

Policy Brief:  
**COVID-19 and  
Transforming Tourism**

AUGUST 2020

# Executive summary

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Tourism provides livelihoods for millions of people and allows billions more to appreciate their own and different cultures, as well as the natural world. For some countries, it can represent over 20 per cent of their GDP and, overall, it is the third largest export sector of the global economy. Tourism is one of the sectors most affected by the COVID-19 pandemic, impacting economies, livelihoods, public services and opportunities on all continents. While sustaining the livelihoods dependent on the sector must be a priority, **rebuilding tourism is also an opportunity for transformation with a focus on leveraging its impact on destinations visited and building more resilient communities and businesses through innovation, digitalization, sustainability, and partnerships.**

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## Economic impacts

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According to 2019 data, tourism generated 7 per cent of global trade, employed one in every ten people globally and – through a complex value chain of interconnected industries – provided livelihoods to millions of people in developed and developing countries. As borders closed, hotels shut and air travel dropped dramatically, international tourist arrivals

decreased by 56 per cent and \$320 billion in exports from tourism were lost in the first five months of 2020<sup>1</sup> – more than three times the loss during the Global Economic Crisis of 2009. Governments are struggling to make up for the lost revenues that are needed to fund public services, including social and environmental protection, and meet debt repayment schedules.

Scenarios for the sector indicate that **international tourist numbers could decline by 58 per cent to 78 per cent in 2020**, which would translate into a **drop in visitor spending from \$1.5 trillion in 2019 to between \$310 and \$570 billion in 2020. This places over 100 million direct tourism jobs at risk**,<sup>2</sup> many of them in micro, small and medium sized enterprises (MSMEs) which employ a high share of women and young people. Informal workers are the most vulnerable.

No country has escaped the decimation of its tourism sector, from Italy where tourism accounts for 6 per cent of the country's GDP to Palau where it generates almost 90 per cent of all exports. This crisis is a major shock for developed economies and an emergency for the most vulnerable people and developing countries. The impact on small island developing States (SIDS),

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1 World Tourism Organization (UNWTO), *World Tourism Barometer*, vol. 18, No. 4, June 2020, Madrid, available at <https://doi.org/10.18111/wtobarometereng>.

2 UNWTO, *World Tourism Barometer*, vol. 18, No. 3, June 2020, Madrid, available at <https://doi.org/10.18111/wtobarometereng>.

least developed countries (LDCs) and many African nations is of concern. In Africa, the sector represented 10 per cent of all exports in 2019.

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## The impacts on livelihoods and the SDGs

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The impacts of COVID-19 on tourism threaten to increase poverty (SDG 1) and inequality (SDG 10) and reverse nature and cultural conservation efforts. The pandemic also risks slowing down progress towards the Sustainable Development Goals (SDGs).<sup>3</sup> Tourism is directly referenced in three goals: SDG 8 “decent work and economic growth”, SDG 12 “responsible consumption and production” and SDG 14 “life below water”.

For women, rural communities, indigenous peoples and many other historically marginalized populations, tourism has been a vehicle for integration, empowerment and generating income. It has enabled service delivery in remote locations, supported economic growth of rural areas, provided access to training and jobs, and often transformed the value that communities and societies ascribe to their cultural and natural heritage.

The linkages of tourism to so many other areas of society means this crisis also puts at risk the contribution of the sector to other SDGs, such as gender equality (SDG 5) or the reduction of inequalities among and inside countries (SDG 10).

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## Environmental and climate change implications

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Tourism related to nature and oceans is an important motivation to travel and source of revenues. A 2015 United Nations World Tourism Organization (UNWTO) survey determined that 14 African countries generate an estimated US\$142 million in protected-area entrance fees. The shutdown of tourism activities has meant months of no income for many protected areas and the communities living around them, many highly dependent on tourism for survival and with no access to social safety nets. The loss of tourism income further endangers protected and other conserved areas for biodiversity, where most wildlife tourism takes place. Without alternative opportunities, communities may turn to the over-exploitation of natural resources, either for their own consumption or to generate income.

At the same time, the tourism sector has a high climate and environmental footprint, requiring heavy energy and fuel consumption and placing stress on land systems. The growth of tourism over recent years has put achieving the targets of the Paris Agreement at risk. Transport-related greenhouse gas emissions from tourism have been estimated at 5% of all human originated emissions and could rebound sharply if the recovery of the sector is not aligned with climate goals.<sup>4</sup>

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<sup>3</sup> <http://tourism4sdgs.org>.

<sup>4</sup> UNWTO, “Transport-related CO<sub>2</sub> emissions from the tourism sector”, available at <https://www.unwto.org/sustainable-development/tourism-emissions-climate-change>.

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## Cultural implications

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The global wealth of traditions, culture and diversity are among the principal motivations for travel. The impact of COVID-19 on tourism places further pressure on heritage conservation in the cultural sector, as well as on the cultural and social fabric of communities, particularly indigenous people and ethnic groups. For instance, with the closure of markets for hand-crafts, products and other goods, indigenous women's revenues have been particularly impacted.<sup>5</sup> Cultural organizations have also seen their revenues plummet. During the crisis, 90 per cent of countries fully or partially closed World Heritage sites, and around 85,000 museums were temporarily closed.<sup>6</sup> Tourism, a sector built on people-to-people interaction, is one of the major vehicles for promoting culture and advancing intercultural dialogue and understanding.

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## An opportunity for transformation

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As travel restarts in some parts of the world, limited connectivity and weak consumer confidence, the unknown evolution of the pandemic and the impact of the economic downturn present unprecedented challenges to the tourism sector. Supporting the millions of livelihoods that depend upon a sector affected by months of inactivity, and building a sustainable and responsible travel experience that is safe for host communities, workers and travellers are key to accelerating recovery.

This crisis is also an unprecedented opportunity to transform the relationship of tourism with nature, climate and the economy. It is time to rethink how the sector impacts our natural resources and ecosystems, building on existing work on sustainable tourism; to examine how it interacts with our societies and other economic sectors; to measure and manage it better; to ensure a fair distribution of its benefits and to advance the transition towards a carbon neutral and resilient tourism economy.<sup>7</sup> A collective and coordinated response by all stakeholders can stimulate the transformation of tourism, together with economic recovery packages, and investments in the green economy.

**The COVID-19 crisis is a watershed moment to align the effort of sustaining livelihoods dependent on tourism to the SDGs and ensuring a more resilient, inclusive, carbon neutral, and resource efficient future.**

Harnessing innovation and digitalization, embracing local values, and creating decent jobs for all, especially for youth, women and the most vulnerable groups<sup>8</sup> in our societies, could be front and centre in tourism's recovery. To that end, the sector needs to advance efforts to build a new model that promotes partnerships, places host people at the centre of development, advances evidence-based policies and carbon neutral investment and operations.

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5 United Nations, "On International Day, UN chief spotlights indigenous peoples' resilience in face of COVID-19 pandemic", 9 August 2020, available at <https://news.un.org/en/story/2020/08/1069822>.

6 United Nations Educational, Scientific and Cultural Organization (UNESCO), "Museums around the world in the face of COVID-19", 2020, available at <https://unesdoc.unesco.org/ark:/48223/pf00000373530>.

7 UNWTO, "COVID-19 Tourism Recovery: Technical Assistance Recovery Package", 2020, available at [https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-05/COVID-19-Tourism-Recovery-TA-Package\\_8%20May-2020.pdf](https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-05/COVID-19-Tourism-Recovery-TA-Package_8%20May-2020.pdf).

8 UNWTO, "An Inclusive Response for Vulnerable Groups", 2020, available at <https://www.unwto.org/covid-19-inclusive-response-vulnerable-groups>.

**A roadmap to transform tourism needs to address five priority areas:**

- 1. MANAGE THE CRISIS AND MITIGATE THE SOCIO-ECONOMIC IMPACTS ON LIVELIHOODS, PARTICULARLY ON WOMEN'S EMPLOYMENT AND ECONOMIC SECURITY.** Gradual and coordinated solutions and responses will have to be implemented to: i) protect livelihoods, jobs, income and enterprises; ii) build confidence through safety and security in all tourism operations; iii) strengthen partnerships and solidarity for socio-economic recovery by placing a priority on inclusiveness and reducing inequalities.
- 2. BOOST COMPETITIVENESS AND BUILD RESILIENCE.** To support the development of tourism infrastructure and quality services across the entire tourism value chain; facilitate investments and build a conducive business environment for local MSMEs, diversify products and markets, and promote domestic and regional tourism where possible.
- 3. ADVANCE INNOVATION AND THE DIGITALIZATION OF THE TOURISM ECOSYSTEM.** Recovery packages and future tourism developments could maximize the use of technology in the tourism ecosystem, promote digitalization to create innovative solutions and invest in digital skills, particularly for workers temporarily without an occupation and for job seekers.
- 4. FOSTER SUSTAINABILITY AND INCLUSIVE GREEN GROWTH.** It is important for tourism to shift towards a resilient, competitive, resource efficient and carbon neutral sector, in line with the objectives and principles of the Paris Agreement on Climate Change and the 2030 Agenda for Sustainable Development. Green investments for recovery could target protected areas, renewable

energy, smart buildings and the circular economy, among other opportunities. Financial and bailout support from governments to the accommodation, cruise and aviation industries could also ensure unsustainable polluting practices are banned.

