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The Ecotourism Industry and the Sustainable Tourism Eco-Certification Program (STEP)



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Abstract:

During the past fifteen years, the ecotourism industry has increasingly turned to ecotourism certification as a tool to increase its legitimacy and visibility. But the rapid proliferation of a myriad of certification schemes has instead increased consumer confusion about the meaning of ecotourism and reduced consumer confidence in the sector. As a result, efforts to harmonize certification programs and create an international accreditation body have been undertaken in recent years, including the Rainforest Alliance's recent proposal for a Sustainable Tourism Stewardship Council. This paper takes a closer look at one certification program in particular—the Sustainable Tourism Eco-Certification Program (STEP)—and evaluates its potential to serve as a model certification program for the industry. It also looks more broadly at the entire ecotourism industry and seeks to determine whether certification is good for the sector. My findings indicate that overall, certification strengthens the ecotourism industry, but the lack of an international accreditation body and the existence of weak certification programs poses a significant threat to ecotourism certification. Additionally, I conclude that the STEP program is a thoughtfully-designed, largely credible certification program which, despite offering a certification option based on self-reporting, is working within the limitations of the ecotourism market and represents step in the right direction for the future of ecotourism certification.

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I. Introduction

Tourism is simply defined as “the practice of traveling for recreation”.¹ As the largest business sector in the world economy, tourism employs 200 million people, generates \$3.6 trillion in economic activity, and accounts for one in every 12 jobs worldwide.² The tourism industry is especially important to developing countries since it is the principal foreign exchange earner for 83% of developing countries.³ But in contrast to the enjoyment of tourism and the beauty of the destinations it serves, it can be as destructive as traditional extractive industries such as logging and mining. Tourism requires a great deal of infrastructure—including hotels, roads, parking lots, and restaurants—which typically brings with it a number of negative consequences, such as increased pollution levels, the destruction of natural habitats, the displacement of natural wildlife and undesirable influences to once remote cultures. Ecotourism provides a sustainable alternative to conventional tourism and has continued to gain momentum over the last two decades. In particular, certification is increasingly used by the ecotourism industry in an effort to enhance the credibility of the sector and raise consumer awareness. The Sustainable Tourism Eco-tourism Program (STEP) is new certification program which was developed because “the industry wasn’t moving in the right direction as quickly as it needed to be.”⁴ This paper seeks to evaluate the strength and credibility of the STEP program and answer the broader question – is certification good for the ecotourism industry?

¹ Merriam-Webster Dictionary <http://www.m-w.com/dictionary/tourism>

² TIES fact sheet:

http://www.ecotourism.org/webmodules/webarticlesnet/templates/eco_template.aspx?articleid=15&zoneid=2

³ Ibid

⁴ Telephone Interview with Peter Krahenbuhl, Vice President of STI: 2/17/07

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II. The Ecotourism Industry

A. Definitions

In an effort to reduce the negative impacts of conventional tourism, more environmentally and socially conscientious approaches to tourism have been promoted, typically referred to as ecotourism and sustainable tourism, though other terms such as responsible tourism, nature-based tourism, green tourism, and alternative tourism are also used. The International Ecotourism Society (TIES) defines ecotourism as “responsible travel to natural areas that conserves the environment and improves the well-being of local people”, and defines sustainable travel as “tourism that meets the needs of present tourist and host regions while protecting and enhancing opportunities for the future”.⁵ Unlike TIES, Rainforest Alliance makes a point of classifying ecotourism within the larger concept of sustainable tourism, and defines ecotourism as “a type of sustainable tourism that emphasizes conserving nature and improving the lives of local people in rural and wilderness areas.”⁶ Despite the fact that sustainable tourism is the broader of the two terms, ecotourism is the term used most widely throughout the industry and the literature and therefore will be the term most commonly used throughout this paper.

According to TIES, ecotourism is based on the following principles:⁷

- minimizing impact
- building environmental and cultural awareness and respect
- providing positive experiences for both visitors and hosts
- providing direct financial benefits for conservation

⁵ TIES website:

http://www.ecotourism.org/webmodules/webarticlesnet/templates/eco_template.aspx?articleid=95&zoneid=2

⁶ <http://www.rainforest-alliance.org/tourism.cfm?id=terms>

⁷ TIES website

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- providing financial benefits and empowerment for local people
- raising sensitivity to host countries' political, environmental, and social climate

B. Industry Evolution

The ecotourism movement has continued to gain momentum since the beginning of the global environmental movement in the 1970s and the subsequent focus on sustainable development in the 1980s. But it wasn't until the early 1990s that the sustainable tourism movement began to take off, in part due to the establishment of the International Ecotourism Society (TIES) in 1990, and the 1992 United Nations Rio Earth Summit in which 178 governments signed onto a number of environmental initiatives, including Agenda 21, "a comprehensive plan of action to be taken globally, nationally and locally by organizations of the United Nations System, Governments, and Major Groups in every area in which human impacts on the environment."⁸ More recently, the United Nations declared 2002 as the International Year of Ecotourism, and held a World Ecotourism Summit in Quebec, Canada which brought together some 1,200 participants from around the world.⁹

Growing interest in ecotourism led to corresponding growth in the number of organizations seeking to take part in its development, with their roles typically including research, education, technical assistance, promotion and networking. While these organizations have made significant contributions to the ecotourism movement, inconsistencies in their ecotourism standards and practices have not only led to confusion about the meaning of ecotourism, but also a number of cases of "green washing" by tourism venues who claim to be following the

⁸ <http://www.un.org/esa/sustdev/documents/agenda21/index.htm>

⁹ World Tourism Organization: <http://www.world-tourism.org/sustainable/IYE-Main-Menu.htm>

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principles of ecotourism, but in the most lenient (and often questionable) of interpretations.

