

UNWTO Statistics and Tourism Satellite Account Programme

**COMMITTEE ON STATISTICS
AND THE TOURISM SATELLITE ACCOUNT**

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**DRAFT RESPONSE FROM THE COMMITTEE
TO THE IAEG ON SDG INDICATORS**

Version 3

Background

The adoption of the UN SDGs in September 2015 has also driven a process to develop relevant indicators for the monitoring of the goals and associated targets. Through 2015, in consultation with experts in tourism statistics, and coordinated by UNWTO and the UN Committee on Statistics and the Tourism Satellite Account (the Committee), the following indicators were proposed to cover three SDG targets relevant to sustainable tourism:

Target 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

8.9.1 GDP in tourism: Tourism direct GDP (as a percentage of total GDP and in growth rate)

8.9.2 Jobs in tourism: Number of jobs in tourism industries (as a percentage of total jobs and growth rate of jobs, by sex)

8.9.3 Energy use in tourism: Net domestic energy use by tourism industries

Target 12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

12.b.1 Stage of implementation of monitoring tools which are the Tourism Satellite Accounts (TSA) and the System of Environmental-Economic Accounting (SEEA)"

Target 14.7: By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

[suggested to complement the IAEG-SDG proposed indicator with above indicators 8.9.1 - 8.9.3]

These proposals were submitted in a note¹ to the Inter-agency and Expert Group on SDG Indicators (IAEG-SDG) and subject to discussion within the broader IAEG-SDG process of coming up with a proposed indicator set for monitoring the SDGs.

The IAEG-SDG has been established by the UN Statistical Commission under the “important mandate of the General Assembly to the Statistical Commission for the development and implementation of the proposed global indicator framework. [This] was reiterated by the Assembly in its resolution 70/1, “Transforming our world: the 2030 Agenda for Sustainable Development”, adopted at the United Nations summit for the adoption of the post-2015 development agenda on 25 September 2015. In the 2030 Agenda, Member States referred to “the global indicator framework, to be developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators” to “be agreed by the Statistical Commission by March 2016 and adopted thereafter by the Economic and Social Council and the General Assembly, in line with existing mandates” (resolution 70/1, E/CN.3/2016/2 15-22439 3/39 para. 75). Furthermore, Member States agreed that “follow-up and review at the high-level political forum will be informed by an annual progress report on the Sustainable Development Goals to be prepared by the Secretary-General in cooperation with the United Nations system, based on the global indicator framework and data produced by national statistical systems and information collected at the regional level”²,

Even though it was known that the IAEG-SDG was concerned about having to better recognize “sustainable tourism and use of local products”, through 2016 the understanding of the UNWTO and the Committee was that the IAEG-SDG had reached a general agreement that the following indicators were to be proposed to the UN Statistical Commission’s meeting in March 2017³ and that these indicators should be the focus of collection and monitoring efforts around Targets 8.9, and 12.b.

8.9.1 Tourism direct GDP (as a percentage of total GDP and in growth rate); and number of jobs in tourism industries (as a percentage of total jobs and growth rate of jobs, by sex)

12.b.1 Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools

In relation to Target 8.9 the IAEG-SDG indicators are the same as those proposed initially except of course for the exclusion of an indicator to cover the environmental dimension of sustainable tourism. Although relevant international statistical standards exist for the derivation of the energy use in tourism indicators (via the TSA:RMF and the SEEA Central Framework) it was understood this indicator was not retained due to the lack of implementation in countries. One option might have been to retain the environmental indicator as a Tier III indicator but this does not appear to have been considered.

In addition, concerns had already raised by the Committee regarding indicator 12.b.1 (see Annex 1) and this was communicated to the IAEG-SDG Co-Chairs and nearly all its members by e-mail and in advance of the 3rd meeting of the IAEG-SDG in Mexico City.

Unfortunately, no direct discussion about these concerns between the IAEG-SDG and the relevant tourism statistics agencies and experts has taken place. Nonetheless, the status of the indicators seemed finalized.

However, in December 2016, by chance, the Chair of the Committee on Tourism Statistics and TSA and the UNWTO happened to read about a change to one of the indicators proposed for monitoring target 8.9 via a draft of the SDG indicators report to be presented by the IAEG-SDG to the UN Statistical Commission in March 2017. In this report a new indicator concerning jobs in tourism has been included, namely:

8.9.2: “Proportion of jobs in sustainable industries out of total tourism jobs”

¹ Available here: <http://cf.cdn.unwto.org/sites/all/files/docpdf/unwtosdgtourismindicators02032016.pdf>

² See the Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators to the UN Statistical Commission, 47th session (March, 2016): <http://unstats.un.org/unsd/statcom/47th-session/documents/2016-2-IAEG-SDGs-E.pdf>

³ See for example the Compiled Results of Open Consultation on Possible Refinements (Oct 2016), where note for indicator 8.9.2 reads: “A Possible Refinement to Indicator 8.9.2: The IAEG would like to refine the indicator in order to specifically refer to “sustainable tourism and use of local products” but no concrete proposal currently exists”.