- 5. COORDINATION AND PARTNERSHIPS TO TRANSFORM TOURISM AND ACHIEVE THE SDGS.** More agile approaches and alliances will be required for moving towards a resilient future and global goals. The UNWTO Global Tourism Crisis Committee has united the tourism sector to formulate a sector-wide response to the unprecedented challenge of the COVID-19 pandemic.<sup>9</sup> Effective coordination for reopening and recovery plans and policies could consider putting people first, involving government, development partners and international finance institutions for a significant impact on economies and livelihoods.

### WHAT IS AT STAKE?

**100 to 120 million direct tourism jobs at risk (UNWTO)**

**Loss of \$910 billion to \$1.2 trillion in exports from tourism – international visitors' spending (UNWTO)**

**Loss of 1.5% to 2.8% of global GDP (UNCTAD)**

**A lifeline for SIDS, LDCs and many African countries – tourism represents over 30% of exports for the majority of SIDS and 80% for some (UNWTO)**

<sup>9</sup> UNWTO, "Restarting Tourism", available at <https://www.unwto.org/restarting-tourism>.

# 1. Tourism and COVID-19 – unprecedented economic impacts

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In 2019, international tourist arrivals reached 1.5 billion, a 4 per cent increase over 2018, consolidating a ten-year record where tourism grew faster than the world economy as a whole. Domestic tourism added a further 8.8 billion arrivals. The sector generated \$1.5 trillion in exports and employed one in ten people directly or indirectly.<sup>10</sup>

Tourism came to a standstill in mid-March 2020. **International tourist arrivals decreased by 56 per cent in the first months of the year, with numbers in May down by 98 per cent. This translates into a loss of nearly \$320 billion in exports – over three times what was lost during the whole of the 2009 global economic crisis.<sup>11</sup> Forward-looking scenarios point to possible declines in arrivals and receipts from international tourism of 58 per cent to 78 per cent for the whole year** depending on the speed of containment of the pandemic, the duration of travel restrictions and the gradual re-opening of borders that has now begun but remains uncertain.<sup>12</sup>

This immense shock could **translate into a drop of 850 million to 1.1 billion international tourists and a loss of \$910 billion to \$1.2 trillion in export revenues from tourism, putting 100 to 120 million direct tourism jobs at risk.**<sup>13</sup> This is particularly critical as around 80 per cent of all tourism businesses are MSMEs.

Considerable challenges lie ahead, including the unknown evolution of the pandemic and how consumer confidence will recover. The global economy is projected to contract sharply by 4.9 per cent in 2020, though the outlook is expected to pick up in 2021, according to the International Monetary Fund.<sup>14</sup>

Although countries and international organizations have implemented a range of measures to mitigate the socio-economic impacts of COVID-19 and to stimulate the recovery of tourism, the magnitude of the crisis requires extra efforts and continued support.<sup>15</sup>

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10 UNWTO, *World Tourism Barometer*, vol. 18, No. 3, June 2020, Madrid, available at <https://doi.org/10.18111/wtobarometereng> and UNWTO online Data Dashboard, available at <https://www.unwto.org/international-tourism-and-covid-19>.

11 UNWTO, *World Tourism Barometer*, vol. 18, No. 3, June 2020 and UNWTO, *World Tourism Barometer*, vol. 18, No. 2, May 2020, Madrid, available at <https://doi.org/10.18111/wtobarometereng>.

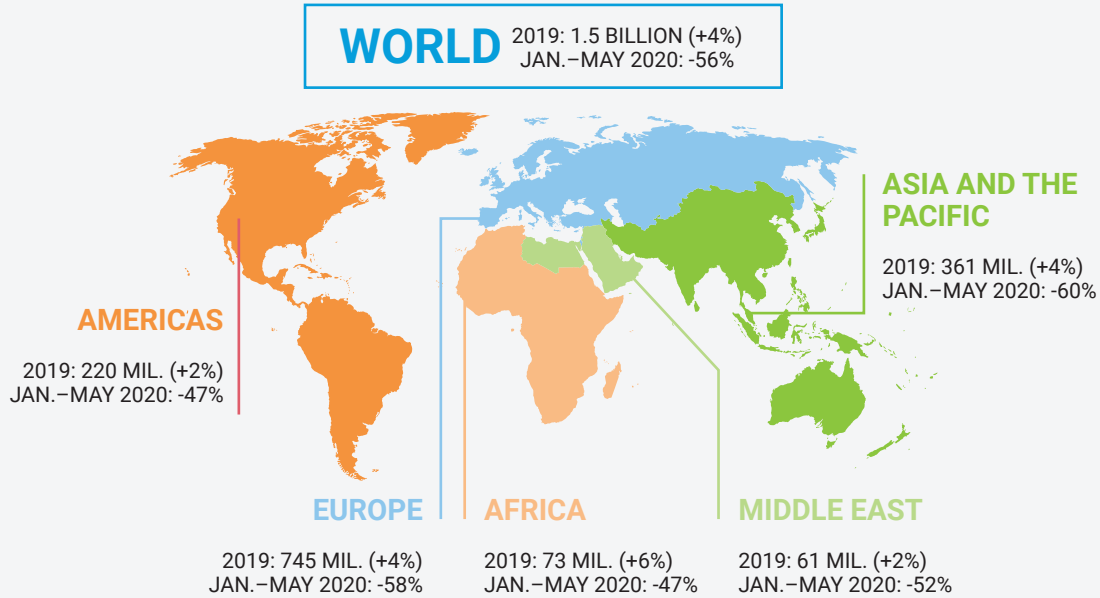
12 Ibid.

13 Ibid.

14 International Monetary Fund, *World Economic Outlook*, June 2020.

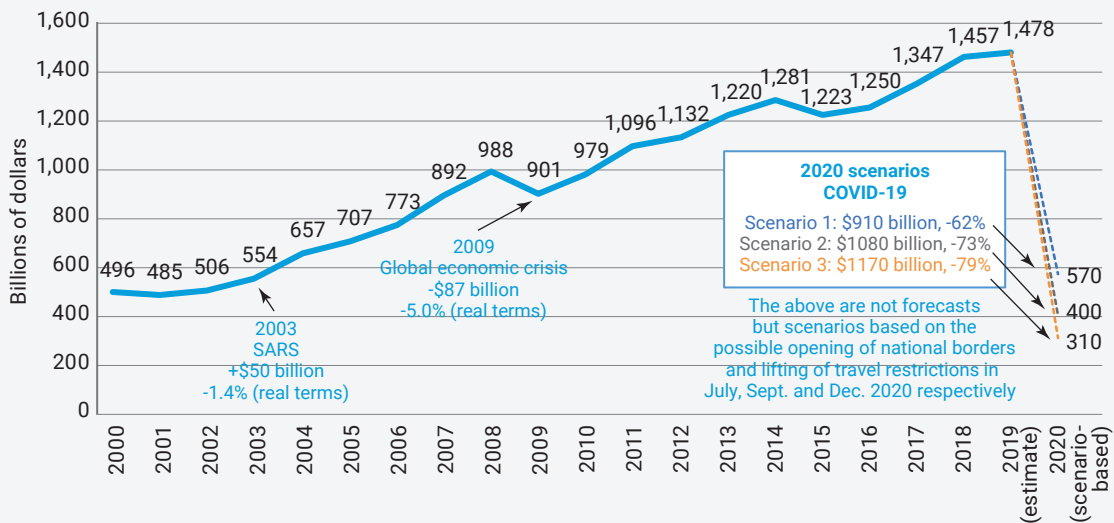
15 UNWTO, "Briefing Note – Tourism and COVID-19. Issue 1. How are countries supporting tourism recovery?", June 2020, available at <https://doi.org/10.18111/9789284421893>.

**FIGURE 1. INTERNATIONAL TOURIST ARRIVALS, JAN–MAY 2020**  
(percentage change)



Source: UNWTO, July 2020.

**FIGURE 2. INTERNATIONAL TOURISM RECEIPTS (EXPORTS), 2000–2019 AND 2020 SCENARIOS**



Source: UNWTO.

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## 1.1 Significant spill-over effects on the whole of the economy

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Because of tourism's supply linkages in goods and services and its strong multiplier effect, the crisis jeopardises sustainable development in both developed and developing nations.

Estimates suggest tourism's shock could reduce global GDP by \$1.17 trillion, or 1.5 per cent, in the most optimistic scenario (representing a four-month tourism standstill) and up to \$2.22 trillion, or 2.8 per cent of GDP, in the scenario of an eight-month standstill. Owing to supply chain linkages, the negative impacts of COVID-19 on the economy can be as much as three times the loss of tourism receipts. Unemployment in some countries could rise by more than 20 percentage points.<sup>16</sup>

The development of tourism promotes investment and openness to merchandise trade as tourism and its related sectors require a wide range of goods and services – many of which small economies do not have the capacity to produce. In SIDS alone, announced greenfield foreign direct investment (FDI) data for 2015–2019 show that travel, tourism and hospitality projects contributed to more than half of all new investment, compared with 16 per cent in the preceding five-year period.

