

Rules for the Operation and Management of the UNWTO International Network of Sustainable Tourism Observatories (INSTO)¹

I. Introduction

1. The World Tourism Organization (UNWTO) has been promoting the use of sustainable tourism indicators since the early 1990s as essential instruments for policy-making, planning and management processes at destinations. The present document aims to inform the Executive Council about the progress achieved in the establishment of observatories and provides an updated framework for the operation and management of the UNWTO International Network of Sustainable Tourism Observatories (INSTO).

II. INSTO Objectives

2. The UNWTO International Network of Sustainable Tourism Observatories (INSTO) was created in 2004 with the objective to support the continuous improvement of sustainability and resilience in the tourism sector through systematic, timely and regular monitoring of tourism performance and impact in order to better understand destination-wide resource use and foster the responsible management of tourism. Through the systematic application of monitoring, evaluation and information management techniques, the initiative provides policy makers, planners and tourism managers and other relevant stakeholders with key tools to strengthen institutional capacities to support the formulation and implementation of sustainable tourism policies, strategies, plans and management processes.
3. As evidence-based decision making is of utmost importance for sustainable tourism development, the vision behind the INSTO initiative highlights the key role that observatories play as an essential instrument to continuously enhance the sustainability of the tourism sector. Observatories have the potential to stimulate and catalyze innovative developments in destinations and play a key role in contributing to monitoring and addressing issue areas, such as job creation, sustainable consumption and production, public health and security, human rights, education quality and inequalities.

III. Background & History

4. As progress towards these objectives is being achieved, it is important to recall that the 2012 United Nations Conference on Sustainable Development (Rio+20) highlighted the importance of obtaining more reliable, relevant and timely data in areas related to the three dimensions of sustainable development and acknowledged the potential of tourism to make a significant contribution in this regard.²

¹ Latest review as presented to the Executive Council, 104th session, Luxor, Egypt, 30 October – 1 November 2016

² The outcome document '*The future we want*' was endorsed by UN General Assembly resolution A/RES/66/288 of 27 July 2012; see also <https://sustainabledevelopment.un.org/rio20.html>

5. At the ninety-fifth session of the UNWTO Executive Council held in 2013, the Report of the UNWTO Secretary-General (CE/95/3(III)(b) Add.) on the Implementation of the general programme of work, section three (III) of the addendum, "Setting up Observatories of Sustainable Tourism under the auspices of UNWTO" outlined the first proposed steps to establish Observatories.
6. In 2014, UN General Assembly (UNGA) resolution 69/233 *Promotion of sustainable tourism, including ecotourism, for poverty eradication and environment protection*³ invited governments to support better informed sustainable policy-making around the world and emphasized the contribution of sustainable tourism to poverty eradication, community development and the protection of biodiversity.
7. One year later, the sector's role as important driver for sustainable development was further strengthened through UNGA resolution 69/313, *Addis Ababa Action Agenda*⁴ and UNGA resolution 70/1, *Transforming our world: the 2030 Agenda for Sustainable Development*⁵ which highlight the importance of supporting better informed sustainable policy around the world, of applying creativity and innovation to solve sustainable development challenges, as well as to monitor sustainable development impacts for various economic activities, including sustainable tourism.
8. It is within this context that UNWTO further continued the expansion of INSTO as a means to measure, assess and manage tourism's impact at the local level. Consequently, in 2015, at the 101st session of the UNWTO Executive Council, the Secretariat presented an updated guidance document for the operation and management of observatories (see CE/101/4 Annex).
9. Most recently, the 2016 High-Level Political Forum on Sustainable Development, convened under the auspices of the Economic and Social Council, emphasized in the Ministerial Declaration⁶ the importance of further progress in enhancing national capacities for evidence-based and data-driven decision-making and in the use of accessible, timely, reliable and high-quality disaggregated data to support the efforts and inform the implementation of the 2030 Agenda at all levels.
10. In addition, after an intensive phase of reviewing the progress made in the area of measurement and indicator development, as well as a thorough revision of the rules and procedures for the observatories, UNWTO convened an Open Consultation Meeting on *Advancing the Measurement of Sustainable Tourism Development*⁷, at its Headquarters in June 2016, to discuss the current state, challenges for destinations and possible solutions covering all three dimensions of sustainability.