Currently there is no regulation which limits claims such as “green”, “eco-friendly” and so on, and with the many definitions for sustainability and ecotourism it is a difficult industry to regulate. Even when governments do take an active role in regulating claims, their reach is limited to national boundaries, which is inefficient due to the international nature of the tourism industry.¹⁰

In an effort to bring more legitimacy to the ecotourism movement, the use of certification as an effective implementation and verification tool gained widespread support, and a number of certification programs were quickly developed. In the decade between the 1992 Earth Summit and the 2002 International Year of Ecotourism, more than 60 “green” certification programs were developed, mostly in Europe. Today, the Center on Ecotourism and Sustainable Development (CESD) estimates that there close to 80 “green” tourism certification programs, with new programs being developed in countries in Latin America, Asia, and to a lesser extent Africa.¹¹ Most are nationally-based and only certify accommodations, but programs have increasingly been developed for other aspects of the tourism industry, including parks, beaches, guides, tour operators and transportation. Instead of bringing more credibility to the ecotourism movement, however, this rapid increase in ecotourism certifiers, each with its own standards and practices, instead led to growing confusion among travelers and suspicion regarding the credibility of the different certification programs.

¹⁰ Font, Xavier (2001)

¹¹ CESD: <http://www.ecotourismcesd.org/webarticles/anmviewer.asp?a=3&z=2>

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C. Types of Certification Programs

Certification programs within the tourism industry are all voluntary, market-driven initiatives, meaning that companies choose to be certified and consumers pick labeled products. The term certification, as it is used within the ecotourism industry, is defined as follows: “A procedure that audits and gives written assurance that a facility, product, process or service meets specific standards. It awards a logo or seal to those that meet or exceed baseline criteria or standards that are prescribed by the program.”¹² Certification programs in the ecotourism industry can be divided into two types: process-based and performance-based. The process-based approach is based on setting up environmental management systems (EMS) within businesses and using these internal systems for monitoring and improving procedures and practices. Process-based certifiers do not set performance standards, but rather award eco-labels for progress toward internal goals, such as reducing electricity and water consumption. While on the one hand proponents of the process-based approach contend that it is more collaborative and responsive to the needs of companies of all sizes, critics counter that process-based approaches are more costly to monitor and are difficult to measure and compare to general standards.¹³

The majority of sustainable and ecotourism certifiers follow a performance-based approach, however, which utilizes externally determined criteria and benchmarks that are applied uniformly to all tourism venues seeking certification. Performance-based certification measures achievement, not intent, and requires companies to meet certain thresholds within clearly defined environmental and social standards. The main benefits of this type of certification are its simpler

¹² Honey, Martha (2002) pp.5-6

¹³ Honey, Martha (2002) p.56

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means of monitoring performance, its lower cost, and its ability to easily make comparisons among certification programs. Its main drawback is its difficulty measuring the qualitative, subjective, and often imprecise nature of many standards and criteria.¹⁴

Increasingly, certification programs have been adopting elements from both the process and performance-based approaches to create their own hybrid approaches. For example, a company may be required to meet performance measures such as ensuring that its toilets use no more than six liters of water per flush, collecting and reusing rainwater, and converting all valves to economy flow. The company would also be required to adhere to environmental management criteria, such as drawing up a plan of action for water-saving measures, holding yearly trainings for staff members on the importance of water conservation, and measuring water consumption twelve times per year. Leading experts in the field suggest that hybrid systems such as this will be the preferred methodology in the future.¹⁵

D. Harmonization Attempts

Confusion and concerns about the legitimacy of the myriad ecotourism certification programs has spurred efforts to establish a uniform set of principles, guidelines, and certification for ecotourism based on sustainability standards. This has proven to be a difficult task, however, not only due to the challenges of harmonizing programs developed in isolation from one another, but also due to the fact that the tourism industry is a sum of many parts, including transportation, accommodation, interpretation, amenity provision and local community involvement and participation. Despite these challenges, it has become apparent that a lack of common standards

¹⁴ Honey p.53

¹⁵ Honey, Martha (2002) pp.57-58

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has undermined the credibility of the ecotourism movement and that steps have to be taken to find common ground.

The first major effort taken by the ecotourism community was the organization of an international conference by the Institute for Policy Studies at Mohonk Mountain House in New Paltz, New York in November, 2000. Participants from 20 countries, representing the majority of the leading global, regional and national sustainable tourism and ecotourism certification programs were in attendance, and together they agreed upon a framework of fundamental components that all “green” certification programs must include. This agreement, known simply as the Mohonk Agreement, was a significant achievement for the industry and put the wheels in motion for further attempts at harmonization.¹⁶ Almost two years later, the 2002 United Nations World Ecotourism Summit in Quebec led to another significant move toward harmonization—the creation of the Quebec Declaration on Ecotourism which contained 49 specific guidelines for sustainable ecotourism development and management.¹⁷