The COVID-19 crisis is expected to cause a dramatic drop in FDI in 2020 and 2021. Global FDI flows are forecast to decrease by up to 40 per cent in 2020, from US\$1.54 trillion in 2019. FDI is projected to decrease by a further 5 to 10 per cent in 2021. The latest World

Investment Report's greenfield FDI data shows that travel, tourism and hospitality projects directly affected by the lockdown are among the most severely hit, particularly accommodation and food service activities (-94 per cent).<sup>17</sup>

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## 1.2 An unprecedented crisis for air and sea travel

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The connectivity brought by air, land and marine transport is at the heart of tourism. Before the crisis, approximately 58 per cent of the 1.5 billion tourists who were crossing borders every year traveled by air compared to 39 per cent by land.<sup>18</sup>

Aviation supported close to 37 million jobs within the tourism sector, contributing roughly \$897 billion a year to global GDP.<sup>19</sup> The pandemic has, however, led to unprecedented restrictions in the global movement of people and goods, isolating many countries and regions. As a result, the aviation industry faces the deepest crisis in its history.

The latest ICAO estimates point to a potential loss of \$324 to \$387 billion in gross operating revenues of airlines in 2020. With around 90 per cent of the fleet being grounded and demand close to zero during the second quarter of 2020, this already surpasses the fall observed due to the 2003 SARS outbreak and the events of 11 September 2001.<sup>20</sup> As with the tourism sector, the impacts on aviation depend on the duration and magnitude of the outbreak and containment measures, levels of consumer confidence and economic conditions, with the longer term effects not yet fully apparent.

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<sup>16</sup> United Nations Conference on Trade and Development (UNCTAD), *COVID-19 and Tourism: Assessing the Economic Consequences*, 2020.

<sup>17</sup> UNCTAD, *World Investment Report*, 2020, pp.6 and 82, available at <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2769>.

<sup>18</sup> UNWTO Tourism Data Dashboard, Global and Regional Tourism Performance, available at <https://www.unwto.org/global-and-regional-tourism-performance>.

<sup>19</sup> *Aviation Benefits Report 2019*, available at <https://www.icao.int/sustainability/Documents/AVIATION-BENEFITS-2019-web.pdf>.

<sup>20</sup> International Civil Aviation Organisation Air Transport Statistics as of July 2020, <https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx>.



The impact of COVID-19 on the maritime transport of passengers has also been tremendous, particularly as certain countries have advised against travel by ship, and major cruise companies have suspended operations. Cruise shipping constitutes one of the key industries in tourism and contributes significantly to the economy of many destinations, in particular SIDS. According to the Cruise Lines International Association (CLIA) with 28.5 million passengers, cruise tourism generated an estimated US\$150 billion in total output of goods and services throughout the global economy and supported over 1 million employees in 2018.

Together with the impact on jobs, as of early August, around 5,000 seafarers were still onboard cruise ships awaiting repatriation, delayed as a result of the closure of ports and insufficient coordination and support between countries.

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### 1.3 An emergency for Africa, LDCs and SIDS and a major crisis for advanced economies

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The pandemic has severely affected tourism in both developed and developing countries. However, the impact on people is most pronounced in the latter, particularly in LDCs and SIDS.

Tourism contributes directly to 3 per cent of GDP in G20 economies, 6 per cent of G20 total exports and 6 per cent of G20 employment. Over the first five months of 2020, the G20 economies lost 55 per cent of their international tourist arrivals.<sup>21</sup>

LDCs and SIDS are even more severely hit, due to the share of tourism in their economies in terms of both GDP and exports, their reliance on the sector for employment and their level of preparedness.

In recent years, tourism has become a growing export sector for LDCs, representing 7 per cent of exports in goods and services (10 per cent for non-oil LDC exporters).<sup>22</sup> International tourist arrivals in LDCs grew at 9.7 per cent between 2000 and 2019, against 4.8 per cent worldwide.<sup>23</sup> Though the role of tourism on development varies across countries, the sector was instrumental in the graduation of Cabo Verde, Maldives and Samoa from the LDC category.<sup>24</sup> Similarly, tourism is a dynamic sector for Africa with tourism exports representing 10 per cent of all exports in 2019, up from 5 per cent in the mid-80s.<sup>25</sup>

In SIDS, tourism makes an even-larger economic contribution. The sector accounts for over 30 per cent of total exports in the majority of SIDS, and up to 80 per cent in some. COVID-19 is yet another reminder of how vulnerable SIDS are to global shocks.<sup>26</sup>

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<sup>21</sup> UNWTO, 2020.

<sup>22</sup> UNWTO et. al, 2017.

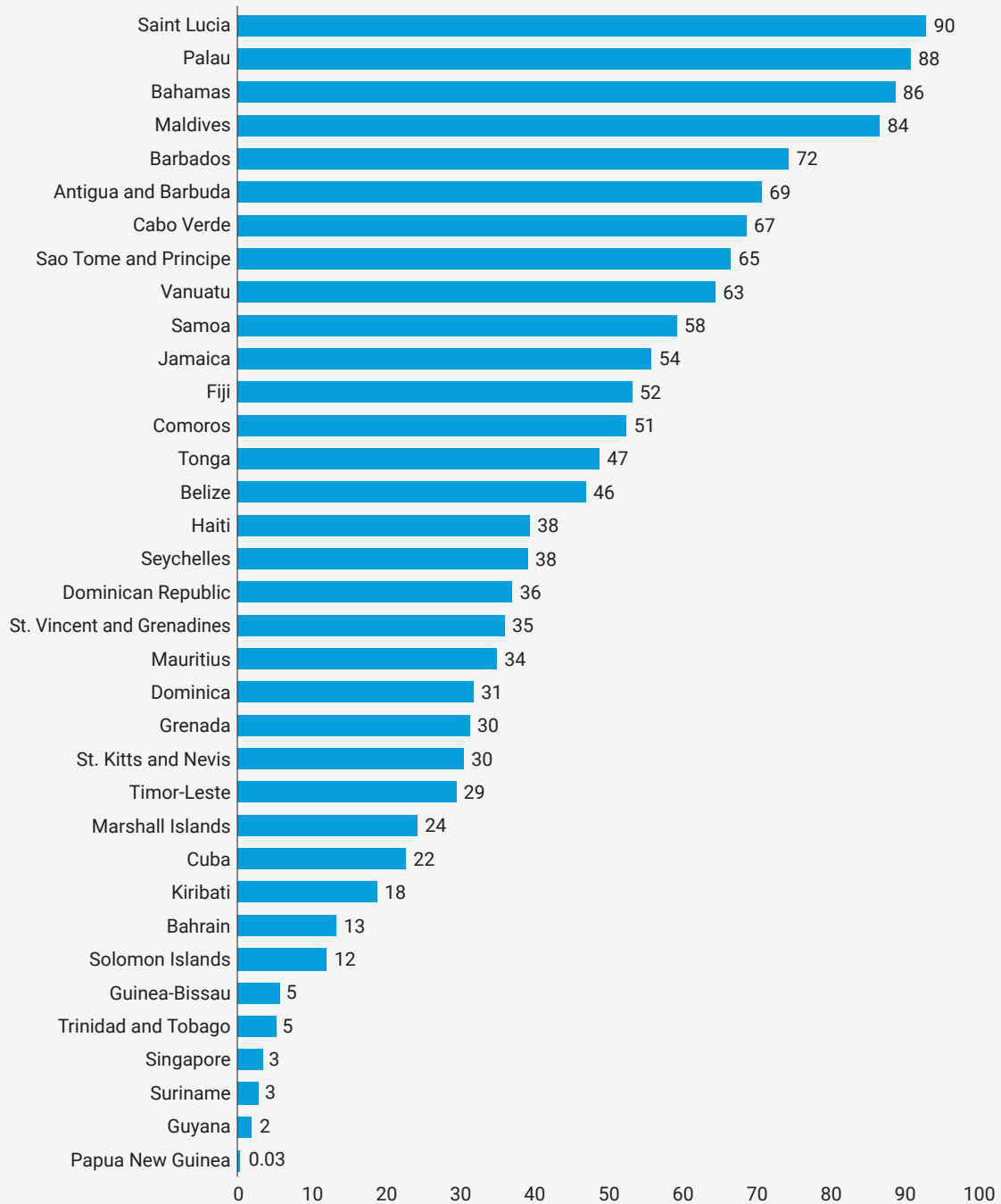
<sup>23</sup> UNWTO, 2020.

<sup>24</sup> UNWTO et. al., 2017.

<sup>25</sup> UNWTO, 2020.

<sup>26</sup> UNWTO, "UNWTO Briefing Note – Tourism and COVID-19, Issue 2. Tourism in SIDS – the challenge of sustaining livelihoods in times of COVID-19", June 2020, available at <https://doi.org/10.18111/9789284421916>.

**FIGURE 3. SMALL ISLAND DEVELOPING STATES (SIDS),  
INTERNATIONAL TOURISM REVENUES, SHARE OF TOTAL EXPORTS  
(percentage)**



**Note:** no data available for Micronesia FSM, Tuvalu or Nauru.

**Source:** UNWTO.

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## 1.4 100 million direct jobs and millions more tourism-dependent livelihoods at risk

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In addition to the threat to public health, the economic and social disruption brought by COVID-19 threatens the long-term livelihoods and wellbeing of millions.<sup>27</sup>

This is particularly true for tourism-dependent livelihoods. For every direct tourism job, nearly one and a half additional indirect or induced jobs are created. The labour-intensive accommodation and food services industries alone provide employment for 144 million workers worldwide. This includes approximately 44 million own-account workers and 7 million employers.<sup>28</sup>

Most tourism enterprises (around 80 per cent) are MSMEs with fewer than 50 employees. About 30 per cent of the total workforce is employed in firms with 2–9 employees. MSMEs are highly exposed to economic fallout resulting from crisis, especially those in developing and transition countries where economies are more fragile and government support for financial packages and social protection is not sufficient. In the accommodation and food services subsectors, 51 million firms are facing an extraordinarily difficult business environment with major impacts on employment.