IV. Guiding Framework for Observatories within the UNWTO International Network of Sustainable Tourism Observatories (INSTO)

11. The herewith submitted guiding framework⁸ reflects the experiences and lessons learned since the 101st session of the Executive Council in 2015, including the main takeaways that derived from the 2016 Open Consultation Meeting. Based on these experiences and the extensive consultation process made to date with the observatories, as well as with relevant public and private stakeholders, including technologically-

³ UN General Assembly resolution A/RES/69/233 of 19 December 2014 on Promotion of sustainable tourism, including ecotourism, for poverty eradication and environment protection

⁴ UN General Assembly resolution A/RES/69/313 of 27 July 2015 on Addis Ababa Action Agenda of the Third International Conference on Financing for Development

⁵ UN General Assembly resolution A/RES/70/1 of 25 September 2015 on Transforming our World: the 2030 Agenda for Sustainable Development

⁶ <https://sustainabledevelopment.un.org/hlpf/2016>

⁷ For a more detailed overview of the two day event, please see the dedicated website at <http://sdt.unwto.org/insto-events>

⁸ As of July 2016

advanced potential solutions providers, **the below enhanced framework is developed to guide the establishment and functioning processes of the observatories**⁹:

A. Pre-establishment Phase

- i. The establishment process of observatories is essential in providing solid grounds for well-functioning monitoring processes in the future. From the beginning, it is therefore crucial to **engage all relevant stakeholders through a participatory approach**, involving them directly in the processes and decisions ensuring coherent actions regarding, for example, the monitored issue areas as well as the selected indicators and methodologies.
- ii. In order to ensure such an approach and gain stakeholders commitment, **awareness raising activities and the establishment of a support system are important** actions in the beginning, which include information-sharing and active consultations with actors as well as the gathering of Letters of Support (for further detail, please see Section B, paragraph v.4).
- iii. Additionally, the **establishment of an official Local Working Group** is essential to ensure continuous commitment to constant, regular and timely monitoring efforts. This group should consist of representatives from all relevant stakeholder groups and needs to be officially formed in this pre-phase to guide monitoring process of the observatory over time.

B. Acceptance Process for new Member Observatories to INSTO

- iv. Observatories, both new and existing, can become members of the INSTO. By submitting their membership application, observatories are committing **to regular and continuous monitoring** of issue areas, through indicators and other measurement techniques, to enhance the sustainability of tourism in their destinations.
- v. **To ensure the highest standard of integrity, transparency and a shared vision of the INSTO initiative**, applicants are required to submit the following documents to the UNWTO Secretariat:
 1. **Application Form**, which requires *inter alia* general information about the applying observatory; a list of its most relevant stakeholders and acceptance of a compliance framework, including the acceptance of the Statutes of UNWTO as well as the commitment to the principles of the UNWTO Global Code of Ethics for Tourism In addition, the Application Form requires the inclusion of a **Keyhole Markup Language (KML) file** based on geo-referenced data, displaying the precise delineation of the monitoring area.
 2. **Destination Profile**, providing generic background information on the destination, including basic figures regarding tourism flows, economic data and the structural framework.
 3. **Preliminary Study/Report** not older than 12 months from the date of application, providing a situation analysis of the tourism sector at the destination level. The report should clearly define key sustainability issues for the destination and indicate how an observatory is currently monitoring or proposes to monitor sustainable tourism issues, outlining data availability, sources, gaps and needs. It should also define preliminary short, medium and

⁹ In order to facilitate the application and support observatories in the best possible way, an '*INSTO Guidebook*' is being made available online to interested stakeholders which includes, among others, detailed information on the required documents and templates.

long-term objectives of the observatory and indicate its proposed structure as well as all relevant stakeholders and their roles. In addition, the report shall include the completed basic **Economic Data Sheet**, as proposed by the UNWTO Secretariat.

4. **Letter(s) of Support** from relevant institution(s). This should include the respective regional tourism authority or/and the responsible governing body such as the regional ministry in charge of tourism as well as a Letter of Support from the respective ministry at national level¹⁰. In case of cross-border destinations, letters shall be received from all the relevant institutions involved. The letter(s) must be written on official stationary bearing the letterhead and seal of the governmental authority, and be sent directly to the UNWTO Secretariat to the below mentioned address.
5. Send the above-mentioned documents (templates are available, upon request) to the UNWTO Secretariat via mail, fax, or electronic mail:

Sustainable Development of Tourism Programme
World Tourism Organization (UNWTO)
C/ Poeta Joan Maragall 42
28020 Madrid
Spain
Email: insto@unwto.org
Tel: +34 91 567 81 00
Fax: 91 571 37 33

6. Upon receipt and positive assessment by the UNWTO Secretariat of documents submitted and compliance of all stipulated requirements, the observatory will be officially accepted as a new member of INSTO. A **Letter of Acceptance** will be sent to the observatory, confirming its acceptance and granting observatory status which implies the immediate recognition and coming into force, as per the date of transmission of this official communication, of all the rights and obligations of an INSTO member.

