INTERNATIONAL BEST PRACTICE FACTSHEETS ON POLICY INSTRUMENTS THAT PROMOTE ENABLING ENVIRONMENTS FOR GREEN AND CIRCULAR BUSINESSES

Certification for Sustainable Tourism

COSTA RICA











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BEST PRACTICE FACTSHEET

The tourism industry has a large impact on the environment and social communities worldwide. Governments play an important role in stimulating sustainability and circular practices in this sector.

The Certification for Sustainable Tourism (CST) has been developed in Costa Rica to differentiate businesses in the tourism sector, based on the degree to which they implement a sustainable model of natural, cultural and social resources management. The CST was launched in 1995 by the Costa Rican Tourism Institute (Instituto Costarricense de Turismo – ICT), and further developed by ICT's department of Tourism Certification and Social Responsibility and the Technical Verification Commission. The Certification for Sustainable Tourism has been recognized by the World Tourism Organization as "one of the programs that managed to modify the way of doing tourism".

OBJECTIVES

Through its application for more than 20 years, the Certification for Sustainable Tourism (CST) has consolidated Costa Rica's position as a pioneer country in sustainable tourism. The main objective of this certification program is to make sustainability a practical and necessary reality for Costa Rica's tourism industry. The program aims to improve the way the natural and social resources are used, encourage the active participation of local communities, and provide a new element of competitiveness within the sector.

The CST program aims to encourage companies to adopt sustainability in every business decision, and thus, for example, increase the use of recycled products, encourage proper disposal and treatment of waste, implement water and energy-saving devices, conserve and expand Costa Rican forests as well as implement better systems for information management. Furthermore, the program enables tourists to make more informed and environmentally conscious decisions about their purchases, since certified businesses are required to demonstrate that their activities and services have a minimal negative impact on the surrounding natural environment.

BACKGROUND

Tourism, in general, has the potential to contribute significantly towards employment and economic growth, as well as to development in rural, peripheral or less-developed areas. However, tourism also has a major environmental impact and can exert great pressure on local resources and communities. Tourism activities can place intense demands on resources such as water, energy and food, and can result in increased waste generation, noise and air pollution. Therefore, it is extremely important to stimulate the adoption of circular economy approaches within this industry. These approaches hold significant potential to increase the sustainability and profitability of tourism businesses by proposing a business model in which each actor in the tourism value chain (traveler, host, tour operator, and supplier) plays a role in minimizing the environmental impacts of tourism activities. These approaches go beyond the implementation of isolated 'sustainable', 'green' solutions or technologies, and involve the design of radically alternative solutions over the entire life cycle of products and services, which no longer adheres to the 'takemake-dispose' regime of linear models.

According to the International Ecotourism Society "ecotourism" is defined as "responsible travel to natural areas that conserves the environment and sustains the well-





IMPLEMENTATION

While about two-thirds of all

By the early 1990s, ecotourism was the leading concept in Costa Rica's development strategy. During this time, the framework for the CST was developed by the Costa Rican Tourist Board, which has its own sustainability department, and the Costa Rica National Accreditation Commission. The CST program was probably the first performance-based voluntary environmental program created by a government in a developing country (Rivera, 2002). Since the first CST edition for hotels was released in 1997. an edition for tour operators was added in 2005, called CST-TO (Honey, 2008). Certified tour operators have announced that they will eventually only make use of certified hotels, which is expected to have a positive impact on the number of hotels seeking certification. As a result of the widespread adoption of the CST, Costa Rica's tourism industry is now environmentally sound and lucrative, protecting vast natural areas of the country while bringing economic opportunities to rural communities. With about 28 percent of Costa Rica designated as protected areas, it is important that conservation of the landscape and its biodiversity are a priority for the country.

being of local people" (Honey, 1999a)1.

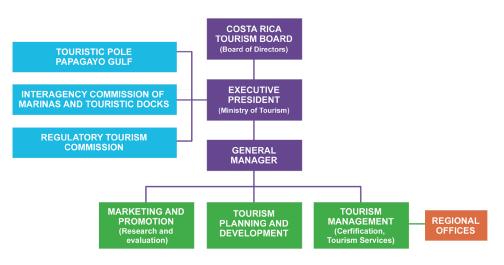
certification programs are run by private organizations and NGOs (WTO, 2002), in the case of the CST program, the Costa Rican government had the main responsibility for both establishing and running the program (Honey, 2008, p. 203).