No definition of this new indicator or rationale for the change is provided in the report.

In light of this development, the Chair contacted the co-chairs of the IAEG-SDG to gain an understanding of the change. The response indicates that the change was made within the IAEG-SDG itself rather than via consultation and reflected a general desire for the indicator to be more sympathetic to the generic sustainability ambitions described in the target. It was accepted that this indicator did not currently exist and hence would be a Tier III indicator but suggested that tourism statistics experts might be able to establish in short-term a measurement alternative building on the established policy definition of sustainable tourism.

From a number of perspectives, there are significant concerns raised by the proposed new indicator and the implications for monitoring the relevant SDG target. This note discusses these concerns.

Measuring the sustainability of tourism

At a technical level, the primary concern is that the newly proposed indicator for jobs in tourism implies the need to determine which industries within the tourism “sector” might be considered sustainable and from this base assess the proportion of total tourism jobs that are in those industries. It may be that this is not the intended meaning but it seems the most viable interpretation.

Using this starting point, initial focus must consider the potential to measure “sustainable tourism industries”. As indicated in the response from the IAEG-SDG co-chair, it is certainly true that there is no established, statistically based indicator of sustainable tourism that would support identification of sustainable tourism industries. At the same time, it is also true that there is a well-established policy concept of sustainable tourism that has been developed under the auspices of the UNWTO. In concert with the work on the policy aspects of sustainable tourism there has also been an active program of measurement and the development of sustainable tourism indicators. While, to date, this has not involved the use or development of statistical standards, there is substantive research that can be used to inform on the potential to measure sustainable tourism.

The current situation is that after more than 20 years there is no conclusively agreed single indicator, or set of indicators, especially not one that might be applied at a national level. Essentially, the measurement approaches involve developing sets of indicators across the variety of themes relevant to sustainable tourism covering its economic, environmental and social dimensions. Indicator sets can comprise anywhere from around 10 to more than 200 indicators. The UNWTO Sustainable Tourism unit responsible for advancing policy in this area has recently established a core indicator set for application by the sustainable tourism observatories part of the UNWTO International Network on Sustainable Tourism Observatories (INSTO). This set gives a clearer indication of the types of measures that should be the focus of measurement but it is quite some distance from an indicator that could be used to determine whether particular tourism activities were sustainable.

A key lesson from the development of sustainable tourism policy and the associated indicators is that sustainability must also be conceptualized at a destination level – this is the level at which it is most meaningful to consider the combination of economic, environmental and social factors and to assess relevant capacities and thresholds.

With respect to the development of SDG indicators, the lesson from this past work on sustainable tourism policy and measurement is that there is no prospect in the short or medium term for establishing a single indicator that identifies sustainable tourism industries as would be required to meet the description of the new indicator for Target 8.9.

Notwithstanding this measurement challenge, and motivated by the renewed momentum behind the measurement of sustainable development, the UNWTO, with the support of UNSD, initiated a significant project titled “[Towards a Statistical Framework for Measuring Sustainable Tourism](#)” (MST). MST commenced in late 2015. Through 2016 there was significant progress in clarifying the measurement challenge, engaging with

relevant stakeholders and building momentum around the need for improved measurement in this area. A significant milestone was the 1st Working Group meeting of Experts in October 2016⁴. Much of the content of this note builds on the findings from research and discussion in the course of the MST project to date.

The recognition of the need for MST and its enthusiastic endorsement by a wide range of stakeholders points to the fact that work is underway to establish a sound statistical base for the measurement of sustainable tourism. The relevant experts are already engaged - as requested in the response from the IAEG-SDG co-chair. But still, it is also clear that short term solutions to find statistical definitions of sustainable tourism are not present. There is however, strong support for the potential of the tourism statistics community to build the required supporting material to advance the widespread measurement of the previously proposed indicators for target 8.9.