C. Stakeholder Engagement

- vi. **For new observatories:** All new tourism observatories shall organise a **Stakeholders' Workshop** within the first year of establishment which should include all relevant stakeholders of the destination, including the members of the Local Working Group. Participants of the workshop should: a) discuss the findings of the preliminary study/report, b) reflect and agree on the issue areas and indicators that the observatory shall monitor, c) identify the most important data needs, gaps and sources, d) clearly define the roles and responsibilities of stakeholders and the frequency of stakeholders meetings, e) agree on the implementation plan for the observatory.
- vii. **For existing observatories:** new members of the network that already existed as observatories before joining INSTO shall agree to also conduct a Stakeholders' Workshop within the first year of acceptance in order to discuss how to carry out the necessary adaptations to align with the INSTO framework (e.g. formation of a Local Working Group if not existing at this point in time, structural changes and information sharing processes, etc.).
- viii. From the second year of membership, all observatories are required to conduct at least an **annual Stakeholders' Workshop** in the destination with all relevant actors as outlined above, in order to discuss the newest insights and advancements, challenges and needs as well as other aspects as outlined below in clause xv.

¹⁰ Exceptions to this requirement will be considered on a case by case basis.

D. Development of Issue Areas and Indicators

- ix. Each member observatory shall monitor at least a standard set of core issue areas.¹¹ Based on the over 40 issue areas published in UNWTO's *Indicators of Sustainable Development for Tourism Destinations: A Guidebook*¹², the **following nine issue areas have been identified as mandatory to be monitored:**
1. Local satisfaction with tourism
 2. Destination economic benefits
 3. Employment
 4. Tourism seasonality
 5. Energy management
 6. Water management
 7. Waste water (sewage) management
 8. Solid waste management
 9. Governance
- x. Besides covering the above-mentioned nine mandatory issue areas, **observatories are encouraged to monitor additional destination-specific issue areas** which are currently most relevant for their destination. The additional destination-specific issue areas can be adjusted over time, depending on the needs of the destination, if necessary.
- xi. **The data for the mandatory as well as destination-specific issue areas shall be collected and analysed regularly.** Although it is common in many destinations to collect tourism data on an annual basis, INSTO members shall aim for higher frequencies wherever possible, relevant and feasible, ideally every two months. Within the first year of establishment, the observatory should provide UNWTO with an overview on which indicators can be collected on an annual basis and which ones on a more frequent basis.
- xii. The publication *Indicators of Sustainable Development for Tourism Destination: A Guidebook*¹³ identifies more than 500 indicators. Initiatives such as the European Tourism Indicators System (ETIS), work carried by the European Environmental Agency (EEA), the Global Sustainable Tourism Council (GSTC), the International Network on Regional Economics Mobility and Tourism (INRouTe) and the Measuring Sustainable Tourism (MST) initiative have further contributed to the updating and thinking in this area. It is expected to **continuously advance the work on indicators and contribute to the discussion within the INSTO network and with interested institutions** to provide observatories with reliable, consistent and relevant operational methodologies and guidance.
- xiii. **As sustainability is context-sensitive, the role of indicators is to reflect the destinations' priorities and needs.** While measurement should ensure comparability whenever useful among destinations and across levels, destinations are encouraged to use monitoring systems that include destination-specific indicators which correspond to their local requirements, context and subjective elements of perception, particularly with regards to the socio-cultural dimension.

E. Monitoring and Reporting¹⁴

¹¹ General reporting and data collection shall comply with the International Recommendations for Tourism Statistics 2008, as approved by the United Nations Statistical Commission. United Nations (2010), *International Recommendations for Tourism Statistics 2008*, UN, New York.

Available at: http://unstats.un.org/unsd/publication/SeriesM/seriesm_83rev1e.pdf

¹² World Tourism Organization (2004), *Indicators of Sustainable Development for Tourism Destination: A Guidebook*, UNWTO, Madrid.

¹³ World Tourism Organization (2004), *Indicators of Sustainable Development for Tourism Destination: A Guidebook*, UNWTO, Madrid.

