Annex 35. Governance Structure for a Statistical Project

1. Linking the setting up of a R-TIS with the TSA as the foundation for a R-TSA requires a medium-long term process; the success of such a process depends greatly on the initiatives taken regarding the complexity of key stakeholders involved.

   In this regard, the document recommends the promotion of two complementary type of initiatives:
   - Define and design a responsibility delimitation of whom is responsible for generating what type of information for the national / regional level, which is the information required by key tourism stakeholders at both type of territorial levels, and which should be the most suitable information sources to be used for these different purposes.
   - Assume the need of leadership by the corresponding tourism authorities in order to design, update and monitor such information system, with all the implications for budgeting, training, coordination and communication protocols, etc.

2. Thera are many arguments that justify taking governance seriously, not the least of which is the fact that each dimension of sustainable development necessarily requires the sustainability over time of the very actions taken for the development of tourism

   Before addressing the governance issue (which is about key stakeholders support and cooperation mechanisms), some recommended initiatives should be clarified in order to better understand how both processes are related; each of them might have its own governance requirements.

3. It might also be pertinent to have in mind that the TSA is an extremely data demanding initiative and that a R-TSA must be understood as an outcome of a developed R-TIS already set up by a region.

4. With this context in mind, this document recommends for such a region that two main information sets should be properly articulated: the first step refers to the priority to define the main statistical background to support a proper R-TIS in the perspective of measuring tourism economic contributions at the regional level (which is the focus of the R-TSA) and as a second step, look for key supplementary information required by main tourism stakeholders in such a region about a wide range of topics (such as information gaps identified by key stakeholders, measurement of tourism products, etc.)

   Regarding the priority set, it should be guaranteed that the basic core of the R-TIS includes basic data and indicators of the following four building blocks:
   - Elaboration of inter-regional consumption matrixes
     "Interregional origin/destination data condition the estimation of a key parameter in both market research and tourism promotion policies, i.e. the propensity for travel in regions of origin and the demographic and behaviour factors associated with the tourists generated by such regions". (WTO 2005, para 5.15)
     "The data gathered, as well as the corresponding estimate of overnight stays, should be checked against data obtained from accommodation surveys and from other administrative records available from either traffic management bodies, motorway concession holders or even credit and debit cards. This internal reconciliation between sources is crucial for ensuring the reliability of the source data that will be used for the future regional tourism account. The internal reconciliation of sources should precede external reconciliation (with the national level in particular)". (WTO 2005, para 5.17)

"This kind of check is known as cross-comparison/validation of data and is new to most of the professionals working in RTAs. Be that as it may, this practice will be a fundamental element of the new culture of interagency cooperation." (WTO 2005, para 5.18)

- Estimate of regional employment in tourism industries
  Patricia Sakowski (Sakowski, 2012) has chaired the development of a multi-annual project carried on by IPEA / Brazil using administrative and statistical records on employment; the paper explains and presents the articulation of a national / regional /local database of such employment and related characteristics useful for the analysis.

- Use of Business Register for the national / regional articulation of a set of basic statistical data and indicators
  MacFeely, S, Delaney, J and O´Donoghue, F (2012) explains the Irish experience using Business Registers to conduct a regional analysis of Enterprise Demography and Employment in the Tourism Industries.
  Such contribution and complementary research carried out at the Irish Tourism Department (Fáilte Ireland) have positioned Ireland as a best practice exercise about the potential of using Business Register data for regional tourism analysis.

- Existence of the statistical universe (frame) of establishments providing accommodation to visitors and guarantee its update mechanisms and procedures (see Glossary)

These references are of interest for those regions: guidance already provided by UNWTO (WTO, 2005) is highlighted as well as different type of initiatives that could be properly considered as relevant case study developed by INRouTe associated partners.

5. Setting the R-TIS and moving on a R-TSA exercise in line with the priority set of initiatives mentioned in the previous paragraphs should presuppose the existence of a strategy of inter-institutional cooperation both with regional key tourism stakeholders and with the Central Statistical Office and other possible national bodies. The design of such strategy and the leadership of launching such projects should correspond to those regional bodies with clear competences in tourism development.

