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Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA

# **A Framework to Assess the Sustainability of Rural Tourism Products in South Africa**

**University of Venda**

**and**

**Council for Scientific and Industrial Research**

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## Acknowledgements

This is a shortened version of the research report titled Sustainability of Rural Tourism Products in South Africa that has been prepared by Gift Dafuleya, Lorren Haywood, Tondani Nethengwe, Karen Nortje and Fhatuwani Sumbana in the frame of a Memorandum of Understanding between the National Department of Tourism (NDT) and University of Venda and sub-service contract between University of Venda and Council for Scientific and Industrial Research CSIR). This version relates only to the sustainability framework of rural tourism products (RTPs) in South Africa.

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## 1.1. Introduction

The 2030 Agenda for Sustainable Development, encompassing 17 Sustainable Development Goals (SDGs), and 169 targets, was adopted at the United Nations General Assembly in September 2015, and will govern the development priorities for the coming 15 years. Goal 8, which calls for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, specifically targets to devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products. In this instance, tourism is seen as one of the driving forces of global economic growth, and indeed this is so as tourism currently accounts for 1 in 11 jobs worldwide. Goal 12, which calls for ensuring sustainable consumption and production patterns, has a target of developing and implementing tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

Noteworthy in the foregoing targets of the development goals is the promotion of local culture and products, which mostly relate to RTPs. The emphasis is also on the sustainability of tourism products. A framework to be used to assess the sustainability of tourism products in general and RTPs in particular is therefore timely in South Africa. We have reviewed the tourism frameworks available elsewhere, including that provided by the United World Tourism Organisation (UNWTO), which is posed to assisting countries to reach SDGs by 2030. We use this framework, together with the other frameworks that have been documented in the extant literature, to arrive at the framework most suitable for South Africa and its unique context.

## 1.2. Principles, Criteria and Indicators

The framework comprises of six key principles which embrace the key elements of sustainability which all RTP's may need to be addressing. The principles are:

**Sustainability Management:** relates to the planning, organising, leading and controlling of tourism activities, services and/or activities while at the same time sustaining the social, economic and natural environment upon which the economy and society depend.

**Economic Viability:** tourism products should be able financially profitable for owners to continue providing them as a going concern, while having a positive impact on society and environment.

**RTP Satisfaction:** measures how tourism activities and/services supplied by the RTP meet or surpass tourists' expectation. It provides RTP owners with a metric that they can use to manage and improve their RTP.

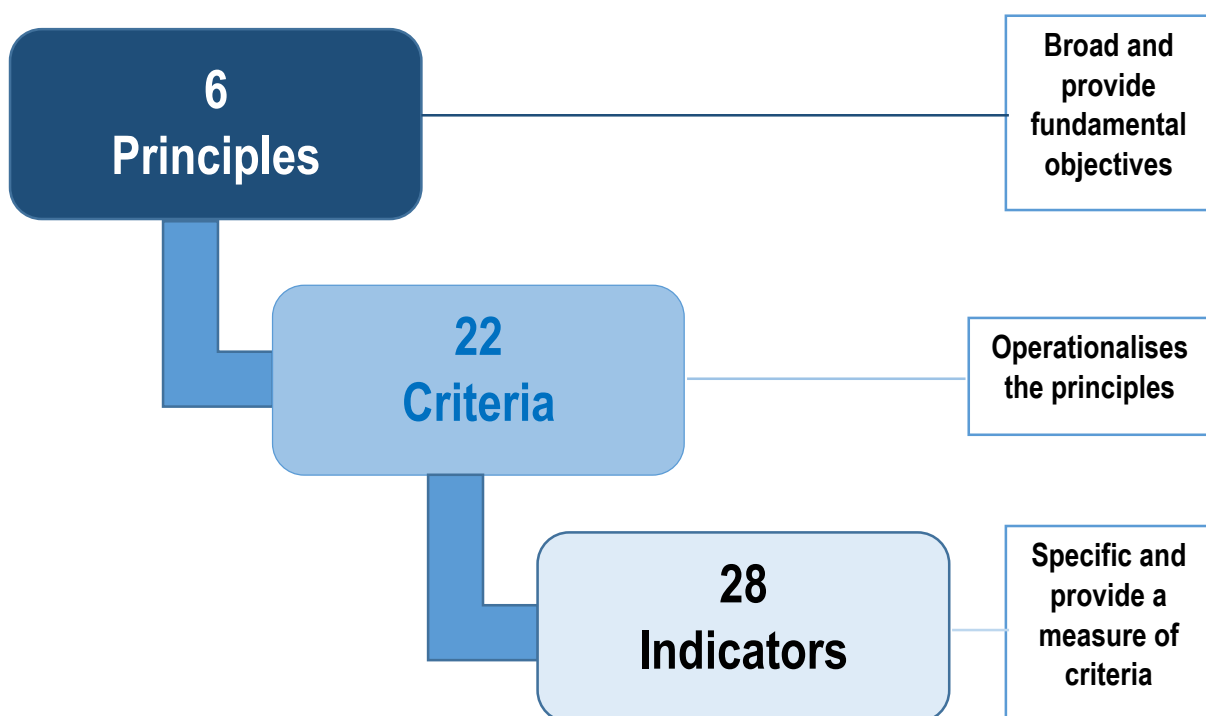
**Socio-cultural Authenticity:** the extent to which a tourism product reflects the beliefs, values, culture and heritage and depicts an accurate detail of the everyday life and experience of a specific community surrounding the RTP.