In terms of the definition of sustainable tourism itself, the research and discussion within the MST project has found and confirmed to key points that:

- A broad coverage is needed of economic, environmental and social factors but that the development of an integrated statistical measurement base should focus on economic (including employment) and environmental dimensions initially, as measurement of social and cultural aspects is less developed.
- It will be possible to build on existing statistical standards for tourism and the environment in the development of a statistical framework.
- The sub-national and destination dimensions are fundamental to understanding the sustainability of tourism activity.
- A number of indicators will be required to assess sustainability rather than a single or composite indicator.

The originally proposed indicators to cover target 8.9 were in line with this thinking. They were based on currently existing statistical standards (primarily the TSA:RMF, IRTS and SEEA Central Framework⁵); data for them exists in a large number of countries, and they were indicators that were in line with the types of indicators currently used within the sustainable tourism policy context.

Also, with an understanding of the indicators endorsed by the IAEG-SDG in early 2016 and provisionally approved by the UN Statistical Commission, work has been proceeding to extend and improve the compilation guidance in these areas notably the advance of a TSA compilation guide and a Technical Note on the development of environmental indicators (based on the SEEA Central Framework) for tourism. As part of the MST there are also a range of pilot studies underway to advance the statistical measurement of sustainable tourism along these lines.

Concerns regarding the new indicator for jobs in sustainable tourism industries

Unfortunately, the proposed new indicator 8.9.2 holds no clear benefits from the perspective of monitoring the target. The following are the main likely challenges in measurement and implementation:

- Since tourism is defined from the demand side the conceptualization of sustainable industries is not clear.
- There is no general statistical definition of “sustainable industries” which could be applied to tourism and no apparent prospect of such a definition in the short term. Ultimately defining sustainability will require the balancing of information on economic, environmental and social factors and hence likely require some sense of weighting of these factors. This has not been successfully undertaken for any industry, especially from a statistical perspective.

⁴ All documents including agenda, list of participants and the proceedings are available here: http://statistics.unwto.org/wg_meeting.

⁵ Tourism Satellite Account: Recommended Methodological Framework 2008 and International recommendations for Tourism Statistics 2008, available here: <http://unstats.un.org/unsd/tradeserv/tourism/manual.html>. The System of Environmental-Economic Accounting 2012 Central Framework, available here: <http://unstats.un.org/unsd/envaccounting/seearev/>

- There is no statistical definition of “tourism jobs” strictly speaking. The TSA:RMF 2008 states: “the measurement of employment is limited to employment in the tourism industries and the variables used to express this volume are the number of jobs and hours worked” (para 4.64). “Direct tourism employment” is the concept employed to describe jobs that can be directly attributed to tourism spending in tourism and non-tourism industries. Thus, the TSA:RMF 2008 concerns jobs in industries classified as tourism ones.
- Even if agreement on definitions for “tourism jobs” and “sustainable industries” can be reached, it still leaves open the question of how these two concepts relate. Conceptually speaking, it could be envisaged that just because a tourism job is in a “sustainable industry” doesn’t mean that the tourism job itself would necessarily be sustainable.
- There is no particular connection of the proposed indicator with the policy discussion on sustainable tourism, i.e. it is not an indicator that has been discussed in that context and hence the motivation for its measurement is unclear.
- The newly proposed indicator is not based in any existing or related statistical frameworks or statistical infrastructures, even though the Committee understands that a guiding principle in designing the SDG indicator framework was precisely to have a statistically based indicator set following the request by the UN General Assembly.

Given the lack of definition of the components of the newly proposed indicator, there will be no associated measurement in the medium/long term even in developed countries, and adoption in developing countries would take even longer. The implied lack of monitoring of progress towards this target when the potential for active measurement exists is frustrating from a statistical perspective since it tends to reinforce the perception that statisticians are happy to let the perfect be the enemy of the good.

Above these more technical concerns, perhaps of greatest concern to the Committee, is that the proposal for the new indicator has not had any input from the experts in tourism statistics and those agencies responsible for the advancement of measurement in this area. More broadly, engagement with the IAEG-SDG process has been extremely challenging; a more active involvement of stakeholders concerned with the various topics by the IAEG-SDG would be highly appreciated and support the discussion process.

A pathway forward

It is recognized that progress is required towards improved measurement of sustainable tourism. The establishment of the MST in late 2015 and the substantive progress that has been made, especially in terms of engaging a wide range of relevant stakeholders, suggests that improvements in measurement will be possible progressively in the coming months and years.

However, for the purposes of measuring progress towards the current SDG targets, the Committee feels a pragmatic stance must be adopted in the selection of indicators. This recognizes the need to further establish tourism statistics and related environmental and social statistics in all countries, since all three dimensions must be captured to give effect to individual sustainability indicators.