Meanwhile, the Rainforest Alliance had begun exploring ways to effectively address the growing problem of fragmentation among the various certification schemes. During the summer of 1999, with financial support from the Community Relations and Philanthropic Services Program at JP Morgan, the Rainforest Alliance conducted an initial analysis of the ecotourism industry and existing certifiers. The study concluded that while the use of certification mechanisms is valid

¹⁶ CESD: <http://www.ecotourismcesd.org/webarticles/anmviewer.asp?a=39&z=2>

¹⁷ World Tourism Organization: <http://www.world-tourism.org/sustainable/IYE-Main-Menu.htm>

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and important, “the lack of a global accreditation body has become one of the main obstacles in turning certification into an effective tool for change.”¹⁸

E. Sustainable Tourism Stewardship Council

The results of this initial study created momentum for an in-depth, eighteen-month feasibility study which aimed to investigate the possibility of establishing an international accreditation body for sustainable development (a need that was publicly endorsed at the World Ecotourism Summit) and provide a fully developed implementation plan. This proposed international accreditation¹⁹ body, the Sustainable Tourism Stewardship Council (STSC), would include both ecotourism and sustainable tourism certifiers and would “promote globally recognized, high-quality certification programs for sustainable tourism and ecotourism through a process of information sharing, marketing and assessment of standards.”²⁰

To accomplish its objectives, the study relied heavily on participation from stakeholders, including representatives from NGOs, certifiers, multilateral funding agencies, governmental entities, and members of the tourism industry, who collectively made up the study’s executive committee. The outcome of the report, which was completed in January, 2003, was a three-stage implementation plan for the STSC which enables the Council to transition from a network, to an association, and ultimately an accreditation body. It is important to note that despite its central

¹⁸ Sustainable Tourism Stewardship Council Feasibility Study Summary: http://www.rainforest-alliance.org/tourism/documents/stsc_summary.pdf

¹⁹ Accreditation is defined as “the process of qualifying and endorsing entities according that perform certification of companies, products or services.” Honey p. 325

²⁰ Sustainable Tourism Stewardship Council Final Report, p.7: http://rainforest-alliance.org/tourism/documents/final_report.pdf

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role in spearheading the feasibility study of the STSC, the Rainforest Alliance has stated from the beginning that it does not wish to house the potential accreditation agency in the future.²¹

The STSC is expected to launch in late 2007 and its responsibilities will include the following:²²

- Increase credibility of sustainable tourism certification programs by ensuring that certification is objective and transparent
- Provide information to consumers, tour operators, and other industry players about sound, accredited certification programs
- Reduce "greenwashing" and false sustainability claims by accrediting only credible, independent certification programs
- Help improve environmental and social standards and their implementation through sound certification programs
- Guarantee multi-stakeholder participation in certification program development
- Guide the establishment and development of new certification programs in countries where these are non-existent (in coordination with other programs around the world)
- Showcase certified companies as globally-recognized sound operations
- Lobby for political and financial support of accredited certification programs

F. Sustainable Tourism Certification Network of the Americas

Another outcome of the study was the recommended establishment of regional networks to encourage dialogue among stakeholders and act as a resource for certification information. The

²¹ Sustainable Tourism Stewardship Council Feasibility Study Summary

²² Rainforest Alliance Certification FAQ: http://www.rainforest-alliance.org/tourism.cfm?id=questions_certification

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first regional network, the Sustainable Tourism Certification Network of the Americas, was launched in late 2003 and includes all certification programs, NGOs, academic institutions and other interested parties in the Americas. The network's stated objectives are: "establishing common work tools by and for member programs, creating and executing a joint marketing strategy, and defining strategies to promote the application of best practices and certification processes to tourism operations, especially those which are small and medium-sized."²³ Network members agree on a set of baseline criteria for sustainable tourism which were developed by incorporating elements from existing regionally and nationally accepted standards.²⁴

III. Certification Program Case Study: Sustainable Tourism Eco-Certification Program (STEP)

Currently, six certification programs have joined the Sustainable Tourism Certification Network of the Americas, one of which is the Sustainable Tourism Eco-Certification Program (STEP), a newly-developed eco-tourism certification program which utilizes elements of both the process and performance-based approaches to certification. The STEP program was conceptualized in 2002 as part of the launch of Sustainable Travel International (STI), a nonprofit organization located in Boulder, Colorado whose mission is to "promote sustainable development and eco-friendly travel by providing programs that help travelers and travel-related companies protect the environmental, socio-cultural and economic needs of the places they visit, and the planet at large."²⁵

²³ Rainforest Alliance: <http://www.rainforest-alliance.org/tourism.cfm?id=network>

²⁴ See complete list of criteria: http://www.rainforest-alliance.org/tourism/documents/baseline_criteria.pdf

²⁵ STI website: http://www.sustainabletravelinternational.org/documents/au_mission.html

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Peter Krahenbuhl, Vice President of STI and one of the organization's two full-time staff members, explained that STI decided to develop the STEP program in response to the high prevalence of green-washing within the industry and because "the industry wasn't moving in the right direction as quickly as it needed to be."²⁶ Additionally, they were eager to develop a U.S.-based program since no other certification program existed in the region at the time, a situation which has changed in recent years. In an effort to create a credible and transparent certification program, STI decided to partner with NSF International, an independent, nonprofit organization which has certified products and developed standards for food, water, air and consumer goods for over 60 years.²⁷ Over the past four years, the STEP program underwent a "pilot test" in which STI gathered feedback from key stakeholders in the industry regarding the design and implementation of the program. Last year, STI and NSF completed a six month pilot launch of the program which lasted from April through October, 2006. The STEP program was officially launched in February, 2007.²⁸

