can be used as a foundation for countries to build and implement policies for sustainable community development and can be adapted to their particular needs. In 2019, in the area of gender inclusiveness, the G20 Tourism Ministers endorsed *Actions for Women's Empowerment in the Field of Tourism*,

Guidelines for action

Policies to ensure and expand inclusiveness in tourism development and management can be supported by the following actions.

- **Promote legislation, regulations and good practice that provide decent work and other opportunities in tourism, including for women, youth, minorities and other vulnerable groups.**

Inclusive tourism principles should apply to tourism operations at all levels, including in the promotion of equitable employment policies and practices of large as well as small businesses. Social dialogue between government, employers and workers' organisations should be encouraged, in line with international guidelines¹⁸. Issues to be addressed include fair employment, job security, occupational health and safety, non-standard forms of work and the transition from the informal to the formal economy in tourism.

- **Foster and support locally based tourism MSMEs, local supply chains, local entrepreneurship and related capacity building.**

Inclusiveness policies should be backed up by actions that support the spread and diversification of micro and small businesses. These may be not only directly within the tourism sector but should also include local producers of food, materials and other services in the supply chain. Comprehensive value chain analysis and studies can be instrumental in mapping the actors to

¹⁶ World Tourism Organization (2020), AIUla Framework for Inclusive Community Development through Tourism, UNWTO, Madrid <https://www.e-unwto.org/doi/book/10.18111/9789284422159>

¹⁷ G20 Tourism Ministers Meeting, Diriyah Communiqué, 7 October, 2020

¹⁸ E.g. *Guidelines on decent work and socially responsible tourism*, ILO, 2017

whom support will yield most impact. Support may include financial assistance, information, networking, skills training and other forms of capacity building.

- **Engage local communities in policies and action for the planning, development and management of tourism.**

The value of strong dialogue between government, industry and civil society bodies, representing local communities, in policy development, implementation and monitoring is recognised. This should be applied to tourism planning at a national and local destination level, including in specific tourism plans and strategies and through the integration of tourism into economic development strategies to deliver a fairer distribution of benefits to local communities and economies.

- **Establish targets and monitoring mechanisms on social impact and inclusiveness, including feedback from local communities.**

Policies to promote inclusiveness need to be regularly reviewed, based on systematic evidence of the social impact of tourism and involving stakeholder engagement. Actions may include:

- Agreeing and establishing a set of social impact indicators, including inclusiveness, for use within the tourism sector, which reflect international standards and include a timeline for monitoring progress and influence.
- Monitoring performance of MSMEs in the tourism value chain.
- Monitoring levels or proportions of engagement of women, youth, minorities and other vulnerable groups in tourism employment, against identified targets.
- Including questions on reaction to tourism within regular surveys of residents in key destinations, together with other monitoring based around indicators of community wellbeing.

- **Encourage innovation in the development of visitor experiences that spread tourism benefits and which support local creativity and cultural heritage.**

The coronavirus pandemic has highlighted the mutual dependency of the tourism and cultural sectors, both economically and in terms of education, knowledge and personal wellbeing. Market trends towards experiential tourism provide opportunities to develop new inclusive community-based products. This may include initiatives that support a range of cultural assets, which can be linked through routes and creative thematic marketing campaigns. Actions may include:

- Linking tourism and cultural strategies, including common objectives and targets for sustainable development.
- Establishing funding and support programmes for cultural and community-based tourism initiatives which meet agreed parameters of community engagement and benefit.

- **Support inclusive approaches to the design and development of travel offers, products and services, which enable tourism for all.**

Inclusive policies should address the needs of both the demand and supply side of tourism. They should embrace principles of universal design and accessibility and recognise the life-enriching, educational, cultural and other social benefits of tourism which should be available to all.