**Community Beneficiation and Well-being:** the tourism product should give access to decent ownership and work opportunities to the locals, particularly youth, women and people with disabilities, and be a tool for the empowerment of these vulnerable groups, helping to ensure that their participation in all aspects of society is full.

**Optimal Use of Resources:** tourism products have the moral and commercial imperative to efficiently use resources, and conserve and preserve fragile ecosystems.

Associated with each of the principles are criteria and indicators, which are reflected in the next section. These criteria are in essence management objectives for each principle. This means they are the objectives that the RTP need to be addressing in order to be sustainable for each principle. For each criterion are indicators that will enable the RTP to measure their performance for the criteria. Principles are very broad, and criteria narrows down to afford the creation of indicators which are very specific, as shown in figure 1 below.

Figure 1: RTP Sustainability Principles, Criteria, Indicators



Source: Authors

### 1.3. RTP Sustainability Framework

The framework has three core functions. Firstly, it provides RTPs with an understanding of the aspects of sustainability for which they need to be responsible. For example, the principles and criteria provide the RTP with the sustainability conditions which they need to address and measure in their operations. Secondly the framework provides indicators. Having indicators enables the RTP to measure their sustainability performance. Thirdly, associated with each indicator is a sustainability scale to enable the RTP to measure their performance against each criteria within each principle. The scale (seen table below) can serve as a sustainability roadmap in that it provides the RTP with the relevant information that would enable the RTP to improve on their sustainability performance in the preceding years. Each weighting represents a measure that relates to the level of performance of an RTP.

Table 1: RTP sustainability scale

Weighting	Measure	Level of performance
1	Fails to demonstrate an ability to meet the requirement.	Very Poor
2	The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.	Poor
3	The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.	Acceptable
4	The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.	Good
5	The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.	Excellent

Source: Authors

The sustainability framework is provided in table below.

### PRINCIPLE 1: SUSTAINABILITY MANAGEMENT

CRITERIA	INDICATOR	SUSTAINABILITY SCALE	REASON FOR INDICATOR	SOURCE OF INDICATOR	FURTHER INFORMATION/ QUESTIONS/ EXAMPLES TO GUIDE RTP
<b>Responsible Tourism Strategy/Plan</b>	A responsible tourism plan (i.e a plan that documents the environmental and socio-economic plan of the RTP)	1: no strategy or plan 2: draft strategy or plan exist but not being implemented 3: strategy or plan exists and is implemented but only addresses one pillar of sustainability 4: strategy or plan exist and is implemented with at most two pillars of sustainability being addressed 5: a comprehensive strategy or plan, fully implementing all pillars if sustainability and details environmental commitments community engagement, employment equity, education etc.	An organisation that provides a service needs to have a strategy that details how they manage their impacts on the environment stakeholders (e.g. tourist) and indirect stakeholders (e.g. community members).	RTP's Responsible Tourism Strategy/plan or related document	Have you consulted the National Responsible Tourism Development Guidelines for South Africa (March 2002)? This document outlines what tourism products need to consider to be responsible and sustainable. This document will help the RTP to set up a sustainability plan.  In addition, have you consulted the South African National Standards on Responsible Tourism? Section 5.1.2. states that organisations shall establish a responsible tourism policy.
<b>Education/training</b>	Number of employees trained on reducing negative environmental, social, and economic impacts	1: 0-24% employees 2: 25% -49% employees 3: 50% -74% employees 4:75% - 99% employees 5:100% employees	Staff trained in the management of environmental, socio-cultural, health and safety practices become sensitive to issues that potentially lead to diminished demands of the RTP.	Employee training records	Have you consulted the South African National Standards on Responsible Tourism? Section 5.1.5 states that organisations shall facilitate staff awareness of and training in its responsible tourism policy.
<b>Employment equity</b>	Employment equity plan	1: No employment equity plan 2: RTP has an employment equity plan but it has not been submitted to DG of Department of Labour	RTP need to ensure that they employ as many local people from the surrounding communities as possible.	Equity plan, report and audit findings.	Have you consulted the Equity Act No 55, 1998?