STEP is an educational-based, voluntary certification program designed for hoteliers, tour operators, attractions and transportation service providers within the global travel and tourism industry. It encompasses environmental, economic, and socio-cultural aspects of the travel and tourism industry and is designed to assist tourism providers in continuously improving their operating standards. It aims to benefit consumers, resource managers, host communities, and travel and tourism providers by enhancing the triple bottom line of economic profitability, respect for the environment and social responsibility. STI asserts that companies benefit from eco-certification in three main areas—improved profitability through cost savings resulting from

²⁶ Telephone Interview with Peter Krahenbuhl, Vice President of STI

²⁷ NSF website: http://www.nsf.org/business/about_NSF/

²⁸ STI Press release: <http://www.sustainabletravelinternational.org/press/novemberpr06.html>

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waste reduction and improved resource productivity; broader market appeal given that STEP logos enable a company to advertise its commitment to sustainability; and minimized impacts and enhanced quality through improved impact management.²⁹

A. Standards

The STEP program adheres to the baseline criteria for sustainable tourism promoted by the Sustainable Tourism Certification Network of the Americas, and utilizes its own “Guide to Sustainable Tourism”, which was inspired by concepts from leading sustainable tourism certification programs and governmental and non-governmental organizations, including (but not limited to) the following:³⁰

- Agenda 21 Principles for Sustainable Development
- Certification for Sustainable Tourism – Costa Rica
- The Eco Tourism Association of Australia’s Nature and Ecotourism Accreditation Program
- The European Voluntary Initiative for Sustainability in Tourism Initiative
- Global Reporting Initiative
- Green Globe 21 Path to Sustainable Travel and Tourism
- Leave No Trace Center for Outdoor Ethics
- ISO 9000 and ISO 14000
- Mohonk Agreement Principles for the Certification of Sustainable and Eco-tourism
- SmartVoyager Program – Ecuador

²⁹ STI 2006 Brochure: <http://www.sustainabletravelinternational.org/documents/STIbrochure06-Industry.pdf>

³⁰ STI website: http://www.sustainabletravelinternational.org/documents/op_steplearn.html

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- The Sustainable Tourism Certification Network of the Americas
- The U.S. Environmental Protection Agency

B. STEP Certification Process³¹

The STEP program offers two levels of eco-certification: “Self-Assessment Completed” and “Professionally Audited”. STEP’s Eco-certification is a four to five-step process, depending on the level of eco-certification the tourism provider seeks. The five steps are as follows.³²

1. Establishing Eligibility: This first step involves determining eco-certification eligibility and establishing a system for measuring and managing environmental, socio-cultural and economic impacts. In order to be eligible for eco-certification, applicants must:
 - identify and obtain all required environmental, health and safety, licenses, operational permits and approvals for each of the regions where they operate
 - maintain an up-to date register of documentation for all required environmental, health and safety, licenses, operational permits and approvals
 - have a written sustainability policy

Eligible applicants must next put an impact assessment system into place. Actions suggested by STI include:

- Measuring impacts over a period of time and establishing a baseline level of performance utilizing quantifiable variables.

³¹ See diagram in Appendix A.

³² STI website: http://www.sustainabletravelinternational.org/documents/op_step4steps.html

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- Setting goals and objectives and developing action plans for minimizing negative impacts and enhancing positive impacts. Performance should be tracked by using current impact levels as a benchmark.
- Appointing an employee to monitor and execute scheduled activities as well as record and review the results. Future levels should be compared to set targets or to similar businesses.
- Educating staff and clients about how they can help the tourism provider meet its goals.

2. Self Assessment: This step involves the use of an educational-based tool which encompasses a set of required standards and related questions with weighted point values designated to determine the extent to which a tourism provider meets the principles of sustainable development. Applicants have 30 days from the time they submit their original application to complete the Self-Assessment questionnaire and submit the results and required information.

3. On-site Audit: Tourism providers who wish to receive a higher level of eco-certification and have completed steps one and two can opt for an on-site audit. Third party STEP-certified assessors who are selected from NSF's pool of independent auditors conduct on-site audits to verify applicants' performance and compare their findings with the information provided by the applicant in their self-assessment application.

4. Evaluation: A separate, voluntary evaluation committee then reviews the audit and determines whether to eco-certify an applicant and at what level. According to Peter Krahenbuhl of STI, this "voluntary evaluation committee" consists of representatives from both NSF and STI's

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management teams.³³ The Self Assessment questionnaire and the independent audit are evaluated through the use of a point scale, with one to ten points given to each criterion in the questionnaire. A lower point value is given to criteria and questions involving a more reactive approach, such as doing no harm or mitigating negative impacts. Higher point values are given to criteria that are considered best practices, such as activities that encourage preventative and proactive actions toward supporting environmental conservation, protecting cultural heritage, and promoting cross-cultural understanding and economic development. These points are then translated into a one to five star rating system.