Link to other G20 workstreams

Inclusiveness in tourism relates to the **Employment Working Group** and its work on social protection; working patterns, business organisation and production processes in the digitalisation era, particularly addressing remote and platform work; and improving the quality and quality of women's employment. It should also be noted that the **Digital Economy Task Force** has a priority on bridging the connectivity gaps for social inclusion, in particular in relation to access to the internet in rural areas or indigenous communities. The **Culture Working Group** is concerned with the protection of cultural heritage, and related issues on education and engagement. The **Global Partnership for Financial Inclusion** is an inclusive platform for all G20 countries, interested non-G20 countries and relevant stakeholders to carry forward work on financial inclusion.

Green transformation: Managing tourism to sustain global and local environments

Tourism, more than many other sectors, is highly dependent on the quality of the environment while also itself impacting on it. Tourism in a green economy refers to activities that can be maintained, or sustained, indefinitely in their social, economic, cultural, and environmental contexts. While significant progress has been made by countries in recent decades to better understand tourism's impacts on the natural environment and host societies, and to mainstream the concept of sustainability in tourism policy, more needs to be done, and with a greater sense of urgency, to support a post-COVID-19 recovery. Tourism, when built upon broad stakeholder engagement and sustainable development principles, can raise awareness of cultural and environmental values and help finance the protection and management of protected areas and the preservation of biological diversity¹⁹.

The concept of green transformation is closely linked to that of sustainable development, but its focus is on environmental issues rather than social concerns, such as inclusiveness, which are covered elsewhere in this policy paper. It is central to considerations of a transition to a sustainable and responsible recovery of the tourism sector, as have been addressed in various policy reports during the COVID-19 pandemic²⁰. It recognises various calls for sustainability to be mainstreamed in tourism policy, guided by the Sustainable Development Goals²¹.

Under the Italian Chairmanship of the G20, Climate change is a major policy issue with targets under the 2015 Paris Agreement placing responsibilities on all sectors, as defined in Nationally Determined Contributions. Various aspects of tourism are responsible for greenhouse gas emissions. This presents a significant challenge, with airlines setting targets for emission reduction and offsetting alongside interest in more sustainable travel patterns and transport options. In addition to mitigating climate change, policies also need to address adaptation, as a key aspect of resilience. Covid-19 contingency measures and post-crisis consumer spending patterns are likely to severely dampen demand for air travel for an extended period, with this disruption likely to accelerate the retirement of older, less fuel-efficient aircraft.

The tourism sector is also a significant user of non-renewable resources and a generator of waste and pollution. Areas of notable concern include levels of food waste and the use and disposal of plastics, both of which have been the subject of recent campaigns within the industry. Policy responses have sought to

¹⁹ OECD Policy Statement – Tourism Policies for Sustainable and Inclusive Growth (2017)

²⁰ Managing Tourism Development for Sustainable and Inclusive Recovery, OECD, 2021; A Responsible Recovery of the Tourism Sector, One Planet Sustainable Tourism Programme, UNWTO, 2020.

²¹ Policy Brief: COVID-19 and Transforming Tourism, United Nations, August 2020

promote the establishment of a circular economy, with actions to reduce consumption and to refurbish, reuse and recycle materials throughout the tourism value chain.

Strengthening the relationship between tourism, biodiversity and the conservation of nature should be a further aim of a green transformation, and is important for the resilience of the sector. Tourism development and activity, if poorly located and managed, can destroy or degrade natural landscapes and habitats. However, through raising awareness and interest in nature and as a source of income that is often dependent on the quality of the natural environment, it can be a significant driver of action and generator of resources for conservation.

Many tourism destinations have been embracing sustainability and taking action to address the environmental impacts of tourism, but this should be more universal. Similarly, tourism businesses, large and small, have introduced environmental management systems, although their application remains far from systematic. There are signs of an increasing visitor awareness and demand for more sustainable experiences, which may have been recently boosted by the pandemic, and the economic arguments for sustainable tourism are strengthening, including in the provision of new green investment, technologies and jobs. Governments have a responsibility to work with the industry to take the agenda and the action forward. In doing so, they may seek to work internationally or locally with conservation organisations, national parks and other protected areas to link tourism policies and actions with conservation and management plans and initiatives.