From this pragmatic perspective, there is sufficient information and agreement to identify a limited number of relevant indicators on sustainable tourism as proposed in late 2015 and early 2016. For measuring the role of employment and jobs this would mean monitoring the number of jobs in tourism industries which is agreed to be an important aspect of sustainability in tourism. The Committee is firmly of the view that continuing to advance toward improved measurement of these indicators is the appropriate course of action.

This approach would additionally have the benefit of recognizing that the previously agreed indicators are currently being produced by many countries and also already part of structural international data compilation by UNWTO (even though coverage can admittedly be improved)⁶. As mentioned before, the Committee is very much

⁶ This would have in fact justified classifying the original indicator 8.9.2 as Tier I, instead of Tier II which is how it became classified officially by the IAEG-SDG.

aware and actively working on advancing a framework for Measuring Sustainable Tourism driven by various motivations including, but not limited to, monitoring of the SDGs.

As outlined in this note the Committee considers that the recently proposed indicator for jobs is not suitable. At the same time, again recognizing the need to seek opportunities to progress towards more advance indicators in this area, the Committee proposes that another indicator be incorporated being “Green jobs in tourism”. This indicator would build on research in the past 5-10 years by the ILO on defining green jobs. Further, this topic has been included on the research program for the MST with work to be commenced in the near future led by ILO. While this would reflect an additional indicator it would point towards the types of developments in measurement that need to be encouraged through the SDG process.

The Committee also notes that it continues to see merit in the concerns raised previously about the IAEG-SDG proposed indicator for Target 12.b and it therefore proposes that the IAEG-SDG adopt the Committee proposed indicator for this Target to ensure that monitoring of the progress towards the SDGs can proceed as meaningfully and as practically as possible.

Finally, the Committee seeks a more open and engaged discussion with the IAEG-SDG on matters concerning the measurement of sustainable tourism. This is indeed an important area, as recognised in 2017 being the “International Year of Sustainable Tourism for Development”; additionally, the 6th UNWTO International Conference on Tourism Statistics, being held 21-24 June 2017 in Manila/Philippines is dealing with this topic. Progress towards the ambitions would benefit from effective use of the energy and expertise of tourism statistics experts from around the world.

Annex 1

Concerns raised by the Committee on indicator 12.b

(extract from the Note provided to the IAEG-SDG by UNWTO⁷)

While the proposed indicator duly recognizes the “means of implementation” character of target 12.b, it should be recognized that there are some fundamental measurement issues. Primarily, there is no internationally agreed (statistical) concept that can be used to define a “sustainable tourism strategy or policy and action plan”, nor what the relationship/boundary may be between the three different instruments (e.g. a tourism master plan may contain elements of all three—thus would this count as 1 or 3 actions?). In addition, there is currently no international dataset collecting this information, nor any plans to do so, and it would seem difficult to incorporate into existing statistical infrastructures due to the abovementioned issues.

Given these realities, it is proposed that the most appropriate indicator for target 12.b is one that measures directly the “develop[ment] and implement[ation of] tools to monitor” sustainable tourism in a country. In this context, UNWTO considers that the relevant monitoring tools are the international statistical standards applicable to the measurement of sustainable tourism, notably the TSA:RMF and the SEEA Central Framework. Consequently, an appropriate indicator for Target 12.b would involve assessment of the “stage of implementation of SEEA and TSA frameworks”. This could be measured by the number of tables produced. Alternatively, it could be directly linked to indicators for Targets 17.9.8 and 17.19.9 through definition of the indicator using the dollar value of resources allocated to implementation of the SEEA and TSA frameworks.

Adopting an indicator of this type could help motivate the necessary (investments in) statistical development in countries towards implementing a SEEA-TSA based statistical framework for sustainable tourism. This, in turn, would support the production of indicators on sustainable tourism itself (such as those necessary to monitor Target 8.9).

UNWTO proposal

For Target 12.b, the currently proposed indicator should be adapted to focus on measurement of the stage of implementation of the SEEA and TSA frameworks.

⁷ Available here: <http://cf.cdn.unwto.org/sites/all/files/docpdf/unwtosdgtourismindicators02032016.pdf>

⁸ Proposed indicator 17.9.1*: The dollar value of financial and technical assistance, including through North-South, South-South and triangular cooperation, committed to developing countries’ designing and implementing a holistic policy mix that aims at sustainable development in three dimensions (including elements such as reducing inequality within a country and governance)

⁹ Proposed indicator 17.19.1 Dollar value of all resources made available to strengthen statistical capacity in developing countries