		<p>3: RTP has an employment equity which has been submitted to DG of Department of Labour</p> <p>4: RTP has an employment equity which has been submitted to DG of Department of Labour and has undergone an audit</p> <p>5: :RTP has a comprehensive employment equity act and has been audited (clean audit)</p>	<p>The company is equitable in hiring women and local minorities.</p> <p>South Africa has BEE regulations in place which need to be adhered too.</p>		
<b>Regulatory compliance</b>	Licences and registration to appropriate regulations	<p>1: RTP has not undertaken to acquire necessary licences and does not adhere to regulations</p> <p>2: RTP is in violation to licences and regulations</p> <p>3: All licences and registrations are up to date</p> <p>4: RTP has received certificates of compliance to licences and regulations</p> <p>5: RTP has received certificate of excellence for compliance to licences and regulations</p>	This criteria is important to ensure that the product is operating legally and within the regulations of the law	<p>Risk register</p> <p>Compliance audit reports and certificates</p>	Have you consulted the South African National Standards on Responsible Tourism? Section 5.1.1. states that organisations shall comply with all relevant national, provincial and local legislation, licences and permits as may be required.
<b>Health and safety</b>	Health and safety policy	<p>1: RTP has no health and safety policy</p> <p>2: RTP has a policy health and safety policy but are still recording non-compliance (i.e. work related accidents, not communicated to staff and guests, etc.)</p>	Non-compliance with health and safety standards can have devastating consequences in the form of accidents, loss or life and injury.	<p>Health and safety procedure manual/guideline.</p> <p>Observing equipment such as fire extinguishers.</p>	<p>Have you consulted the Occupational Health and Safety Act 85, 1993?</p> <p>For example, a score of 5 is given when the RTP complies with all</p>

		<p>3: RTP complying with health and safety policy</p> <p>4: RTP complying with health and safety policy and reducing work related accidents</p> <p>5: RTP has gone above and beyond the standards.</p>	<p>All RTP's need to have measures in place that ensure the health and safety of their employees and tourists as well as safety equipment such as fire extinguishers.</p>		<p>health and safety requirement and then innovates in its own ways to have either extra requirements or activities, such as providing a gym at the work place, that assist employees to be health and safe.</p>
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### PRINCIPLE 2: ECONOMIC VIABILITY

CRITERIA	INDICATOR	SUSTAINABILITY SCALE	REASON FOR INDICATOR	SOURCE OF INDICATOR	FURTHER INFORMATION/ QUESTIONS/ EXAMPLES TO GUIDE RTP
<b>Financial performance/profit ability</b>	Profit margin	<p>1: making a loss with no improvements over time</p> <p>2: making a loss with improvements over time</p> <p>3: breaking even</p> <p>4: profit margin between 1 and 14%</p> <p>5: profit margins above 15%</p>	The RTP needs to show that it is economically sustainable using standard financial performance indicators.	RTP's financial statement	For example, suppose RTP X's revenue for one year is R100,000.00, and its total expenditures are R75,000.00. This would yield a profit margin of 25% $[(R100000 - 750000/100000)]$
<b>Checks and balances</b>	Budgets and projections	<p>1: none</p> <p>2: RTP drafts budget and projections</p> <p>3: working within budget and projections</p> <p>4: medium planning</p>	Financial planning for the RTP needs to be in place to monitor economic viability on a regular basis.	Financial budgeting, monitoring and evaluation, and/or any related reporting documents	<p>How to do a simple financial budget and/or projection</p> <ol style="list-style-type: none"> <li>1. Start with a sales forecast.</li> <li>2. Set-up spreadsheet projecting your sales over the course of three years</li> <li>3. Create an expenses budget</li> <li>4. Develop a cash-flow statement</li> <li>5. Do income projections</li> </ol>



		5: long term planning and projections: growth of investments			6. Deal with assets and liabilities
<b>Risk management</b>	Risk register	1: none 2: none but have risks in the mind .i.e. not recorded 3: risk register – i.e. the risks are recorded in some way or form 4: recorded and include mitigations to the risks 5: probabilities and uncertainties included	The RTP needs to identify risks to the business and have measures in place to address the risks should they materialise.	Risk register	Know the five steps in risk management: Step 1: Identify the risk Step 2 Analyse the risk Step 3 Evaluate or rank the risk Step 4: Treat the risk Step 5: Monitor and review the risk
<b>Usage demand of RTP</b>	Ratio between the actual use of the RTP vs the maximum capacity use of the RTP	1. Nil 2. 1-49% 3. 50% 4. 51-70% 5. 71-100%	Gives an indication of the progress of the RTP in terms of growth. Also provides indications of hesitance if potential customers renege on their bookings.	Reservation records	For example, if 100 potential users' book but only 40 actually use, the booking-usage rate is 40%.