Guidelines for action

A policy to further the green transition within the tourism sector and contribute to the green recovery would be supported by the following action.

- **Embrace and mainstream sustainability principles and environmental targets in tourism policies.**
National and local tourism policies should recognise sustainability principles and the Sustainable Development Goals in their vision and strategic direction for tourism. This may require a re-thinking of tourism success, away from visitor volumes and towards more holistic concepts of value and impact at the destination level. Policies and actions should specifically pursue goals of zero or low carbon, minimal resource consumption and waste, protection of biodiversity and avoidance of degradation of the natural environment. A more comprehensive understanding of tourism value chains will help to identify opportunities for incremental improvement and capacity building needs, while promoting a circular economy approach can enhance innovation and achieve resource efficiency along the entire value chain.
- **Encourage, support and incentivise tourism businesses to pursue sound environmental management and adopt green business models.**
Government, at all levels, can have a valuable role to play in conjunction with industry bodies in promoting sound environmental practice in individual tourism businesses. Actions may include:
 - Promoting sustainable tourism certification, based on internationally recognised standards.
 - Providing guidance and supporting skills training in environmental management.
 - Establishing economic incentives and financial assistance linked to good practice.
 - Strengthening and more effectively applying, regulation, where required.
 - Highlighting good practice in marketing and award schemes.
- **Support and co-ordinate destination-level initiatives to promote and deliver sustainable tourism management.**
Much practical activity in pursuing sustainable tourism can best be taken at a local destination level, such as in individual cities, coastal areas, small islands, and identified rural destinations.

Examples of actions include: strengthened land use planning and development control, especially in sensitive locations; sustainable transport initiatives (e.g. provision of walking routes and cycleways and smart mobility initiatives); local anti-pollution and littering campaigns; actions to reduce intrusive impacts, such as noise pollution, especially in cultural sites; and energy efficiency, water management and recycling schemes with the hospitality sector. Opportunities should be taken to raise the awareness of visitors, inform them about impacts and responsible behaviour and involve them in relevant actions and initiatives. Local areas may also seek recognition and certification as sustainable tourism destinations.

- **Work with the industry on specific sector-level initiatives to reduce environmental impact.**
Support should be given to short and long term action at a global level in a number of key areas for the sector. These include:
 - Reducing emissions from tourism-related transportation, including improving operations, promoting alternative transport options, and supporting research and investment in green fuel sources and other sustainable transport technologies.
 - Reducing and eventually eliminating food waste in the provision of hospitality services.
 - Reducing and eventually eliminating the use of single-use plastics and their contribution to marine and terrestrial pollution.
 - Strengthening financial and other support from the sector for the conservation of nature, improving related management activities, and eliminating practices that threaten biodiversity.
- **Use voluntary monitoring and measurement to support a policy of continuous improvement and to guide decision-making and planning.**
A universal principle in green transition and environmental management is to pursue a programme of continuous improvement. This requires the establishment, widespread application, and regular use of comparable monitoring processes, measurement and reporting, based on agreed indicators of environmental impact and performance (e.g. CO₂ emissions from tourism operations). Results should be widely shared and communicated. They can also be used to provide, and publicise, quantitative measures of the environmental impacts of different tourism products and itineraries, to guide planning, decisions and selection by destination managers, tour operators and visitors. Specific action may include:
 - Measuring and reporting on the carbon footprint of all or component parts of the tourism value chain.
 - Setting annually rising targets for the proportion of tourism businesses certified for the sustainability of their operations.
 - Working with industry partners on targets and monitoring of energy and water consumption, and other impacts of tourism on the environment.

Link to other G20 workstreams

Green transformation is closely linked to the **Environment, Climate and Energy Working Groups**. Relevant work includes their report on the recovery and links to environmental objectives, including National Determined Contributions and preparations for COP26 on climate change. Other relevant work of the groups is in the area of resource efficiency and the circular economy, and on biodiversity and the prevention of water and land degradation.