The impact of the pandemic on tourism enterprises and on the livelihoods of its workers is massive.<sup>29</sup> On the Portuguese island of Madeira, 45 per cent of the active population were either unemployed or furloughed mid July. In Hungary, 41,500 jobs were lost in the commercial accommodation and catering sector, between March and April, just under 23 per cent of all jobs shed.<sup>30</sup> In Jamaica, where the linkages between tourism and other sectors are very deep, about 300,000 people lost their jobs following Caribbean-wide lockdowns, including airport closures.<sup>31</sup>

Governments have in general been swift to mitigate the impacts on the sector and good examples of support packages already exist. For instance, Ecuador and the Seychelles postponed the payment of specific taxes in the tourism sector, while Kenya, South Africa, China, Lithuania, Portugal, Poland or Spain made funding available for enterprises affected by the pandemic, through special funds, the model of a travel guarantee fund, subsidies or co-financing of costs for postponed or cancelled events. In Switzerland, the Society for Hotel Credit grants amortization deferrals of up to one year to existing customers and finances investments of customers who have financed them from cash flow in the past two years, and Georgian banks announced debt restructuring for all individuals, but especially for tourism companies.

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27 International Labour Organization (ILO) Global Summit: COVID 19 and the World of Work, July 1–2 and 7–9, 2020, virtual meeting, available at <https://global-summit.ilo.org>.

28 ILO, "Sectoral Brief: The impact of COVID-19 on the tourism sector", May 2020.

29 ILO, "ILO Monitor, COVID-19 and the world of work. Third Edition", 29 April 2020, available at [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms\\_743146.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_743146.pdf), and ILO, "Sectoral Brief: The impact of COVID-19 on the tourism sector", May 2020.

30 *Budapest Business Journal*, "Tourism, catering and retail sectors shed most jobs during crisis", 1 July 2020, available at [https://bbj.hu/economy/tourism,%20catering%20and%20retail%20sectors%20shed%20most%20jobs%20during%20crisis\\_185302](https://bbj.hu/economy/tourism,%20catering%20and%20retail%20sectors%20shed%20most%20jobs%20during%20crisis_185302).

31 Jacqueline Charles, "Coronavirus is hurting the Caribbean's tourism economies. Why no one is offering a bailout", *Miami Herald*, 14 April 2020, available at <https://www.miamiherald.com/news/nation-world/world/americas/haiti/article241998336.html>.

## 1.5 Women, youth and informal workers among the most vulnerable

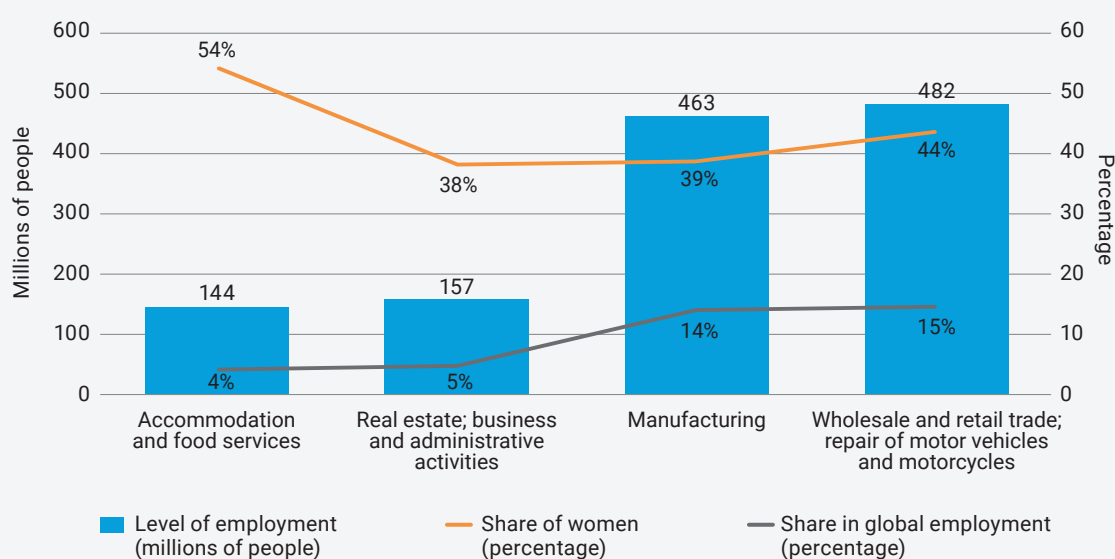
Women, who make up 54 per cent of the tourism workforce,<sup>32</sup> youth, and migrant workers with limited or no access to social protection, are among the most vulnerable to the impact of COVID-19 on tourism. They are also more susceptible to informal or casual employment.

Emerging evidence on the impact of COVID-19 suggests that women's economic and productive lives will be disproportionately and

differently affected. Globally women earn and save less, and hold jobs that are more insecure. With less access to social protections and responsible for most single-parent households, their capacity to absorb economic shocks is therefore more limited than that of men.<sup>33</sup>

Women make up most of the workforce in the low-wage part of the tourism sector. Compounding these challenges is the high incidence of informal working arrangements in the sector, due in part to its seasonality, combined with weak regulations, enforcement, and labour organization.<sup>34</sup>

**FIGURE 4. EMPLOYMENT IN THE MOST AFFECTED SECTORS, 2018**



Source: UNWTO based on data from the ILO

<sup>32</sup> ILO, "ILO Monitor: COVID-19 and the world of work. Fifth edition", 30 June 2020, available at [https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms\\_749399.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_749399.pdf), and UNWTO, *Global Report on Women in Tourism – Second Edition*, 2019, available at <https://doi.org/10.18111/9789284420384>.

<sup>33</sup> United Nations, "Policy Brief: The Impact of COVID-19 on Women", available at [https://www.un.org/sites/un2.un.org/files/policy\\_brief\\_on\\_covid\\_impact\\_on\\_women\\_9\\_apr\\_2020\\_updated.pdf](https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf).

<sup>34</sup> ILO, "Guidelines on decent work and socially responsible tourism", 2017.

The impact of the tourism crisis on youth is of concern. In selected OECD countries youth (15-24 years) account for nearly 21 per cent of tourism employment, compared to 9 per cent in the total economy.<sup>35</sup> A total of 178 million young workers, more than four in ten young people employed globally, were working in hard-hit sectors when the crisis began, including tourism. Almost 77 per cent (328 million) of young workers were in informal jobs, compared with around 60 per cent of adult workers (aged 25 and above).<sup>36</sup>

ILO estimates that almost 1.6 billion informal workers out of 2 billion are significantly impacted by the lockdown measures and/or working in the hardest-hit sectors, such as tourism. Decent work deficits, such as excessively long working hours, low wages, lack of social protection and gender-based discrimination, are most pronounced in the informal economy. Own account workers and small enterprises, which employ most informal workers, make up 60 per cent of the accommodation and food services subsectors.<sup>37</sup>

Stimulus and aid packages must therefore ensure that people in informal employment are eligible for relief and support measures to avoid adversely disadvantaging, in particular the female workforce.<sup>38</sup>

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## 1.6 The tourism crisis as a threat to our planet

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### 1.6.1 Environmental and biodiversity conservation efforts in peril

The tourism sector has a high climate and environmental footprint, requiring heavy energy and fuel consumption and placing stress on land systems. The growth of tourism over recent years has put achieving the targets of the Paris Agreement at risk. Transport-related greenhouse gas emissions from tourism has been estimated at 5 per cent of all human originated emissions.<sup>39</sup>

In addition to posing significant impacts on environmental sustainability and contributing to global Greenhouse Gas Emissions, the tourism sector is also an important source of revenues for biodiversity conservation. The Green Economy Report<sup>40</sup> highlights the enormous potential of the sector in the preservation of biodiversity. 7 per cent of world tourism relates to wildlife tourism, a segment growing annually at about 3 per cent. A total of 14 countries in Africa are generating an estimated \$142 million in entrance fees for protected areas.<sup>41</sup>

COVID-19 and the subsequent closure of natural protected areas has had a destructive impact on wildlife and the communities that protect it. In some protected parks and areas

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35 Organization of Economic Cooperation and Development (OECD), "Supporting Quality Jobs in Tourism, OECD Tourism Papers", 2015, available at <https://www.oecd-ilibrary.org/docserver/5js4rv0g7szz-en.pdf?expires=1596390375&id=id&accname=guest&checksum=D9EE6E516CBEE70A8F318161203F909C>.

36 ILO, "ILO Monitor: COVID 19 and the world of work. Fourth Edition", May 2020, available at [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms\\_745963.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_745963.pdf).

37 ILO, "ILO Monitor, COVID-19 and the world of work. Third Edition", 29 April 2020, available at [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms\\_743146.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_743146.pdf), and ILO, "COVID-19 crisis and the informal economy: Immediate responses and policy challenges", 5 May 2020.