¹⁴ It is a requirement that general reporting shall comply with the International Recommendations for Tourism Statistics 2008 (IRTS 2008), available at http://unstats.un.org/unsd/publication/SeriesM/seriesm_83rev1e.pdf



- xiv. **Regular and timely measurement** contributes to a better understanding of tourism links with other sectors as well as its impacts on sustainable development. It empowers tourism stakeholders to effectively prioritise measures and allocate resources for policy implementation and supports a competitive position of the sector vis-à-vis other economic activities.
- xv. During the **annual Stakeholders' Workshops**, participants shall discuss, among others, the progress of the measurement activities, discuss and identify problem areas, reflect on solutions as well on a possible action plan for the next reporting period, and, if necessary, adjust the implementation procedures and other relevant issues for the observatory and/or destination. An active participation of all relevant stakeholders in the workshops strengthens common identity within the destination and fosters transparency and accountability.
- xvi. Accepted observatories, newly established and previously existing ones, shall have a **three year-transitional- period to comply with the amended Rules for the Operation and Management of the Observatories**. In the first year, new members are expected to report on as many of the nine core issue areas as possible.¹⁵
- xvii. **An annual progress report** on the issue areas and monitoring results shall be provided in English to UNWTO by each observatory. It shall document and provide an overview of the monitoring activities for each issue area, the operations, performance and lessons identified of the calendar year and not exceed 15 pages.
- xviii. **Observatories that provide UNWTO** incomplete annual reports or do not submit annual reports for two consecutive years will be considered inactive. The status as a member observatory of INSTO will consequently be revoked. Prior written notice will be given to an observatory after it fails to submit an annual report.
- xix. **In each of the UNWTO regions**, with five or more observatories, unless other agreements are in place, an observatory or other institution shall be chosen by the observatories in the region to be the Regional Coordinator (RC) that reports for all observatories in the region to UNWTO. The term of the RC shall last two years and can be renewed, unless other agreements are in place. The functions of the RC include the following:
1. **Serve as coordination mechanism for all observatories in the region.**
 2. **Ensure regular reporting and exchanges across observatories in the region.**
 3. **Receive and analyse the annual progress reports** (as stipulated in clause xvii) from the observatories in the region **and transmit an annual regional summary report, in English, to the UNWTO Secretariat.**
 4. **Collect further results from the observatories in the region**, with the aim of sharing lessons identified and learned with all regional observatories.
 5. **Advise the UNWTO Secretariat when an observatory in the region has not complied with clause xvii. above, on the submission of annual reports, as agreed.**
 6. **Convene an annual regional meeting** to share and discuss experiences, early warnings, new emerging trends, challenges, and other relevant issues as well as to identify national/regional information needs.
- xx. **An annual global INSTO Open Consultation Meeting** will be organized by UNWTO, where experiences are exchanged and issues related to monitoring, standards for data collection and analysis, trends, emerging warning signals and best practices (studies

¹⁵ Exceptions to this requirement based on justified circumstances will be dealt with on a case-by-case basis.



and methods) are discussed amongst members of INSTO and other relevant stakeholders.

- xxi. **Observatories are also encouraged** to participate in other regional and international meetings of tourism observatories outside of the UNWTO Network of Observatories to further strengthen knowledge and share results.

F. Communication and Information-sharing

- xxii. By becoming part of the INSTO, members accept the obligation **to create and maintain a publicly accessible website for their observatory, including at least a summary in English**. The website has to be regularly updated, providing the newest data and analysis of monitoring results as well as information regarding the sources and methodology used. Before publishing online, monitoring results shall be consulted with the representatives of the Local Working Group. Observatories are strongly encouraged to provide information on each of the indicators online (e.g. through a concise technical note), including its definition, the data source(s), the frequency of collection, contact details of the responsible stakeholder/person for the indicator and other relevant information.
- xxiii. Each observatory should **collect and document success stories and examples of lessons learned**. They can disseminate these stories and experiences on their website as well as through other means nationally, regionally and through UNWTO in order to highlight progress and success in the sector and to foster replication.
- xxiv. Each observatory shall **share monitoring results** with other observatories, the RC, if in place, and with other destinations as well as upwards to national/regional and international levels of government, where applicable, to serve the needs of decision-makers at different levels, supporting planning and management as well as responses to global issues.
- xxv. UNWTO will support the **sharing of information among destinations and Member States** and will support high level interventions, where applicable, by providing available aggregated information and documentation of success stories and experiences from observatories to support sustainable tourism development.

G. Other Terms and Conditions

- xxvi. The Observatory is an independent and legally separate entity from UNWTO. The latter shall not be responsible for the acts or omissions of the Observatory and shall be held harmless and defended against any action that may be brought as a result or in connection with the Observatory and its activities. The acceptance of the Observatory as a member of INSTO will not be construed as establishing a joint venture, agency, exclusive arrangement, or other similar relationship implying any joint liability between UNWTO and the Observatory.
- xxvii. By becoming a Member of INSTO, the Observatory accepts to comply with the terms and conditions established by the UNWTO, in particular on the use of UNWTO signs and the prohibition to be involved in any activity that could be opposed to the objectives or principles of the UNWTO or the UN or that could adversely reflect upon the UNWTO.