Digital transition: Enabling all tourism stakeholders to benefit fully from digital opportunities

The evolution and application of digital technologies are profoundly changing the way people live, work, travel and do business and they are transforming and reshaping tourism. The scope and uptake of digital technologies varies across countries, sectors, organisations and places. The resulting opportunities also present challenges to the level playing field, including a growing gap between tech-driven and globally connected tourism businesses and traditional micro and small businesses often characterised by low-tech business practices. One area of priority for policy-makers should be to promote its outreach and to enable more businesses and individuals to benefit from the opportunities that it brings.

There are many forms of digital application in tourism, including:

- Fast and cheap communication, marketing and sales via social media, digital platforms, and a range of on-line and mobile applications. These can be universal or highly targeted to identified users, capable of delivering customised products to travellers and giving them comparable and increasingly real-time information to inform decision-making.
- Opportunities to create innovative visitor experiences through the use of augmented or virtual reality and other technologies, delivered in a range of locations.
- Delivery of more seamless, contactless and efficient services, through a range of technologies including biometrics, robotics, artificial intelligence and the Internet of Things.
- Extensive data gathering and analytics, including the use of big data and blockchain, to enable more efficient, accurate and profitable business operations and to assist in the management of destinations and visitor flows.

The COVID-19 pandemic has accelerated digital trends in tourism, as elsewhere, with increased demand for contactless communication, virtual experiences, on-line purchasing and transactions, visitor tracking and management processes. All the policy areas covered in this paper can be assisted by enhanced digitalisation.

While the positive impacts of digitalisation are substantial, challenges are significant. These include: concerns about the release and possible misuse of personal data; unpredicted outcomes from social media activity, including unmanageable volumes of visitor response; lack of regulation of certain products leading to negative impact on communities; and market dominance by suppliers resulting in uncompetitive practices. Some applications of digitalisation can lead to job losses and displacement. Policies and actions should seek to minimise these outcomes as well as extend digital use, including enhancing the capacity of users so that they can control rather than be controlled by digitalisation. Tourism workers will need different skills, not just more skills, to thrive in the digital economy.

A key challenge for tourism is the need to extend access and use of digitalisation to the many micro and small businesses and individual workers in the sector in order to increase their competitiveness and resilience. The so called 'digital gap', arising from poor access to skills and technology, is quite high in the sector. Research has shown that the gap exists partly in existing jobs and activities, where there is a need to combine digital competence with complementary skills²². However, there is also a need to provide for a range of specialist jobs, with commensurate skills, and to attract new people with digital aptitude into the tourism workforce. In many countries, evidence of specific skill requirements and of needs and opportunities is insufficient and more research and better planning is needed.

While larger companies in the sector may be well placed to develop and execute their own digitalisation strategies, governments have an important role to play in creating the right framework conditions for the

²² Preparing the Tourism Workforce for the Digital Future, draft report, OECD, 2020

digital transformation of tourism business models and the wider tourism ecosystem. Integrated and coherent policy approaches are needed to leverage the opportunities of digitalisation while also addressing challenges and minimising any negative consequences that may emerge²³. A policy approach incorporating a mix of short and long-term initiatives that foster conditions to increase digital technology uptake, will encourage SME participation by reducing barriers and enhancing opportunities to digitalisation, and encourage new ways of working, new approaches to management and new digital cultures.

Guidelines for action

Policies to extend and spread the benefits of digitalisation in the tourism sector could be supported by the following actions.

- **Prioritise the furtherance of digitalisation within tourism policy, including the closing of current and anticipated gaps in digital skills and infrastructure in the sector.**

Reliable evidence should be obtained on the existing digital skills and needs in the sector, together with an informed assessment of possible future digital developments and opportunities. Consideration should also be given to the relative position of tourism in a competitive digital labour market. A strategy for addressing digital needs and opportunities should be prepared in the context of the overall tourism policy and in close co-operation with industry and education and training providers.