6. More precisely, this document recommends that the setting up of such strategy and its operationalization should be supported by a regional inter-institutional network (RIN). Such network requires at least three basic components:
   - the integration of such stakeholders both at the regional and sub-regional levels
   - a governance structure and a working agenda must be designed and agreed by key tourism stakeholders for the set up of a R-TIS. Such agenda should identify common initiatives for both regional and sub-regional levels, as well as others proper for each of such initiatives.
   - the technical support of a multidisciplinary group of experts in statistics, geography, economics and tourism as well as other practitioners and researchers. Such a group might request the cooperation of any type of national or subnational institution/s

   Consequently, such a network should be understood as the necessary tool for a proper governance structure decided by those stakeholders in order to guarantee the sustainability of such medium-long term initiative.

7. The following paragraphs address the governance issue (or more precisely, the governance function of regional / sub-regional governments) required for the setting up of both projects (the R-TIS and the R-TSA) and insist on the relevance of taking governance seriously due to the comparative weakness of Regional Tourism Administrations and the inter-sectorial nature of tourism; such weakness might be even more relevant at sub-regional levels.

   Besides UNWTO contributions focusing on the setting up a R-TIS type of initiative, references found in INRouTe associated partners focus basically on this topic in relation with R-TSA.

8. In fact, key actors in early R-TSA development, have insisted once and again about the consequences of not taking seriously the setting up of a governance structure: both Calvin Jones in UK (Jones, 2005) and Agustín Cañada in Spain (Cañada, 2013) are very explicit about the need to design and operate such structure: not as an academic issue but as a policy issue applied to a statistical project addressed to a subnational context

   "Experience in the UK and elsewhere has shown that whilst the developmental impact and policy-management of tourism is most critical at a regional (or indeed destination) spatial scale, tourism and business surveys that underpin TSA construction are formulated at the national level. … Separation within central governments of departments with responsibility for tourism management, for regional affairs and for the collection of statistics risks significantly hindering the regional TSA project. Tourism and regional departments may not have sufficient political 'clout' or statistical knowledge to lobby central statistical offices to ensure the appropriate resourcing and design of travel and tourism surveys, or the structure of national accounts." (Jones, 2005 page 13)

   "In treating the region as a small nation, developers will need to make judgments regarding how far national classifications and definitions can or should be replaced with those that are regionally based. For example a definition of usual environment suitable for the nation may not be appropriate if the reference region is geographically small, or culturally distinct from the country as a whole. Again, the need for regionally-relevant outputs must be balanced against any need for interregional/national comparability. It may be desirable to ensure comparability at a broad scale. For example, in the same way that is should be possible to aggregate any specific regional product classifications to those in the national TSA, a regional definition of usual environment might be a sub-set of that in the national account, or there could be a dual reporting approach (Jones, 2005:14). The remarks made by Agustín Cañada (Cañada, 2013) should be considered as appropriate guidance in relation with the governance structure of such type of projects.

   "Among the examples of regional TSAs that have been done in a coordinated and joint manner by central and regional administrations are the case of Wales, whose TSA was the fruit of a multi- institutional team (although it is also an atypical case, since a "national" TSA was not available for reference), as well as various regions of Spain (Andalusia, Canaries, Basque Country). Although all the regional TSA's in Spain have been prepared in a quite independent manner by the institutions of each region (normally regional statistical institutes), there has been conceptual or methodological coordination with the central government. The central statistical office (INE) collaborated with the regional agencies that were developing the TSA – always at their request – either by providing some kind of methodological support at the start of the project or a nonbinding opinion on the preliminary results of a TSA to ensure that it met the international methodological criteria". (Cañada,2013, para. 4.7)

"Without such coordination, the risks are obvious: there is no guarantee that the results obtained for the regions will be compatible with each other or with the national TSA. There is also the risk of duplication or inefficient use of resources, for example, if regional and central administrations take on similar statistical projects without coordination". (Cañada, 2013, para. 4.8)

"One concrete aspect of the proposals in this document can be used to frame the institutional aspects in general: what institution or institutional framework should be entrusted with the development of interregional matrices, which in our opinion are crucial for the consistent estimation of regional TSAs? "(Cañada, 2013, para. 4.9)

"Naturally, given this paper's advocacy of a system of shared responsibilities, consideration could be given to a system in which regions participate in the development of these matrices, and particularly in the conversion of nonmonetary versions into tourism consumption matrices. These could be the result of a joint effort by the administrations concerned. This would constitute an intermediate approach to national and regional TSA's, developed independently but with a common estimation of (monetary) interregional tourism data" (Cañada, 2013, para. 4.11)