38 UNWTO, "Policy Brief: COVID and Vulnerable Groups".

39 UNWTO, "Transport-related CO<sub>2</sub> emissions from the tourism sector", available at <https://www.unwto.org/sustainable-development/tourism-emissions-climate-change>.

40 United Nations Environment Programme, *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*, 2011, available at [https://sustainabledevelopment.un.org/content/documents/126GER\\_synthesis\\_en.pdf](https://sustainabledevelopment.un.org/content/documents/126GER_synthesis_en.pdf).

41 UNWTO, *Towards Measuring the Economic Value of Wildlife Watching Tourism in Africa*, 2015.

there has already been a recent rise in poaching and looting, partly due to the decreased presence of tourists and staff. For example, in the Mara Nabisco Conservancy in Kenya, tourism revenues that provided the salaries of 40 rangers have ceased entirely and the closure of local businesses linked to tourism has resulted in the loss of employment and livelihoods for over 600 Maasai families.<sup>42</sup>

Conservation International reports that the crisis has resulted in a rise in bushmeat (wild meat) consumption in Africa and increased deforestation in Asia, Africa and Latin America.<sup>43</sup> The Uganda Wildlife Authority reported double the number of poaching incidents between February and May this year when compared to 2019 while in Cambodia, three critically endangered giant ibis were killed for meat in early April following the collapse of tourism demand, according to the Wildlife Conservation Society.<sup>44</sup> If conservation work cannot resume, the current biodiversity crisis could be further aggravated.

Impacts on nations' marine and terrestrial natural resources are particularly critical in SIDS, LDCs and African countries. Wildlife is the biggest attraction for visitors in Africa, with over 80 per cent of annual visits to the continent driven by wildlife-watching or linked experiences. Protected areas and other conserved landscapes serve as important reservoirs for wildlife and other biodiversity resources and form the centrepiece of the continent's nature-based tourism.

In the Seychelles, where tourism represents around 40 per cent of all exports, conservation NGOs face immense revenue losses and risk having to close their operations. In Kenya, 70 per cent of the Kenya Wildlife Service's budget is sourced from tourism. Without this funding, operations across national parks are in jeopardy. In Zimbabwe, the corresponding entity Zimparks fully relies on tourism revenues for its operational budget. IUCN<sup>45</sup> highlights that reduced revenues from tourism and cuts in park operational budgets are especially challenging for privately protected areas and community conservancies.

### 1.6.2 Cultural heritage and the creative industries at a standstill

The impact of COVID-19 on tourism places further pressure on heritage conservation in the cultural sector as well as on the cultural and social fabric of communities, particularly for indigenous people and ethnic groups. For instance, with the closure of markets for handicrafts, products and other goods, indigenous women's revenues have been particularly impacted.<sup>46</sup> Many intangible cultural heritage practices such as traditional festivals and gatherings have also been halted or postponed, with important consequences for the social and cultural lives of communities everywhere. Those working in the performing arts and traditional crafts, including local and indigenous communities, who largely operate in the informal sector, have been hit particularly hard.

42 International Union for Conservation of Nature (IUCN), "Conserving Nature in a time of crisis: Protected Areas and COVID-19", 25 May 2020, available at <https://www.iucn.org/news/world-commission-protected-areas/202005/conserving-nature-a-time-crisis-protected-areas-and-covid-19>.

43 Conservation International, "Impact of Coronavirus on Nature", available at <https://www.conservation.org/stories/impact-of-covid-19-on-nature>.

44 Patrick Greenfield and Peter Muiruri, "Conservation in crisis: ecotourism collapse threatens communities and wildlife", *The Guardian*, 5 May 2020, available at <https://www.theguardian.com/environment/2020/may/05/conservation-in-crisis-covid-19-coronavirus-ecotourism-collapse-threatens-communities-and-wildlife-aoe>.

45 IUCN, "Conserving Nature in a time of crisis", 25 May 2020.

46 United Nations, "On International Day, UN chief spotlights indigenous peoples' resilience in face of COVID-19 pandemic", 9 August 2020, available at <https://news.un.org/en/story/2020/08/1069822>.

Cultural World Heritage sites and museums, also rely highly on tourism revenues to carry out instrumental monitoring, conservation and archaeological work. The reduction in visitors has had a direct negative impact on these operational budgets.

90 per cent of countries closed their World Heritage sites in response to the pandemic, with immense socioeconomic impacts on the communities that depend on tourism revenues. Likewise, 90 per cent of museums closed during the crisis, and 13 per cent may never reopen.<sup>47</sup> For museums located within tourist regions

in Europe, the Network of European Museum Organizations estimates revenue losses at 75-80 per cent.<sup>48</sup> As World Heritage sites and cultural institutions slowly reopen under new health and safety protocols, many are experiencing a significant decline in visitor numbers. This could have long term management implications until visitor numbers increase sufficiently.

Prior to the COVID-19 crisis, the cultural and creative industries generated annual global revenues of \$2,250 billion and exports of over \$250 billion.<sup>49</sup>

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47 UNESCO, "COVID-19: UNESCO and ICOM concerned about the situation faced by the world's museums", 18 May 2020, <https://en.unesco.org/news/covid-19-unesco-and-icom-concerned-about-situation-faced-worlds-museums>.

48 Network of European Museum Organizations, "Survey on the impact of the COVID-19 situation on museums in Europe: Final Report", 202, available at <https://www.ne-mo.org/advocacy/our-advocacy-work/museums-during-covid-19.html>.

49 UNESCO, "Investing in Creativity", available at [https://en.unesco.org/creativity/sites/creativity/files/info-kit\\_brochure-final-en-web.pdf](https://en.unesco.org/creativity/sites/creativity/files/info-kit_brochure-final-en-web.pdf).

## 2. A roadmap towards a more sustainable and inclusive tourism sector

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Historically, tourism has shown a strong ability to adapt, innovate and recover from adversity. However, this unprecedented situation requires new approaches and strong multi-level response and partnerships. Recent trends in Europe show that the re-opening of borders and tourism activities is not without risks as it led in some places to rising infections, leading to new localised restrictions by governments.<sup>50</sup> While addressing the immediate socio-economic impacts of COVID-19 on tourism and accelerating recovery to protect millions of livelihoods, this crisis is an opportunity for the sector to transform and become more resilient, inclusive and sustainable.

Such transformation implies placing people's wellbeing at the heart of tourism development, engaging governments, the private sector, citizens and the international community in strong partnerships for better planning and managing of tourism and setting measurement systems to evaluate the impact of the sector in the economy, on society and the environment and to guide adequately policies and operations.

### A ROADMAP TOWARDS A MORE SUSTAINABLE AND INCLUSIVE TOURISM SECTOR

Managing the crisis and mitigating the socio-economic impacts on livelihoods

Boosting competitiveness and building resilience

Advancing innovation and the digitalization of the tourism ecosystem fostering

Fostering sustainable and inclusive green growth

Strengthening coordination, partnerships and solidarity for socio-economic recovery

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<sup>50</sup> Geir Moulson and Elaine Kurtenbach, "European tourism faces turbulence only weeks after restart", AP News, 27 July 2020, available at <https://apnews.com/e6509475a558831774f3697faf7396bc>.



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## 2.1 Managing the crisis and mitigating the socio-economic impacts on livelihoods

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As an immediate response to the crisis, it is critical that governments, with the support of development partners, consider focusing on the impact of the tourism sector on the livelihoods and employment opportunities of millions of people around the world. Workers rights must be protected, and all efforts must be made to preserve their jobs.

Solutions and responses will have to be implemented gradually and in a coordinated manner to:

### 2.1.1 Protect jobs, income and enterprises

The magnitude of the impact of COVID-19 on tourism requires solid measures that guarantee the survival of enterprises and sustain jobs. This is especially important for MSMEs and the self-employed. For example, temporary waivers or rescheduling of taxes and other payments, special employment support schemes, and

credit conditions tailored for tourism could be considered, both in the short and medium term, to preserve livelihoods and prevent bankruptcies.

Short- and medium-term direct financial assistance is particularly needed for vulnerable communities, including women, workers in the informal economy and those dependent on nature-based tourism. This can be done through micro or small grants, work-for-nature schemes, providing additional bonuses, subsidies and vouchers for childcare to facilitate women's return to work, or targeted financing support to boost female entrepreneurship and women-led or owned MSMEs.<sup>51</sup> Some sources of funding have already been deployed, such as the Lion's Share Fund's Resilience in Wildlife Community Grants<sup>52</sup> and other mechanisms.

Within this process, social dialogue will be key to developing creative solutions.<sup>53</sup> International labour standards contain specific guidance for safeguarding decent work and are a useful "decent work compass" in the context of the crisis response.<sup>54</sup> The health of the workers in the air and sea travel sectors must be protected and guarantees put in place to allow for the unprecedented challenges associated with repatriating remaining crewmembers and thereafter to comply with decent work standards regarding the duration of their shifts.

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51 United Nations, "Policy Brief: The Impact of COVID-19 on Women", available at [https://www.un.org/sites/un2.un.org/files/policy\\_brief\\_on\\_covid\\_impact\\_on\\_women\\_9\\_apr\\_2020\\_updated.pdf](https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf).

52 The Lion's Share, "Call for Proposals: COVID-19 Response Resilience in Wildlife Community Small Grants", 16 April 2020, available at <https://www.thelionssharefund.com/content/thelionssharefund/en/home/news/COVID-19-response-call-for-proposals>.