- **Work with sector bodies and local networks to engage MSMEs and the tourism workforce in developing their digital capacity.**

The challenge of engaging small businesses and individuals may require a range of different approaches according to local circumstances. Governments can take a leading role in establishing the framework conditions to support digitally-enhanced tourism business models, value chains and ecosystems, with policy measures including: support for hands-on innovation and capacity development through travel-tech incubators, accelerators, mentoring opportunities and other non-tech initiatives, and building a supportive environment by modernising regulatory frameworks to promote fair competition and encourage innovation. Social dialogue should be maintained to ensure a just transition that meets the interests of workers in the sector.

- **Develop a programme of digital skills education, training and other support, tailored to meet the needs of the sector.**

Partnerships with training bodies could be established to develop different training packages to meet varying levels of experience and need in the sector. Digital skills should also form a part of all mainstream tourism, travel and hospitality education and training, including in adult learning programmes. Governments may also seek to focus dedicated programmes of financial support on identified areas of need and opportunity. Actions to pursue include:

- Setting targets for the uptake of digital skills programmes and an increase in the level of digital skills in the sector, with related monitoring.
- Providing research-based evidence on the results of digital upskilling
- Establishing and reporting on demonstration projects on digital applications in the sector.
- Working with the private sector on schemes to support innovation and uptake of specific technologies.

²³ Preparing tourism businesses for the digital future, in OECD Tourism Trends and Policies, OECD (2020)

- **Encourage business model and ecosystem innovation through convergence, interoperability and the adoption of data analytics and other enabling technologies.**

National tourism policies should promote innovative business models as a lever to optimise the benefits of digital transformation. Measures that help to innovate business models and management practices, and transform traditional work practices will complement other policy initiatives. A key objective in catalysing digitally-enhanced tourism is to encourage digital-physical convergence and to progress smart tourism objectives.

- **Ensure the presence of necessary infrastructure to enable widespread digital coverage**

A practical problem with digital roll out in some countries is the inconsistency of broadband coverage, the lack of wi-fi in public spaces, and the need to keep abreast of bandwidth requirements, such as 5G. Investment may also be needed in certain specific digital and mobile technologies. This may involve a mixture of public sector programmes, private investment, and public-private partnerships

Link to other G20 workstreams

Digital transition is reflected in the work of the **Digital Economy Task Force** which is placing a priority on digital transformation in production and the development of intangible capital, in particular with the development of skills. Other priorities relevant to tourism include leveraging trustworthy AI to include MSMEs, and the issue of consumer protection.

Investment and infrastructure: Focusing resources on a sustainable future for tourism

Action to support recovery and build a stronger, more resilient and sustainable tourism economy for the future will require ongoing investment and the provision of appropriate, necessary and quality infrastructure to meet the needs of the sector and local communities. However, in order to achieve more sustainable development and contribute to the ambitious targets to reduce poverty and combat climate change set out in Agenda 2030 and the Paris Agreement, investment in the green economy will need to take place on a far greater scale over coming decades²⁴.

In recent years, successful tourism destinations have had to establish and maintain programmes to attract internal and external direct investment in tourism products and operations and to maintain a public sector budget to support tourism related services and destination management. Public infrastructure requirements in destinations include highways and transport services, public realm, natural and cultural heritage sites, and infrastructure to support health, safety, digital and other services. The COVID-19 pandemic has placed significant additional strain on these programmes.

Each of the policy areas covered in this paper require investment and resources to support a resilient and inclusive recovery. In summary, these include the following:

- **Resilience:** Ongoing investment to maintain a resilient offer; specific support to address business fragility and other supply-side weaknesses revealed by the pandemic.
- **Safe mobility:** Support for relevant safety provision and infrastructure; investment in biometrics and other technology; delivery of health testing, monitoring and security services, in compliance with national regulations and guaranteeing the protection of data.