5. Eco-certification: Eco-certification is awarded by STI based on the outcome of the evaluation process. Tourism providers whose self-assessments are approved receive an "Eco-Certified Certificate" and a "Self-Assessment Completed" logo containing either one or two stars, depending on their performance. Tourism providers who also undergo the audit process receive an "Eco-certified Certificate" and "Professionally Audited" logo containing three, four or five stars. *See Appendix B for a description of each level of certification.*

C. Monitoring Process

Monitoring within the eco-tourism industry ranges from the most basic, first-party verification to the most extensive, third-party verification. Although there are discrepancies among the various definitions of first, second, and third-parties, Xavier Font, a leading contributor to ecotourism literature, provides the following set of definitions upon which this paper's analyses are based. First-party verification is basically self-evaluation which serves as a first step to encourage

³³ Email from Peter Krahenbuhl: 3/1/2007

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ownership of process. Second-party verification is undertaken by the organization in charge of recruiting members and awarding a logo. In contrast, third-party verification is undertaken independently of either the applicant or the awarding body, making it the most credible of verifications.³⁴ The monitoring process for the STEP program consists of a combination of these three types of verification, but the “Professionally Audited” certification is the only certification that is third-party certified. This distinction is not made clear in the monitoring section of STI’s website, however, as it lumps monitoring for the two together. It states:

“STEP is initially based on a voluntary self-assessment process as described under STEP: A 4-Step Process. Throughout the two-year Eco-Certification period, both internal and external monitoring are undertaken by STI to help ensure continued compliance with STEP principles. The utilization of professional references and direct feedback from clients, resource area managers, local communities, and service providers comprise the monitoring component.”³⁵

Upon clarification from STI, this external monitoring refers to feedback collected during the audit process, which is only applicable to the “Professionally Audited” certification, leaving the “Self-Assessment Completed” certification limited to first and second-party verification.³⁶ This raises concerns of the possibility of biased verification due to the fact that a certification organization typically has a vested interest in increasing its membership and logo use. In STI’s case, however, its non-profit status lends it increased credibility as an impartial certifier since it is required to adhere to its mission and report its spending breakdown to the IRS. Additionally,

³⁴ Font, Xavier (2001)

³⁵ STI website: http://www.sustainabletravelinternational.org/documents/op_stepadmin.html

³⁶ Telephone conversation with Peter Krahenbuhl

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the “Self-Assessment Completed” logo is very explicit and does not make any false claims of being independently certified.

STI’s website also states the following: “To help facilitate this process, applicants are required to incorporate the STEP Client/Employee Feedback Questionnaire into their existing evaluation systems and use this questionnaire to self-monitor their sustainable travel practices and policies, the results of which must be reported to STI annually.”³⁷ According to STI, this additional component of first-hand monitoring has not been launched yet. In its current design, the questionnaire appears to serve two functions—a self-evaluation tool for the tourism provider and a third-party monitoring tool for STI. If and when it is launched, however, it would be a more effective third-party monitoring tool if it were sent directly to STI, instead of first going to the tourism provider who has an incentive to conceal negative feedback. I would also recommend that STI utilize an online feedback system to capture third-party feedback, as it would be a low-cost way to monitor performance.

D. Sanctions

If a tourism provider appears to be in non-compliance with STEP principles as a result of monitoring, assessment, and audit processes, or if it fails to assist STI in such processes, STI will issue a written warning. Within seven days of receiving the written warning, the tourism provider must provide proof of compliance or provide STI with the necessary assistance to determine its compliance. If the tourism provider fails to do so, its eco-certified status will be immediately withdrawn and the tourism provider must remove all STEP logos from all marketing materials, including those promoted by third-parties, and must notify relevant government agencies and

³⁷ STEP Questionnaire: http://www.sustainabletravelinternational.org/documents/client_employee_fb.pdf

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other key stakeholders.³⁸ STI has yet to decertify a tourism provider due to the fact that the official STEP program is just now being launched. It did, however, only give eco-certified status to three of the dozen or so tourism providers who participated in the program's test launch last year,³⁹ indicating that the program is capable of withholding eco-certification from tourism providers who do not meet the program's standards.

E. Logo Usage and Expiration

Certified tourism providers are required to display the appropriate STEP logo in their printed and online marketing materials. Logos which are displayed online must be linked to the STEP rating description so that consumers are provided with an easy reference to the meaning of the different stars. Both the "Self-Assessment Completed" and the "Professionally Audited" eco-certification labels are valid for two years from the date of issuance, and the expiration date must be displayed on the logo. Tourism providers interested in renewing their eco-certified status must repeat the four-step process and submit their application 30 days before the expiration of the two-year period.⁴⁰

F. Fee Structure

STI receives funding from certification fees (audit and self-assessment), membership fees, carbon offsets purchases and the development of carbon calculators, consulting revenue, and sales of readers to university students.⁴¹ STEP's Self-Assessment fees are determined according to the annual gross revenues of a tourism provider's overall annual operations. These non-refundable fees cover application submission, review, evaluation, processing and logo licensing.