The CST program was launched in 1995 and became fully effective in 1997. It has recently been subject to a restructuring. and the certification is now referred to as CST 2.0. The CST website provides open access to the regulation, the rating criteria, the application and evaluation process. To begin the certification process², applicants complete a selfevaluation on the CST website to assess their performance in four main areas: 1) Business Management, 2) Social, Economic and Cultural Impact, 3) Environmental Impact, and 4) Specific Indicators depending on the tourism activity of the applicant (CST, 2018).

The first area, Business Management, evaluates the integral process of sustainable management of the organization and includes aspects such as regulation, sustainable construction, equal employment opportunity and work safety, tourism activities for people with disabilities, incentives for national tourism, policies against exploitation and human rights violation of vulnerable groups, safety and quality management, maintenance, sustainable procurement,

¹ Honey, M. (1999a). Ecotourism and sustainable development. Who owns paradise?. Washington, DC: Island Press. ² **Turismo sostenible**. governance and transparency. The Social, Economic and Cultural Impact section assesses the level of social, economic and cultural support of the organization covering topics like fair trade, fight against poverty, community's access to basic needs, support to programs and initiatives for community development, gender equality, and cultural heritage protection. The area of the Environmental Impact focuses on measures regarding water and energy efficiency, reuse and optimization, renewable energy, sustainable consumption and production, waste management, minimization of all negative externalities, climate change and risk management, measurement and monitoring of emissions, and biodiversity conservation. The fourth area covers Specific Indicators by sector including hotels, transport, tour operators, amusement parks, tourism facilities with animals, gastronomy, wellness centers and spas, protected areas, golf facilities, swimming pools, adventure parks, and institutional indicators.

COSTA RICA: ORGANIZATIONAL CHART OF TOURISM BODIES







Each area is measured through four types of indicators:

- Specific: quantitative measures that are used as a guide to achieve compliance with the criteria (valid, reportable and achievable).
- Mandatory: the minimum indicators that must be met to obtain the CST.
- Improvement and Continuity: indicators that drive the company to improve for future evaluations.
- External Impact: focused on the social aspect of the business and the support it provides to communities

Next, a lead auditor reviews the application, shares observations in a technical report, and if necessary, requests an action plan, which describes the activities that must be carried out to achieve the objectives and goals established by the organization. The CST applicant reviews the technical report online, presenting the action plan, and after a second review, the auditor decides whether to schedule a field visit. When the audit process is marked as complete, the organization's file is forwarded to the certifying body, the Technical Verification and Commission (CTV-CST).

The certification is valid for two years and consists of two levels: basic and

elite. To be certified with the basic level, it is required full compliance by the applicant with the mandatory indicators. The applicant is certified with elite level if the applicant is compliant with 30% of the Improvement and Continuity indicators and 70% of External Impact.

Companies that receive the certification then implement their agreed actions (at different levels) including with respect to sustainable practices such as avoiding gas emission or polluting resources, implementing efficient waste management practices and recycling, consuming biodegradable products, saving water and electricity, promoting local traditions and customs, employing and supporting people from the local community and raising awareness about Costa Rica's natural heritage.

The application process is free as a result of government funding (Font & Harris, 2004). The Ministry of Tourism markets the certification program in national and international campaigns, and applicants are provided technical support in the initial application process. In 2007, 61 hotels of the estimated 400 hotels in Costa Rica were certified, that is, approximately 15% (Honey, 2008). Considering the relatively long history of CST and the low costs associated with certification. the number of certified hotels is low. Possible reasons for the slow progress are found in modest government

funding as well as limited marketing (Honey, 2008).

The CTV-CST was created as an attached body in the Costa Rican Tourism Institute (ICT), and it is responsible for granting the certification to tourism companies or organizations, suspending or revoking the CST, ensuring the correct application of the granting procedure and maintaining strict compliance with the provisions contained in the regulation³. The Commission is composed of representatives of the Costa Rican Tourism Institute, the Ministry of Environment and Energy, the Ministry of Culture and Youth, the Boards of Directors of the National Chamber of Tourism (CANATUR), the National Chamber of Ecotourism and Sustainable Tourism (CANAECO), the University of Costa Rica, the Central American Institute of Business Administration (INCAE), the General Directorate of the Biodiversity Institute and the Regional Directorate of the International Union for Conservation of Nature (IUCN).