53 ILO, "A policy framework for tackling the economic and social impact of the COVID-19 crisis", 20 May 2020, available at <https://reliefweb.int/report/world/policy-framework-tackling-economic-and-social-impact-covid-19-crisis>.

54 See ILO, Key provisions of international labour standards relevant to the evolving COVID-19 outbreak", 29 May 2020, and ILO, "Safe return to work: Guide for Employers on COVID-19 prevention", 7 May 2020.

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## EXAMPLES OF MEASURES TO SUPPORT ENTERPRISES AND JOBS

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### Postponement of dues, such as taxes, rents or insurance payments

**Egypt** postponed the payment of all dues on tourism and hotel establishments and declared all bazars and cafeterias located in archeological sites exempted from paying rent until tourism safely resumes.

In **Bulgaria** the government assisted businesses (hospitality, travel agencies and tour operators, restaurants and fast food establishments among other) by covering the insurance payments owed by the employers.

**Italy** has also approved the suspension of tax payments, social security and welfare contributions for the tourism sector and extended the measure to cultural businesses.

In **Mauritius** the training levy will be temporarily reduced from 1 per cent to 0.5 per cent for operators in the tourism sector.

### Direct aid to companies

**Serbia, Slovenia and Slovakia** have announced direct payments to companies (or a percentage of salaries) forced to close due to the pandemic.

**Jamaica** announced funding from multilateral partners and international institutions to be made available for small and medium tourism enterprises for COVID-19 response and recovery. It includes loans, initiatives to get small tourism enterprises formalized, licensed and COVID-compliant, as well as donations of protective kits.

### Special conditions for loans

**The Central Bank of Egypt** offered tourism facilities low-interest funds, particularly for paying employee salaries and launched a financing initiative supporting tourism. In addition to reducing the interest rate, banks can grant credit facilities with a maximum

two-year repayment period, as well as a six-months grace period starting from the grant date.

**Lebanon** allowed economic institutions to lend money without interest for five years to help them pay salaries and **Montenegro** announced that grants for salaries for April and May will be given to entrepreneurs and tourism SMEs (upon request, tourism companies will receive subsidies for the payment of salaries).<sup>55</sup>

### Support to workers

In **Greece** workers whose labour contracts are temporarily suspended will receive compensation while the state will cover their social insurance and health contributions.

Similar flexibility in terms of social security contributions was implemented by, among others, **Argentina, Kuwait, Morocco, Mongolia, Samoa and in Hungary**, where the contribution of payment liabilities of employers in their entirety has been cancelled and where the state would take over 70 per cent of lost wages for three months in support of part-time workers.

In **Gabon** employees placed on technical unemployment will receive an allowance representing between 50 per cent and 70 per cent of their gross salary. A similar initiative was adopted by **Botswana and Republic of Korea**.

**Cambodia** provided retraining and upskilling programmes for laid-off workers and announced plans to pay 20 per cent of the minimum wages of workers employed in hotels, guesthouses, restaurants and travel agencies. Workers are required to attend a short course delivered by the Ministry of Tourism before receiving government support. **Namibia** announced a wage subsidy for hardest hit sectors and the government will provide a wage subsidy to aid businesses in retaining jobs in the tourism, hospitality, travel and aviation and construction sectors.

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55 UWTO, "COVID-19: Measures to Support Travel and Tourism", available at <https://www.unwto.org/covid-19-measures-to-support-travel-tourism>.

## 2.1.2 Build confidence through health and safety protocols in all tourism operations

Implementing and communicating adequate health and safety protocols<sup>56</sup> at all points of the travel journey will be key to rebuilding confidence while ensuring the safety and security of travelers, workers and host communities. Collaboration and cooperation between countries will be essential in this regard.

For instance, **Rwanda** reopened for tourism in June and is planning to open for commercial flights in August. In preparation, a series of guidelines were developed, including general guidelines for tourism activities and specific guidelines for national parks. In **Albania** the Ministry of Tourism and Environment, in collaboration with the Ministry of Health and Social Protection, drafted “The protocol of Anti-COVID 19 measures during tourism season 2020”, which aims at guiding and regulating the necessary preconditions to be undertaken by tourism companies towards restarting the tourism season and to protect employees and visitors. Or by way of another example, **Bulgaria** formulated guidelines for accommodation establishments and a special declaration for tourists.

As tourism restarts, return-to-work-policies could be informed by a human-centred approach that puts rights, international labour standards and psychological wellbeing of workers at the heart of economic, social and environmental recovery strategies. Social dialogue will be critical for creating the effective policies and trust needed for a safe return to work. The ILO “Safe

return to work: Guide for Employers on COVID-19 Prevention” provides a detailed set of actions and recommendations issued by relevant health and labour authorities. Workers, including those in the air and sea transport travel sectors, could be informed and trained about COVID-19;<sup>57</sup> and policy guidance could be embedded in national occupational safety and health systems.

Unnecessary obstacles for travellers with disabilities and seniors should be avoided and safety measures adapted. The new reality should not impose additional barriers for these groups. “Reopening Tourism for Travellers with Disabilities”<sup>58</sup> offers relevant guidance to promote inclusion in this area.

Digitalization and innovative solutions<sup>59</sup> provide a unique opportunity to scale up operational procedures that make travel safe and seamless while mitigating the possible impact of new protocols in terms of increased waste generation, water and energy use. Electronic check-in at hotels, touchless border control and airline boarding can advance safety and security while minimizing waste.

Additionally, necessary health and safety protocols may lead to more waste, including masks, gloves, gowns, food packaging, and other disposable protective equipment. There may also be a rise in water consumption, putting additional pressure on water scarcity and waste management. Bringing Sustainable Consumption and Production Models (SCP) and circularity into the heart of tourism design, operations and supply chains is, therefore, fundamental to ensure increased efficiency

56 WHO Guidelines for Accommodation, May 2019 <https://apps.who.int/iris/bitstream/handle/10665/331638/WHO-2019-nCoV-Hotels-2020.1-eng.pdf?sequence=1&isAllowed=y>, and World Tourism Organization, “Priorities for Recovery”, 2020, available at <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-05/UNWTO-Priorities-for-Global-Tourism-Recovery.pdf>.

57 ILO, “Safe return to work : Guide for Employers on COVID-19 prevention”, 7 May 2020.

58 UNWTO, European Network for Accessible Tourism and Fundación Once, “Reopening Tourism for Travelers with Disabilities: How to Provide Safety Without Imposing Unnecessary Obstacles”, August 2020, available at <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-08/REOPENING.pdf>.

59 UNWTO, “Healing Solutions for Tourism Challenge”, April 2019, available at <https://www.unwto.org/healing-solutions-tourism-challenge>.

in the use of resources, food production and supply, consumables, and the sound management of energy, water and waste.<sup>60</sup>

### 2.1.3 Strengthen coordination, partnerships and solidarity for socio-economic recovery

To boost business recovery and traveller confidence, socio-economic recovery programmes and travel protocols could be developed and implemented through strong national and international cooperation and coordination, a whole-of-government approach, public/private sector partnerships and community engagement.

Full coordination with health authorities and international cooperation on consumer protection policies and travel restrictions are essential to promote safe travel, build confidence and accelerate recovery as tourism restarts.

The lifting or imposing of travel restrictions should be fully coordinated among countries to ensure the safe restart of tourism. Effective reopening and recovery plans and policies will require structures that are more dynamic and

agile and that allow for better coordination among all stakeholders – including different ministries and public authorities – to advance safety and security, respond to market behaviour and shifts and move towards more sustainable consumption and production practices. Particular attention should be given to the most sensitive/vulnerable destinations in the recovery phase.

For instance, in **Ecuador**, five Working Committees have been created to reactivate the tourism sector. **Algeria** set up a monitoring unit specific to tourism – chaired by the General Director of Tourism and monitoring the situation in consultation with operators and professionals including employers' federations and workers' unions. **Bangladesh** formed a Committee for Crisis Management of the Tourism Industry to tackle the crisis and **Malaysia** established a Tourism Recovery Action Council (TRAC).

Regarding cruise ships, the European Maritime Safety Agency (EMSA) and the European Centre for Disease Prevention and Control (ECDC) jointly developed a comprehensive report for the protocols and best practices for cruises in the European Union, which was circulated by the International Maritime Organization (IMO) to its Member States.<sup>61</sup>

<sup>60</sup> One Planet, "COVID-19 Responsible Recovery", June 2019, available at <https://www.oneplanetnetwork.org/sustainable-tourism/covid-19-responsible-recovery-tourism>.

<sup>61</sup> The Maritime Executive, "IMO Circulates EU Guidance for Safe Cruise Ship Operations", 6 August 2020, available at <https://www.maritime-executive.com/article/imo-circulates-eu-guidance-for-safe-cruise-ship-operations>.

## UNITING THE SECTOR IN UNPRECEDENTED TIMES

Leading on its role as the UN specialised agency for tourism, the **UNWTO Global Tourism Crisis Committee**<sup>62</sup> has united the tourism sector to formulate a sector-wide response to the unprecedented challenge of the COVID-19 pandemic. The Committee comprises representatives of Member States and private sector, alongside with WHO, ICAO, ILO, IMO, WBG, OECD, ACI, CLIA, IATA and WTTC.