³⁸ Ibid

³⁹ STI Press release: <http://www.sustainabletravelinternational.org/press/novemberpr06.html>

⁴⁰ STI website: http://www.sustainabletravelinternational.org/documents/client_employee_fb.pdf

⁴¹ Email from Peter Krahenbuhl: 3/1/2007

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Self-Assessment fees are as follows:⁴²

Gross Revenues	Fees
US\$0 - 125,000	US\$200
US\$125,001 - 250,000	US\$300
US\$250,001 - 500,000	US\$500
US\$500,001 - 2,000,000	US\$900
US\$2,000,001 - 5,000,000	US\$1500
US\$5,000,001 – plus	US\$2500

Tourism providers seeking “Professionally Audited” eco-certification must also pay on-site audit fees and related travel expenses. The on-site audit fee for businesses with gross annual revenues less than \$500,000 per year is \$800 per day, and US\$1200 per day for businesses with revenues over US\$500,000 per year. It is important to note that even despite the low fees STI charges for the self-assessment, smaller companies may still be unable to pursue certification due to the additional costs and time commitment required for certification, such as installing and implementing new systems, monitoring and recording progress, and managing related paperwork. Brian Mullis, Co-founder and President of STI, commented on the STEP program’s fee structure: "Our challenge has been to create a user-friendly program that's applicable to tourism businesses of all sizes, limit the barriers to entry while at the same trying to ensure that the program will be financially sustainable, and find a balance between meeting all of the various stakeholders' needs."⁴³ For these reasons, there remains a fair amount of disagreement within

⁴² STI website: http://www.sustainabletravelinternational.org/documents/op_stepfeestructure.html

⁴³ STI Press release: <http://www.sustainabletravelinternational.org/press/novemberpr06.html>

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the industry regarding the value of certification if it favors larger companies over smaller ones, since locally-owned companies are typically smaller than foreign-owned companies, and promoting local development is one of the core principles of ecotourism.

G. Program Assessment

STI's STEP certification program appears to be a well-thought out, clearly articulated model, which has positioned itself to be accessible to a wide range of tourism providers. By combining elements from both process-based and performance-based certification programs, the STEP program takes into account differences among companies and measures their performance accordingly, while at the same time maintaining a set of general principles with which all certified companies must comply. Furthermore, the program puts a strong emphasis on educating the companies who pursue certification, not only about the environmental impacts of their operations but also about the cost-savings they can achieve by improving their environmental performance. Like most ecotourism programs, however, the STEP program does not provide very much information about the social implications of eco-certification, which can be harder to measure.

Additionally, by offering two types of eco-certification, the STEP program works within the confines of the current limitations of the ecotourism market and recognizes that the only way for eco-certification to be successful is if its costs are not prohibitive. This means relying, for the most part, on self-reporting. On the one hand, self-reporting can be a valuable educational tool and currently is the only means enabling most eco-certification programs to exist, but on the other hand, it is the biggest threat to their very credibility. The STEP program is limited by the

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fact that it cannot provide travelers with any assurances regarding the companies it certifies under the “Self-Assessment Completed” logo, but it appears as though the program aims to address this paradox by being straight forward about the meaning of its different types of eco-certification through the use of explicit labels.

Despite this transparency, the concept of awarding eco-certification to a company based solely on self-reporting can be somewhat misleading to travelers when there is no way of verifying the company’s compliance. While on the one hand I realize that by offering “Self-Assessment completed” certification, STI is able to reach out to smaller companies, increase its membership, raise its status and hopefully educate more companies in the process, the credibility threat that this certification option poses may in fact outweigh those gains in the long run. For now, however, I would encourage STI to be as transparent as possible about this level of certification, encourage travelers to assist in the monitoring process, and urge STI to take seriously its responsibility to decertify companies who have lapsed in their responsibilities. As the plethora of weak certification schemes indicates, certification without strong monitoring enforcement is a slippery slope. It is only with its “Professionally Audited” eco-certification that STI can provide travelers with accurate information about the performance of the companies it certifies.

H. Organizational Credibility

As was previously indicated, STI’s nonprofit status lends it more credibility than other for-profit certifiers due to the fact that the organization is required to adhere to its mission and publicly disclose its financial activity. Additionally, STI is accountable to fourteen Executive Board members who collectively serve as an additional check on the actions of the organization. The executive board is primarily made up of representatives from nonprofit organizations, such as the

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Center for Sustainable Tourism and the Center for Resource Solutions, but one board member represents one of the companies that received eco-certification during the pilot launch of the step program. When I inquired about this, I was told by STI's Vice President that she was asked to join the board after the company became certified and that it was irrelevant because, "STI's approach is to work with like-minded organizations who will help expand our programs, and since it won't change any answers, it doesn't really matter."⁴⁴ While I see his point, I would suggest that STI consider implementing a policy that limits the number of STEP-certified companies who serve on STI's Executive Board.

Furthermore, STI's decision to partner with NSF International, a well-established organization with over sixty years of experience, brings additional credibility to the intentions of STI's STEP certification program. Additionally, STI's motivations also appear to be sound, especially considering the organization's willingness to provide information about its activities, in addition to the active leadership roles it has played within the industry since its inception. Given that the STEP certification program is just now being launched and therefore has yet to decertify a company, it is difficult to evaluate the organization's track record in the area of certification denial and revocation, but to its credit, STI only awarded eco-certification to three of the twelve companies that participated in the pilot launch of the STEP program last year.

Conversely, it is important to recognize that STI is still a young organization with limited capacity and funds. And since it has an interest in certifying more companies due to the financial and publicity advantages it acquires as a result, it is impossible for STI not to have some amount of bias in its decision-making processes. In other words, although STI utilizes an independent

⁴⁴ Email from Peter Krahenbuhl, 3/14/07

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third-party as a component of its monitoring process for “Professionally Audited” eco-certification, STI, a second-party with limited independence, remains the ultimate decision-maker. Furthermore, STI is not yet accredited by an independent third party, but this may change within a few years once the STSC comes to fruition. Lastly, the description of the STEP program’s monitoring process implies that the organization relies on a great deal on first-hand feedback from travelers and other local parties, but this resource appears to be under-utilized, despite the fact that it could be an inexpensive way to monitor the performance of “Self-Assessment Completed” eco-certified companies and provide travelers with additional assurance.