"At any rate, and as an additional argument in favor of joint action by different administrative levels, there is the fact that when there is no coordinated, homogeneous regional approach to the TSA, private initiative tends to fill the gap, using model-based estimates. This can also be observed in countries with major tourism sectors, such as Spain, where, in the absence of any official regional tourism GDP estimates, private institutions have emerged and developed estimates directly inspired by the TSA but constructed using models, without guarantees as to their statistical soundness. The spread of this practice, even in competition with regions with their own TSA statistical schemes, has created confusion among users and adversely affected the credibility of all tourism data." (Cañada, 2013, para. 4.12)

"Such institutional complexities can largely be anticipated by designing an RTSA development strategy that takes inter-institutional collaboration into account as a crucial aspect. In that sense, it can be difficult to design a more complete implementation plan than the one recommended by UNWTO (WTO, 2005), summarized and supplemented in Frechtling [2008]". (Cañada, 2013, para. 4.13)

"Among the other aspects to be highlighted here as especially important is the role given to the central statistical office in these schemes, permitting certain aspects to be safeguarded in any regional approach, such as ensuring compatibility with the TSA:RMF methodology and facilitating the integration of regional tourism estimates into the economic context". (Cañada, 2013, para. 4.14)

"The strategy must also be realistic, based on such principles as a precise definition of the institutional framework, clearly establishing the distribution of functions and costs among the institutions involved; or the creation of a joint supervisory mechanism for the work, but always avoiding unnecessary bureaucracy". (Cañada,A 2013, para 4.15)

"Priority must also be given to other common aspects of such efforts, such as the development of a pilot or experimental version of the RTSA. In addition to advancing some initial estimates of the importance of tourism for the economy, such versions can also provide a tool for the analysis and discussion of methodological and statistical problems arising during the estimation process, or for the supervision and direction of future work". (Cañada,A 2013, para 4.16)

9. The advice provided by these two pioneers of R-TSA development in UK and Spain has been a valuable reference for drafting this document and insist about the need to take governance seriously: not as an academic issue but as a policy issue applied to a statistical project addressed to a subnational context.

10. In fact, relevant international organizations have developed different definitions of governance as a normative concept adapted to their respective constituencies (that has been the case, for instance of the OCDE, Commission of the European Union, United Nations Development Program , United Nations Economic and Social Commission for Asia and the Pacific, and the World Bank): this has not been the case of the UNWTO who nevertheless, as clearly explained in the White Paper approved by the General Assembly in 2011 (UNWTO 2011), "there are areas that warrant special attention, both because they have not been included in UNWTO's general activities to date and because they are currently in great demand among the member States. Apart from employment in the tourism sector, two others are mentioned:
    - Domestic tourism, which in many developed countries is more meaningful for economic growth and job creation than inbound tourism, has an especially important role to play in times of crisis, and also helps to extend the benefits of tourism to rural or depressed areas in many countries.
    - Governance in tourism, including the various levels of public administration and their relations with the private sector and other parties, at national as well as local destinations. This area also covers matters pertaining to overall tourism policies and institutional and legislative aspects." (UNWTO 2011, article 36)

11. The integration of "governance" as a research area in the conceptual design of the R-TIS (see Chapter 3, para. 3.10) implies an operational definition (so that the concept can be measured) and identifying appropriate indicators at the regional level. For that to happen, it is obvious that a conceptual framework of governance applied to tourism is needed.

12. UNWTO has recently published a first contribution (see Duran, C. (2013)) which has been taken as reference for drafting this document because it provides the methodological support for the three initiatives previously mentioned associated all of them with governance: the conceptual design and set up of the R-TIS, the Regional inter-institutional network for the R-TIS project, and the R-TSA.