²⁴ Towards investment and financing for sustainable tourism, in OECD Tourism Trends and Policies, OECD (2018)

- Crisis management: Emergency budget to enable swift response to crises; adaptation of infrastructure; support for recovery programme.
- Inclusiveness: Skills training and other support programmes; Support for community-based initiatives and improving accessibility.
- Green transformation: Investment in sustainable infrastructure and transport technologies, including research and development; provision of incentives and support for businesses.
- Digital transition: Provision of up-to-date digital coverage and infrastructure; skills training and support programmes.

Financing the transition to a more sustainable model of tourism development faces a set of challenges, including the suitability of available finance instruments, information on the impact of green investment in tourism, (dis)incentives to adopt green business practices, and the extent to which the policy framework is supportive.

Successful policy intervention will require significant co-operation and co-ordinated strategies across government, and between different levels of government, as part of a comprehensive national long term plan, given the length of time needed to realise many environment preservation measures. It also demands the involvement of the private sector and civil society, and the sharing of best practices and new ideas between the various actors driving the shift to a new model of sustainable tourism development.

Guidelines for action

Policies to raise resources for the funding and financing of investment and infrastructure for a transition to a resilient and inclusive tourism economy may be supported by the following actions.

- **Build capacity and better co-ordinate actions across government to support the shift to more sustainable tourism investment and financing practices.**

A coherent and consistent trade and investment policy framework is needed to provide an enabling environment for sustainable tourism investment. This involves co-ordinating actions across different policy areas, including tourism, environment and innovation, and different levels of government.

- **Improve data and analysis on finance and investment in sustainable tourism development.**

Limited information is currently available on the effectiveness of available financing instruments and incentives to support more sustainable production processes and encourage more responsible business practices in tourism. More evidence is also needed to accurately integrate environmental risk into the tourism financing and investment decision, and develop a better understanding of the economic, social and environmental outcomes of tourism investment.

- **Prepare costings for the identified sustainable tourism strategies and action plans and other related activities.**

The need for forward looking strategies and action plans for the tourism sector was identified under the requirements for resilience. Other specific actions linked to sustainable tourism policies have been referred to under other policy areas. Individual actions should be prioritised and costed to establish cumulative funding targets.

- **Relate the components of the action plans to cross-government priorities and programmes and to possible external national and international funding opportunities.**

A number of the actions identified will relate not just to tourism but to wider government priorities and programmes, including those for regional and sustainable development, the environment, technology and innovation, transport and various social services. Funding options under these programmes should be pursued. Additionally, some countries and destinations may be eligible for support from international funding programmes, many of which are linked to fulfilment of the Sustainable Development Goals.

- **Identify possible private sector funding and partnerships**

The need for private sector engagement in governance structures and policy formation has been underlined throughout this paper. This should help to ensure that some of the actions will be relevant and attractive to commercial private sector funding or sponsorship. Actions should be taken to create the necessary framework to attract and encourage private sector investment. The establishment of public-private partnerships and other mechanisms may be very beneficial in addressing some investment requirements.

- **Strengthen support for tourism investment from the banking sector and International Financial Institutions, and foster the development of alternative modes of finance.**

Banks, other financial institutions, and trade bodies should be encouraged to pay more attention to the financing of tourism as a form of trade and a vehicle for sustainable economic growth. Tourism may benefit from openness to alternative modes of finance, particularly investment and financing that include asset-based, risk-sharing modalities. Strengthening Environmental Social and Governance (ESG) frameworks will help in achieving sustainable tourism investment.

Link to other G20 workstreams

Investment and infrastructure links to the finance track and the **Infrastructure Working Group**. This relates to topics pursued by the Japanese Presidency in 2019 on principles for quality infrastructure, and by the current Italian Presidency, with a menu of policy options for the maintenance of infrastructures and guidelines for financing digital infrastructure.