The Committee, created in March, released the first set of global recommendations to support jobs and economies through tourism.<sup>63</sup> In May 2020, the Committee endorsed UNWTO's Global Guidelines to Restart Tourism,<sup>64</sup> an action plan focused on the Priorities for Tourism Recovery,<sup>65</sup> supporting both public and private sectors to:

1. Provide liquidity and protect jobs.
2. Recover confidence through safety and security.
3. Public-private collaboration for an efficient reopening.
4. Open borders with responsibility.
5. Harmonize and coordinate protocols and procedures.
6. Added value jobs through new technologies.
7. Innovation and Sustainability as the new normal.

## AVIATION SECTOR RESTART AND RECOVERY

The **ICAO Council** established the **Council Aviation Recovery Task Force (CART)** to harmonize guidance on how to best help unify and align the numerous health and safety response and recovery approaches being implemented around the world. In an inclusive process, strategic priorities and policies to support states and aviation industry for a safe, secure and sustainable restart and recovery of the aviation sector were identified.

The "Take Off" guidelines outline 10 key principles for a harmonized approach to the restart and recovery of the aviation industry.<sup>66</sup> The guidelines also include a set of globally-harmonized and mutually-accepted risk mitigation measures related to aviation safety, aviation public health, facilitation and aviation security, as well as economic and financial measures.

The CART Report and "Take Off" guidelines are being operationalised through an implementation package, including guidance material, training (including standardized and competency-based trainings, in classroom, online or virtual formats), tools (including data-driven applications, online reporting systems, electronic management systems or questionnaire/surveys), expert support (including the provision of experts to support states in their activities;) and, when applicable, procurement guidance.

62 UNWTO, "Restarting Tourism", available at <https://www.unwto.org/restarting-tourism>.

63 UNWTO, "Supporting Jobs and Economies Through Travel & Tourism: A Call for Action to Mitigate the Socio-Economic Impact of COVID-19 and Accelerate Recovery", March 2020, available at [https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-04/COVID19\\_Recommendations\\_English\\_1.pdf](https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-04/COVID19_Recommendations_English_1.pdf).

64 UNWTO, "Global Guidelines To Restart Tourism", May 2020, available at <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-05/UNWTO-Global-Guidelines-to-Restart-Tourism.pdf>.

65 UNWTO, "Priorities for Tourism Recovery", May 2020, available at <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-05/UNWTO-Priorities-for-Global-Tourism-Recovery.pdf>.

66 ICAO, "Council Aviation Recovery Taskforce Report" and "Council Aviation Recovery Taskforce 'Take-Off' Guidance", available at <https://www.icao.int/covid/cart/Pages/default.aspx>.

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## 2.2 Boosting competitiveness and building resilience

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**The crisis has revealed the need to rethink the structure of tourism economies to improve competitiveness and build resilience. To that end, the sector could:**

- Adopt new policy frameworks, more conducive for a sound and resilient business environment;
- Support the development of tourism infrastructure and quality services that enable the development of other related sectors and facilitate investment for local MSMEs;
- Provide alternative income sources for tourism-dependent communities to build crisis resilience;
- Invest in education and skills development, including for women, in all areas to promote added value jobs and resilience, for instance language skills development;
- Establish an inclusive model – productive linkages between the tourism sector and the rest of the economy, especially transport and trade sectors through various goods and services;
- Diversify markets, products and address seasonality and promote all-year round demand;
- Improve the interlinkages between enhanced transport connectivity and tourism and strengthen resilient and sustainable transport infrastructures as an enabling factor to steer the tourism sector on a more sustainable and inclusive path;

- Improve the visitor experience through new experiences including cultural heritage and expressions and creative industries;<sup>67</sup>
- Promote domestic and regional tourism, where possible;
- Repurpose skills and competencies to diversify beyond tourism and establish “smart sector mix” in places where tourism has become the sole economic activity;
- Enhance the overall competitiveness of MSMEs and advance the formalization of the sector; and
- Create early warning systems for tourism based on companies’ and destinations’ risk assessments.

**This crisis also calls for a stronger framework to measure the full impacts of tourism<sup>68</sup> and build evidence-based policies.** Tourism could step up data intelligence systems, science-based approaches and assessment mechanisms based on clear indicators and targets, such as the ongoing process to adopt the Measuring Sustainable Tourism Initiative,<sup>69</sup> which aims to measure the three dimensions of tourism sustainability – economic, socio-cultural and environmental – and the UNWTO International Network of Sustainable Tourism Observatories.<sup>70</sup>

Supporting developing countries with their statistical capacity and strengthening the deployment of digital and other emerging technologies and tools for monitoring and reporting are essential for the sustainable planning and management of tourism.

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67 UNWTO, “Cultural Tourism & COVID-19”, 2020, available at <https://www.unwto.org/cultural-tourism-covid-19>.

68 UNWTO Tourism Data Dashboard, available at <https://www.unwto.org/unwto-tourism-dashboard>.

69 For more details please consult <https://www.unwto.org/Measuring-Sustainability-Tourism> (26-06-2020).

70 For more details please consult the International Network of Sustainable Tourism Observatories at <http://insto.unwto.org>.

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## 2.3 Advancing innovation and the digitalization of the tourism ecosystem

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Recovery of tourism destinations and companies will be fully dependent on their capacity to take advantage of technology to better understand and monitor travellers' needs and trends, create and market innovative experiences, use digital platforms to enhance the competitiveness and agility of MSMEs to reach customers,<sup>71</sup> provide added-value jobs, and implement effective health protocols. Artificial intelligence and big data can help manage flows and protect communities and resources.

Recovery packages could have a special focus to maximize the use of technology, advance the digitalization of MSMEs, promote network processes to create innovative solutions and invest in digital skills, particularly for workers, including female and youth, temporarily without an occupation and job seekers.

For instance, in the **Netherlands**, start-ups and scale-ups can apply for the "Corona-Overbruggingslening" (Corona Bridging Loan) of between EUR 50,000 and EUR 2 million. On 20 May, the government announced a second portion of EUR 150 million that contributes to improving the liquidity of innovative companies (start-ups and scale-ups).

Other countries have approved special funds to support start-ups, such as **Portugal** "Mezzanine" Funding for Start-ups COVID-19 (this includes start-ups in the tourism sector) – which injects liquidity into companies (already invested) through debt instruments convertible into share capital.

Building tourism innovation and entrepreneurship ecosystems can help advance digital transformation. Innovation could focus on adopting digital models for managing the sector and creating new jobs, as well as new sustainable products and experiences that link travelers with nature and creative industries, empower communities and promote safe journeys through technology.

Digital technologies such as drones or remote and satellite technologies can also be leveraged to support environmental planning and monitoring, protecting the natural assets tourism depends on.

Furthermore, the crisis has accelerated digitalization and brought to the forefront the impact of the digital divide on specific segments of society, including women. The provision of free-lancing services and digital literacy training is necessary for tourism workers, especially female and youth tourism workers, to increase their capacity to use digital tools and online resources to streamline their operations and provide flexibility while preparing for the future of work.

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## 2.4 Fostering sustainability and inclusive green growth

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This crisis offers an unprecedented opportunity to transform the relationship between the tourism sector and nature and so contribute more fully to the Sustainable Development Goals<sup>72</sup> and the Paris Agreement on Climate Change. Enhancing sustainable regional tourism development provides considerable benefits from making tourism-dependent regions less vulnerable to economic threats, to using resources more

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71 International Trade Centre, "Action Plan: Supporting small businesses through the COVID-19 crisis and towards the future", available at <http://www.intracen.org/covid19/15-Points-Action-Plan>.

72 <http://tourism4sdgs.org>.

sustainably, creating green jobs and enhancing transport connectivity. Tourism should shift towards a resilient, resource efficient and carbon neutral sector, building on existing efforts, including aligning with the One Planet Network Sustainable Tourism Programme.<sup>73</sup>

Action on climate change and investments in low-carbon infrastructure and R&D can generate broad-based economic growth and create millions of new jobs – renewable energies alone could create 42 million jobs by 2050.<sup>74</sup> Green Economy models for the tourism sector indicate the largest potential for improvement of resource efficiency lies in the area of CO2 emissions with a projected 52 per cent improvement over BAU scenarios, followed by energy consumption (44 per cent), water consumption (18 per cent) and net waste disposal (17 per cent).

Such transformation would be in line with changing consumer demand. Mountain tourism, nature, heritage, cultural and adventure tourism are predicted to grow rapidly over the next two decades. The Swedish Tourist Association reported a 300 per cent increase in interest for walking and trekking activities.<sup>75</sup> It is estimated that global spending on ecotourism will increase at a higher rate than the average industry-wide growth.<sup>76</sup> However, this could increase pressure on sensitive environments and heritage sites if not well planned and properly managed.

Tourism could also foster more responsible travel behaviour, as promoted by the World Committee on Tourism Ethics.<sup>77</sup>

Economic recovery packages, investment and recovery plans (especially for MSMEs) – including through multilateral development banks and financial institutions – can have a positive influence on tourism development, supporting sustainable tourism infrastructure and retrofitting it for longer-term carbon neutrality and resilience.