    "UNWTO defines governance as a practice of government that is measurable, that is aimed to effectively direct the tourism sectors at the different levels of government through forms of coordination, collaboration and/or cooperation that are efficient, transparent and subject to accountability, that help to achieve goals of collective interest shared by networks of actors involved in the sector, with the aim of developing solutions and opportunities through agreements based on the recognition of interdependencies and shared responsibilities." (Duran, 2013) paragraph3.20)

    "Defined in this way, governance can have diverse connotations along two interrelated dimensions:
    - *Directive capacity of government*, determined by its institutional powers and resources, irrespective of its territorial extent, to promote and transparently exercise mechanisms of coordination, collaboration and/or cooperation subject to accountability, with networks of actors based on agreements recognizing interdependencies and shared responsibilities.
    - *Directive effectiveness*, derived from the efficient use of institutional powers and resources for coordination, collaboration and/or cooperation characterized by co-responsibility, transparency and accountability, which are fundamental to the

definition and achievement of objectives with respect to mutually beneficial solutions and opportunities in the general interest". (Duran, 2013) paragraph3.21)

13. It might be of interest to highlight that both dimensions have been implicitly considered when designing the R-TIS. In fact, the three sets of data to be integrated in the R-TIS implies two different levels of governance:
    - In the case of governmental institutions producing the basic core of R-TIS (including basic statistical data and indicators), it is recommended that regions should supplement national data as well as produce new regional data. The relationship national / regional bodies such as Central Statistics Office and National Tourism Administration with their regional counterparts define a governance schema by its own
    - For other type of information (not necessary official nor statistics), regional tourism administration seems the proper body to take the lead for more focused information needed by key tourism stakeholders. Some of them might argue that regional tourism information is of importance because it is at this level that many decisions are taken, whether by central or local government, or by tourism businesses, most of whom operate regionally and are part of the wider tourism industry operating environment

      In this case the governance structure to set in place would be different

14. While in the first case bilateral agreements should be the proper way for articulating cooperation agreements, in the second one some kind of networking initiatives should be set in place.

15. Duran (2013) warns about that it should not be taken as given "that governance simply exists, for the simple reason that a government is empowered and/or has institutional resources for coordination, collaboration and/or cooperation. These are necessary but not sufficient conditions for the existence of governance. In any case, emphasis is placed on the willingness and aptitude of a government to practice coordination, collaboration and cooperation as directive guidelines for its interactions with the aim of making it possible for networks of actors (public, private and social sector) not only to recognize but also participate in and endorse the objectives of general interest". (Duran, 2013, para.3.22)

    Such guidelines should be based on approaches especially relevant for regional key tourism stakeholders such as tourism practitioners (including tourism officials who commission surveys and research, and those who undertake such surveys) and key stakeholders in relevant tourism destinations (including public institutes and agencies, universities, research centers, industry associations and specialized firms).

    "The first of these would pertain to the devolution of governmental decision-making toward local governments… Such devolution has been a significant part of the processes of restructuring and modernizing public administrations, pursued by most countries since the 1980s, with the aim of improving the efficiency and effectiveness of public administration. In practice, this has led to a greater distribution of powers to subnational governments and the development of management processes that depend to significant degrees on the capacity of government actors and public authorities to coordinate with the various actors that are indispensable to improving the efficiency and effectiveness of public administration". (Duran, 2013, paragraph3.24).

16. Duran (2013) identifies two tools that should be used in the tourism sector with regard to governance: public-private partnerships and the creation of regional inter-institutional networks for the setting up of the R-TIS project. Quite often such networks "have been created and managed by tourism administrations, although there are cases of network

created by universities or strongly supported by business organizations or with a pronounced business orientation. Precisely for this reason both their composition and functioning are far from homogeneous, although they do share certain especially significant aspects:

- They were created out of recognition for the importance of tourism in the territorial units where they conduct their work.
- Their main objective is usually to provide useful information for different stakeholders.
- They also serve as a platform for meetings among these agents to detect trends and report situations that may affect tourism activity.
- They have enormous potential for use in supporting the design and evaluation of public policies". (Duran (2013), para. 3.33).

17. The UNWTO document also refers to the territorial level of application of suggested guidelines and very clearly points that "in the various territorial units where governance occupies a space in the tourism sector it would be useful to initiate its measurement at subnational levels, and more specifically at regional level." (Duran, 2013, para.4.10)

"The indicators proposed by way of example should provide a way to indicate in quantitative terms the degree to which the purpose of tourism sector governance, as defined, has been fulfilled, by:

- determining the directive capacity of governments and their Public Tourism Administrations (PTA) for coordination, cooperation and collaboration in the tourism sector with co- responsibility, transparency and accountability; and
- measuring the extent to which governmental powers and resources are used in pursuit of governance objectives" (Duran (2013), para. 4.17)