IV. Additional considerations for the Ecotourism Industry

In addition to other challenges facing the ecotourism industry, such as how to harmonize efforts and how to ensure equal opportunities for tourism providers of all sizes, the biggest challenge continues to center around increasing consumer awareness and demand. Ecotourism certification will only succeed if tourists want and support environmentally and socially responsible enterprises, but eco-certification within the tourism industry has not yet reached a majority of consumers. The actual extent of consumer demand for sustainable tourism (especially if it costs more) remains an area of considerable uncertainty and debate among experts. On the one hand, a 2004 report produced by the Center on Ecotourism and Sustainable Development and The International Ecotourism Society paints a favorable picture of the sustainable tourism market. It concludes:

“...both tourists and travel companies show strong support for responsible tourism, including a willingness to pay more for ethical practices, to contribute to community projects, and to support certification. While consumers continue to view cost, weather,

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and quality of facilities as paramount in their holiday planning, demand for ethical products, social investment, and eco-labels is growing.”⁴⁵

Despite these findings, other recent studies indicate that although tourists may say that they would select an environmentally sensitive alternative, in practice they are influenced by a wide range of factors, including: personal knowledge of a destination; cost and reputation; safety and security issues; flight and transportation logistics and availability; and political and social conditions in the destination country.⁴⁶

As was previously indicated, at least three consumer-linked factors continue to hinder the success of eco-certification: little awareness among tourists, consumer confusion due to multiple eco-labels, and questionable credibility due to the absence of an internationally accepted framework against which to measure certification programs. In addition to these factors, ecotourism certification programs face an additional challenge. Unlike responsible certification programs in other industries, such as timber and coffee which have used consumer protests and advocacy to promote change within the industries, support for ecotourism has been relatively passive. Possible future efforts might include campaigns organized by environmental NGOs which are backed by receptive travel media who encourage travelers to patronize certified companies. Once alternatives have gained wider popular attention, it would then be possible to organize campaigns against providers of mass tourism, such as cruise lines and theme parks.⁴⁷

⁴⁵ Market Study

http://www.ecotourism.org/webmodules/webarticlesnet/templates/eco_template.aspx?articleid=15&zoneid=2

⁴⁶ Honey, Martha (2002) p.363

⁴⁷ Honey, Martha (2002) p.365

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V. Conclusions and Reflections

As this paper has shown, the ecotourism industry has increasingly turned to certification as a tool to bring credibility to the sector, but with mixed results. It has become apparent that an international accreditation body will be a key component to ensuring the credibility of certification programs and restoring consumer confidence in the system, and it is also increasingly understood that weak certification programs based on self-reporting are a step in the wrong direction for the industry. STI's STEP program, despite its offering of a label based on self-reporting, is among the most comprehensive eco-certification programs offered today. In developing the model, STI clearly did not try to reinvent the wheel, but rather took many of the strong aspects of existing programs and incorporated them into a credible certification scheme.

Due to time and space constraints, I was unable to lay out a comparison between the STEP program and other leading certification programs, but I did factor in my knowledge about these other programs into my analysis of STEP. One other certification program in particular, Green Globe 21, is a certification program that would be interesting to include in a comparative analysis since it is among the largest and the most commonly analyzed certification programs in the world. But at the same time, it would pose some challenges due to the many transformations it has undergone over the past decade, such as changing from a program that initially allowed companies to use its eco-certified logo just by applying for certification, to a rigorous program today which shares a number of common components with the STEP program.

In addition to its impact on the credibility of the ecotourism industry, certification can effectively complement formal regulation by national authorities. Currently, however, regulation within the

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industry is minimal due to insufficient governmental capacity to monitor compliance with such regulations, making certification both an attractive tool for those wishing for more regulation and those wishing to forestall future regulation. Martha Honey, one of the leading figures in the ecotourism movement, concludes, "Certification, as a voluntary, multi-stakeholder process predicated on consumer demand, is uniquely suited to the current age of economic globalization in which the authority of governments has been diminished..."⁴⁸ This trend, when combined with increasing consumer and governmental interest in the environment in recent years, should pose some additional opportunities and challenges for the ecotourism industry, and certification will surely play a leading role in the sector in the years to come.