RESULTS



The CST became an effective answer to the practice of "greenwashing" by some companies who make unfounded sustainability claims, providing reliable information on companies that truly offer sustainable tourism services. This strengthens the country's image as a destination for natural beauty, greatly increasing the country's competitiveness as a tourism destination.

There are currently 395 companies certified under the CST in Costa Rica (CST, 2020) and more than 700 evaluations have been conducted since its inception. The program has been replicated in other Central and South American nations and it has been used as a model for other countries worldwide.

The CST 2.0 was launched in 2018 to overcome limitations in the original CST and to bring the program up to date. It includes the following updates or improvements:

- The evaluation process was streamlined, to reduce the completion time from one year to about four months.
- The evaluation method for applicants has been adapted to the size of the businesses (small, medium and large companies) and the type of tourism activity by including specific operational indicators. This represents a major improvement as the previous system tended to favor larger

companies, one of the main criticisms of the original version of the program. The certification levels were reduced from five (green "leaves") to two (basic and elite).

- The new scheme has been adapted to current trends and technological advances. It includes international parameters, addressing the Sustainable Development Goals (SDG) and the criteria of the Global Sustainable Tourism Council (GSTC).
- The verification process has been significantly digitized allowing for greater control and digital recording, increased level of transparency and reduced number of field visits to the sites.

The creation of the CST 2.0 was subjected to a public consultation process in which almost 900 different stakeholders from the private and public sectors participated, including 468 Costa Rican tourism companies. In addition, around 22 workshops were held throughout the national territory and 28 companies were part of the pilot plan.

SUCCESS FACTORS

The CST is not a stand-alone initiative towards a more sustainable tourism in Costa Rica, but its implementation is part of the country's tourism development model which was originally based on the principles of sustainability. Costa Rica's historic commitment to sustainable tourism and its pioneering efforts in the ecotourism sector have played an important role in the success and in the international recognition of the CST.

One of the strengths of this program is the broad involvement and representation of stakeholders in the planning process but also in the execution. In contrast to other eco label programs like Green Key, the CST Program is designed for all companies of the tourism sector, not only focused on hotels and other guest accommodation options, but also travel agencies, car rentals, tour operators, sustainable theme parks, gastronomy companies and others. This broader approach ensures better progress towards sustainable development and can create a virtuous circle. By extending the program to tour operators and travel agencies, for instance, more hotels are encouraged to apply the standards of the certification in order to be recommended.

The Government of Costa Rica offers several incentives and benefits to companies applying to the CST program such as the access to information on environmentally friendly technologies and best practices; specific CST promotional materials; financial, technical and logistic support for participation in national and international tourism fairs, branding and marketing support. Certified companies can also participate in events, seminars and workshops organized by the ICT to share or discuss several aspects of the CST certificate, and receive support in training programs on social, cultural and environmental issues.





_CONSIDERATIONS FOR THE MEDITERRANEAN

Although the CST has become a model framework for countries worldwide, its first version had many difficulties and drew some criticicism, to which the government has responded with the updated version, the CST 2.0. Considering the relatively long history of the CST, there seems to be a lack of clear understanding of the impact of the certification in terms of the businesses' adoption of sustainability practices such as reduced waste, re-use or saving of resources. It is therefore recommended to highlight when possible, on the official website, quantitative data, impact metrics, information on the scalability of the certification (see Green Key) and its evolution along the years. It is also not clear to what extent the CST 2.0 is contributing to a better program performance and results. It is also very important that organizations of different certification programs exchange learnings and

experience in setting rating criteria, conducting evaluation and auditing process.

One critical aspect of certification programs is credibility which is ensured in most cases by having a third-party audit, as it's the case of the Green Key certification and in the case of the CST 1.0.

As a program that aims to increase ecotourism, CST unfortunately cannot ensure zero impact as human activities eventually always affect the environment somehow. Nevertheless, the program is still a reference for other certification programs regarding the evaluation method of tourism companies and its ability to objectively measure the sustainability of operating businesses, improve environmental practices, and motivate clients to choose sustainable services.

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This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of SCP/RAC and do not necessarily reflect the views of the European Union.





Funded by the European Union

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