"Irrespective of the specific procedures that may be established for the development of indicators, the first step is to analyze the current situation so as to establish a baseline relative to the objectives and expected results to be measured. These objectives are illustrated in Figure 1" (Duran, 2013, paragraph4.18)

Figure 2 Baseline situation for the objsecives established. Source: UNWTO (2013, Table 3)

OBJECTIVES TO BE MEASURED	The space occupied by governance Directive capacity dimension	The space occupied by governance Directive effectiveness dimension
INDICATORS TO BE MEASURED FOR EACH OBJECTIVE	The conferring of institutional powers and resources for: a. Coordination, cooperation and collaboration among Public Tourism Administrations (PTAs) at different levels of government b. Establishment of cooperative and collaborative public-private relations c. Assurance of co-responsibility, transparency and accountability	The exercise of powers and the mobilization of institutional resources subject to co-responsibility, transparency and accountability: d. Coordination, cooperation and collaboration among Public Tourism Administrations (PTAs) and with other public sector actors and networks at different levels of government e. Cooperation and collaboration by public administrations with other nongovernmental actors and networks of actors
EXPECTED RESULT (CRITICAL FACTOR)	Increase in the directive capacity of Public Tourism Administrations (PTAs)	Increase in the directive effectiveness of Public Tourism Administrations (PTAs)

"The following table illustrates an example of seven indicators, each with the corresponding basic elements. Whereas the first three indicators in Table 1 refer to and correlate with each of the directive capacity objectives to be measured (see Figure 3, subpar. (a) and (c)), indicators 4 and 5 correspond to subpar. (d) of Figure 3, whereas 6 and 7 refer to subpar. (e)". (Duran, 2013, para. 4.19)

Table 1 Indicators of governance at subnational levels. Source: Duran (2013, Table 4)

DIMENSION MEASURED	EXPECTED RESULT	NAME	DEFINITION	METHOD OF CALCULATION	UNIT OF MEASUREMENT	FREQUENCY	GOALS
Directive capacity	Increase in the directive capacity of PTAs	1. Institutional capacity of PTAs for public coordination, collaboration and cooperation	Out of the total number of PTAs at subnational level, this indicator will show what percentage is considered competent for the exercise of public coordination, collaboration and cooperation. The baseline covers all relevant PTAs at the start of measurement	(No. of PTAs considered competent out of the total number of PTAs at subnational level) x 100	Percentage	Triennial	20% annual increase
		2. Institutional capacity of PTAs for public-private collaboration	Out of the total number of PTAs at subnational level, this indicator will show what percentage is considered competent to sign instruments of public-private collaboration. The baseline includes all relevant PTAs at the start of measurement	(No. of relevant PTAs out of the total number of PTAs at subnational level) x 100	Percentage	Biannual	30% annual increase
		3. Institutional capacity of PTAs for transparency	Out of the total number of PTAs, this indicator will show what percentage operates based on norms and procedures for regulation of the right to access to public information	(No. of PTAs with norms and procedures with respect to access to public information /Total no. of PTAs in the country) x 100	Percentage	Annual	100% annual
Directive effectiveness	Increase in the directive effectiveness of PTAs	4. Degree of co-responsibility in the management of tourism	This indicator will show what percentage of PTAs have instruments for public-private collaboration in the delivery of services in areas specific to tourism management.	(No. of PTAs with instruments for public-private collaboration/ total no. of PTAs in the country) x 100	Percentage	Biannual	30% annual increase
		5. Degree of transparency and accountability in public-private collaboration	Out of the total number of existing public-private collaboration frameworks in connection with tourism, this indicator will show what percentage is public information, subject to two parameters with respect to publicity, inclusion, verifiability and responsibility	(No. of tourism partnerships characterized by transparency and accountability / total number of tourism partnerships) x 100	Percentage	Annual	100% annual
		6. Degree of nongovernmental participation in decisions about tourism	Out of the total number of PTAs , this indicator will show what percentage have established collaboration frameworks with networks of nongovernmental actors enabling them to participate in decision-making processes	(No. of PTAs with cooperation or collaboration frameworks with networks of actors / total number of PTAs) x 100	Percentage	Annual	100% annual
		7. PTA directive effectiveness index	Average sample of directive effectiveness among all PTAs, weighted according to five indicators: public-private collaboration; public intersectoral coordination; business and social sector co-participation for development; compliance with parameters for transparency		Average	Annual	100