⁴⁸ Honey, Martha (2002) p.365

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VI. Discussion Questions

1. What exactly is eco-tourism? Who are the stakeholders in this industry? Why do you think eco-tourism has gained popularity?
2. Discuss some of the challenges in establishing an eco-tourism certification scheme and accreditation program. How likely that a strong universal standard will develop in the near future?
3. Why would hoteliers, tour operators, attractions and transportation services voluntarily seek ecotourism certification? Do you believe they will subscribe to a label with relatively lax standards or relatively strict standards?
3. The author states that many sustainable and ecotourism certifiers follow a performance-based approach that measures achievement and not intent. What are the pros and cons of each? Is one method more credible than the other? What are the benefits of the hybrid approach? Which method, in your opinion, should be the industry standard?
4. How credible of an organization do you find The Sustainable Tourism Eco-Certification Program (STEP) to be? Is there considerable room for its members to “cheat”? Do you believe it should or can be become the industry standard? What measures should STEP take to strengthen its program?
5. Discuss the benefits of self-assessment programs vs. audit programs. Which is more flexible? Which method is reflective of what can be realistically done? Which method is more credible? Does one favor larger companies over smaller companies? How can STEP improve its program so that it businesses of all sizes can join?
6. Given the low consumer awareness of ecotourism certification programs, how necessary is it to establish a universal standard and accreditation scheme? Where does the demand for certification come from? What can and should be done to increase consumer awareness?
7. Research another eco-tourism certification organization and compare it to STEP. How much do their standards overlap? How far do the standards diverge? Which organization seems more credible?
8. Find some eco tourism packages currently offered in the travel industry market. Compare and contrast. How are these vacations promoted? Do these vacation packages fulfill the eco principles as stated on page 4? Do these packages seem to genuinely help local communities and ecological habitats or so you believe them to be mere exercises in “green-washing”?

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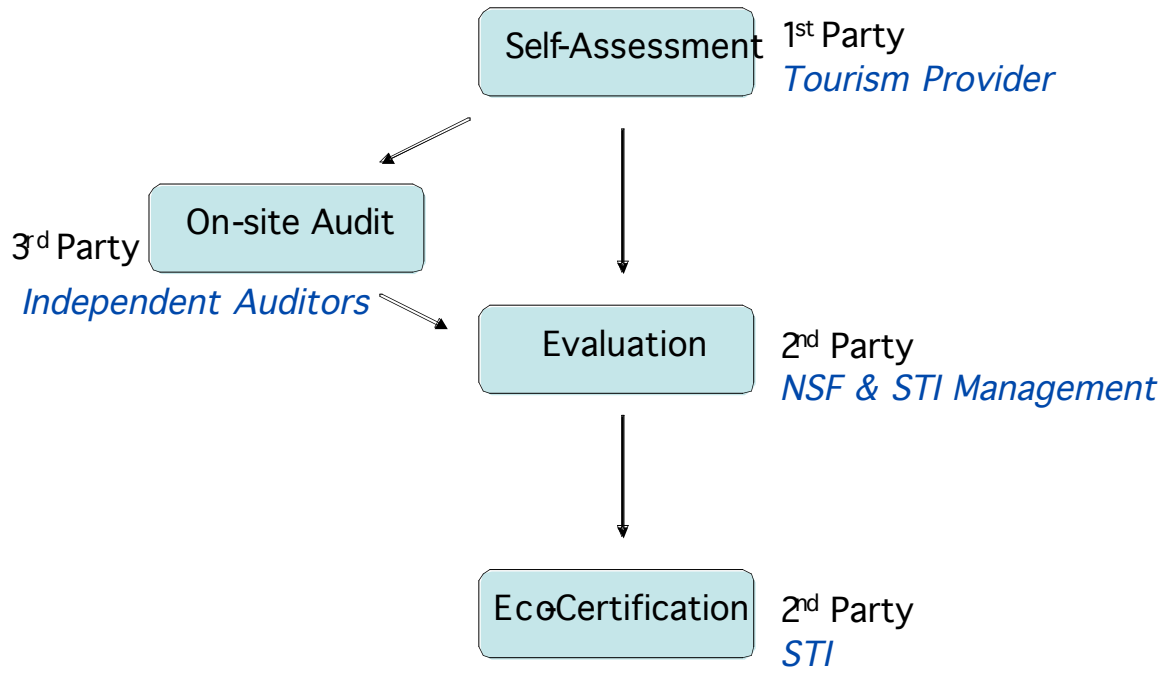
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IX. Appendix

Appendix A: STEP Certification Process⁴⁹

STEP Certification Process



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⁴⁹ Author's interpretation. Not verified by STI.

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Appendix B: STEP Rating System



Eco-certified - 5 Stars: These Eco-certified tourism providers are industry leaders. They make sustainable development and environmental and socio-cultural issues their priority. They are striving to be environmentally innovative and socially responsible. They have a positive impact on the environment, local communities, and their clients. They will invest both time and money to maintain sustainable travel practices.

These Eco-certified tourism providers have had an on-site audit, which verified that they've received 90-100% of the [available points](#).



Eco-certified - 4 Stars: These Eco-certified tourism providers are highly environmentally and socio-culturally responsible. They are continuously working to better their operations and enhance their sustainable travel practices. The management is knowledgeable about environmental/social issues related to their business, and they are working to become industry leaders.

These Eco-certified tourism providers have had an on-site audit, which verified that they've received 75-89% of the [available points](#).



Eco-certified - 3 Stars: These Eco-certified tourism providers are somewhat low-impact, and may consider environmental and social issues in their operational decisions and programming. They also may make choices based on environmental and social responsibility, but due to monetary, time, or efficiency issues, may forego their commitment to best practice ecological sustainability.

These Eco-certified tourism providers have had an on-site audit, which verified that they've received 40-74% of the [available points](#).



Eco-certified - 1 to 2 Stars: These Eco-certified tourism providers have completed a self-assessment and met a minimum set of core criteria, thereby demonstrating their commitment to sustainable tourism outcomes. However, since they have not received an on-site audit from a STEP-certified Assessor, the extent to which they have integrated sustainable business practices into their operations may be unknown.

Eco-certified tourism providers who provide the required impact data for less than 12 months receive 1 Star. Those who provide data for 12 months or more receive 2 Stars.