Financial support packages for COVID-19 recovery could invest in the green economy. Investing in protected areas, for example, can support jobs and livelihoods in local communities. This addresses future economic risks by contributing to tackling climate change and biodiversity loss; safeguarding natural ecosystem services, such as clean water, crop pollination, pest control, and more, and reducing the risk of new zoonotic diseases emerging with the potential to become pandemics. Opportunities for the tourism sector to leapfrog to green investments include also renewable energy, smart buildings and the circular economy.<sup>78</sup>

By innovating and leading sustainable investments and finance, the sector can capitalize on its success and enhance its strategic positioning vis-à-vis financial institutions. These will then be more inclined to support transformative actions for resource efficiency and green investments in tourism development projects.

Financial and bailout support from governments for the accommodation, cruise and aviation industries could ensure unsustainable polluting practices are banned, prevent backtracking on past achievements, and incentivize a restart of those industries in alignment with the goals of

<sup>73</sup> One Planet Network, <https://www.oneplanetnetwork.org>.

<sup>74</sup> International Renewable Energy Agency, "Global Renewables Outlook: Energy transformation 2050, edition: 2020", 2020, available at [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Apr/IRENA\\_Global\\_Renewables\\_Outlook\\_2020.pdf](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Apr/IRENA_Global_Renewables_Outlook_2020.pdf).

<sup>75</sup> Sverige Radio, "Kraftigt ökat intresse för vandring", 21 April 2020, available at <https://sverigesradio.se/sida/artikel.aspx?programid=83&artikel=7457258>.

<sup>76</sup> Global Sustainable Tourism Council, "The Case for Responsible Travel: Trends and Statistics 2019 by CREST", 2019, available at <https://www.gstcouncil.org/case-responsible-travel-trends-statistics-2019>.

<sup>77</sup> UNWTO, "Tips for a Responsible Traveller", 2020, available at <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-07/Tips-for-Responsible-Traveller-WCTE-EN.pdf>.

<sup>78</sup> UNWTO and UNEP, *Baseline Report on the Integration of Sustainable Consumption and Production Patterns into Tourism Policies*, 2019, available at <https://doi.org/10.18111/9789284420605>.



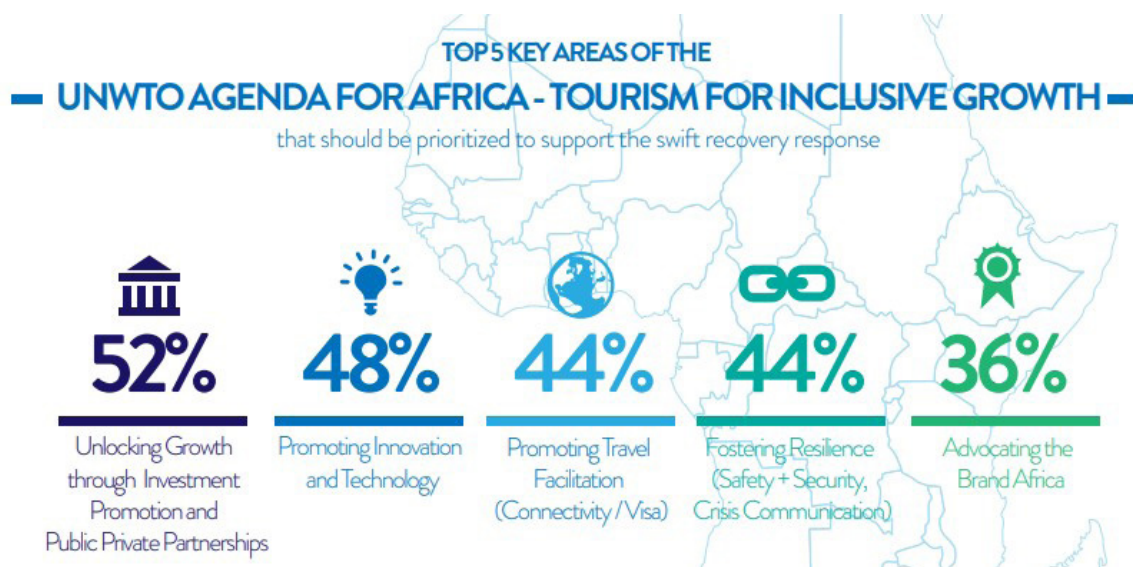
the Paris Agreement. In the aviation sector specifically, the crisis must not become a pretext to back away from its decarbonization goals of 2 per cent annual fuel efficiency improvement through 2050 and carbon neutral growth from 2020 onwards. Conditionalities associated with financial and bailout support could, for instance, come in the form of investment into sustainable aviation fuels, setting science-based targets for flights regarding waste reduction, including food waste and single-use plastic, and reducing meat-based products on board.

For instance, in France, the \$10.8 billion bailout package for Air France-KLM included provisions whereby Air France must end short routes that compete with train routes. Train travel emits far fewer greenhouse gas emissions than flying over these short routes. The airline will also have to cut its emissions per passenger in half relative to 2005 by 2050.

## 2.5 Strengthening coordination and partnerships to transform tourism and achieve the SDGs

The tourism sector can contribute to all 17 SDGs, as underlined in the UNWTO-UNDP report “Tourism and Sustainable Development Goals, Journey to 2030”.<sup>79</sup> More importantly, tourism companies recognize that aligning business goals with the SDGs boosts competitiveness while contributing to sustainability and enhancing their social license to operate.

Yet to achieve such goals, the future of tourism depends on building partnerships at all levels – a solid whole-of-government approach; consistent vertical coordination between national and local authorities; enhanced coordination across sectors supporting tourism such as air, land and maritime transport, trade, environment, culture, employment, and strong public/private partnerships – and placing the wellbeing of host communities at the centre of tourism policies and management.<sup>80</sup>



<sup>79</sup> UNWTO and UNEP, *Tourism and the Sustainable Development Goals – Journey to 2030*, 2017.

<sup>80</sup> Ibid.

## Partnership in action to foster recovery and resilience in Africa

49 African UNWTO Member States have set out their vision for an effective response to the impact of COVID-19 on tourism and to accelerate recovery. Priorities build on the *UNWTO Agenda for Africa – Tourism for Inclusive Growth*,<sup>81</sup> a roadmap for African tourism which sets clear priorities for the challenging months ahead: unlocking growth and investment, promoting innovation and technology, travel facilitation, fostering resilience and branding Africa.

### In conclusion

Tourism, one of the most dynamic and most job intensive sectors of our times, has been one of the hardest hit by the current crisis.

Millions of livelihoods are at stake and need to be supported.

As countries gradually lift travel restrictions and tourism slowly restarts in many parts of the world, health must continue to be a priority and coordinated health protocols that protect workers, communities and travelers while supporting companies and workers must be firmly in place.

International cooperation needs to be stepped up, especially around travel restrictions and border management, to ensure support to livelihoods and economies with responsibility and sense of solidarity. Efforts such as that initiated only a few weeks after the outbreak, by the World Bank Group (WBG), the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (EBRD) and UNWTO to boost the recovery<sup>82</sup> of the tourism sector along the three pillars of the COVID-19 Tourism Recovery Technical Assistance Package,<sup>83</sup> with a focus on preserving human capital as well as adapting and strengthening inclusion, must be maintained and upscaled.

The crisis is also an opportunity to rethink the tourism sector and its contribution to the SDGs, nature, and the Paris Agreement on climate change; an opportunity to work towards a more sustainable, inclusive and resilient tourism.

Only through collective action and international cooperation will we be able to transform tourism, advance its contribution to the 2030 Agenda and its shift towards an inclusive and carbon neutral sector that harnesses innovation and digitalization, embraces local values and communities and creates decent job opportunities for all, leaving no one behind.

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<sup>81</sup> UNWTO General Assembly 2019, "Implementation of the General Programme of Work", available at [https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2019-10/a23\\_5\\_a\\_implementation\\_general\\_programme\\_of\\_work\\_final\\_rev.2\\_en.pdf](https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2019-10/a23_5_a_implementation_general_programme_of_work_final_rev.2_en.pdf).

<sup>82</sup> Olga Aristeidou, "EBRD and UNWTO boost tourism recovery", European Bank for Reconstruction and Development, 26 June 2020, available at <https://www.ebrd.com/news/2020/ebird-and-unwto-boost-tourism-recovery.html>.

<sup>83</sup> UNWTO, "UNWTO releases a COVID-19 technical assistance package for tourism recovery", 12 May 2020, available at <https://www.unwto.org/news/unwto-releases-a-covid-19-technical-assistance-package-for-tourism-recovery>.

# Acronyms

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**ACI:** Airports Council International

**ADB:** Asian Development Bank

**BAU :** business as usual

**CART:** Council Aviation Recovery Taskforce

**CLIA:** Cruise Lines International Association

**EBDR:** European Bank for  
Reconstruction and Development

**FDI:** foreign direct investment

**GDP:** gross domestic product

**IATA:** International Air Transport Association

**ICAO:** International Civil Aviation Organization

**ILO:** International Labour Organization

**IMO:** International Maritime Organization

**IUCN:** International Union for  
Conservation of Nature

**MSMEs:** micro, small and  
medium sized enterprises

**OECD:** Organisation for Economic  
Co-operation and Development

**LDCs:** least developed countries

**SCP:** Sustainable consumption and production

**SDG:** Sustainable Development Goal

**SIDS:** small island developing State

**SMEs:** small and medium sized enterprises

**UNDP:** United Nations Development Programme

**UNWTO:** United Nations  
World Tourism Organization

**WBG:** World Bank Group

**WHO:** World Health Organization

**WTTC:** World Travel and Tourism Council