### PRINCIPLE 4: SOCIO-CULTURAL AUTHENTICITY

CRITERIA	INDICATOR	SUSTAINABILITY SCALE	REASON FOR INDICATOR	SOURCE OF INDICATOR	QUESTIONS TO ASK WHEN ASSESS THE CRITERIA / EXAMPLES
<b>Cultural richness</b>	Local cultural values, diversity, history, testimonials, and heritage anchored in the RTP vision, mission, or product offerings.	1: None – no recognition of local culture 2: Some reference made but little integration into RTP offering or vision and mission. 3: Local culture embedded in product offering but does not feature in the vision or mission of the RTP. 4: Local culture embedded in product offering and features prominently in the vision and mission of the RTP. 5: Local culture embedded in product offering and features prominently in the vision and mission of the RTP. In addition, there is clear evidence of innovation in terms of integrating local culture in all aspects of the RTP.	Supporting the continuation of cultural richness and awareness in the local area will ensure local support but more importantly engender longevity of the cultural space within which this RTP operates. This includes local cultural traditions, cultural mores (values, beliefs, behaviour etc.) and local and indigenous knowledge.	Mission and vision statement.  Product pamphlets	Does your RTP make an effort to include elements from the local culture in its offering?  Does your vision and mission seek to actively support the local culture in the area?  How innovative are you in the way in which you seek to embed the local culture into you RTP offering and vision and mission? This could be include things like: incorporation of local customs into operations; or, making use of living heritage options such as cultural tradition, oral history, performance, ritual, popular memory, skills and techniques, indigenous knowledge system or traditional craftsmanship.
<b>Cultural awareness and authenticity</b>	Availability of cultural heritage promotion materials, adverts, programmes or plans.	1: None available 2: Available - verbal and on request information is provided 3: Promotional material readily available and available via multiple platforms and reflects current/up to date options 4: In addition to (3) promotional material that has clear forward and backwards linkages 5: In addition to (3 &4) RTP actively promotes and seeks to create opportunities for cultural awareness above and beyond its own operations.		Outreach plans and programmes  Product promotion or advertising materials.  Business innovation and development plan Communication strategy	Do you make sure that you are aware of local cultural events or programmes happening in your area?  Do you make an effort to promote local cultural events or products? Do you actively seek to create RTP offerings that promote other cultural offerings in the area?

**PRINCIPLE 5: COMMUNITY BENEFICIATION AND WELLBEING**

<b>CRITERIA</b>	<b>INDICATOR</b>	<b>SUSTAINABILITY SCALE</b>	<b>REASON FOR INDICATOR</b>	<b>SOURCE OF INDICATOR</b>	<b>QUESTIONS TO ASK WHEN ASSESS THE CRITERIA / EXAMPLES</b>
<b>Local employment</b>	<p>Percentage of local residents employed per total staff compliment.</p> <p>Percentage of local employees employed at management level per total staff at management (supervisory, management and executive)</p> <p>Percentage of procurement from the local community suppliers (procurement also includes services-total business value chain)</p>	<p>1: Less or equal to 20%</p> <p>2: 20% &lt; percentage of local residents employed per total staff compliment &lt; 40%</p> <p>3: Percentage of local residents employed per total staff compliment = 40%</p> <p>4: 40% &lt; percentage of local residents employed per total staff compliment &lt; 60%</p> <p>5: Percentage of local residents employed per total staff compliment &gt; 61% and above</p> <p>1: Less than or equal to 5%</p> <p>2: 5% &lt; Percentage of local employees employed at management level per total staff at management &lt; 15%</p> <p>3: Percentage of local employees employed at management level per total staff at management = 15%</p>	<p>Local prosperity has a huge potential to guarantee local support and sustenance of the RTP.</p>	<p>Market data employment (full-time; part-time; contract; demographics);</p> <p>Business records</p> <p>Visitor spending surveys</p>	<p>“Local” here refers to the community or communities within which the RTP is situated. Community in this sense is defined as: a group of people who share social ties, share common perspectives, and engage in joint action in geographical locations or settings. In South Africa, particular emphasis should be given to communities with strong cultural connections or who are indigenous to a particular place.</p> <p>Note: a person can only be considered a part of a local community if they are identified as such by others of the same community AND they live in the geographical proximity of said local community.</p>

		<p>4: 15% &lt; Percentage of local employees employed at management level per total staff at management &lt; 25%</p> <p>5: 25% and above</p> <p>1: Less than or equal to 20%</p> <p>2: 20% &lt;Percentage of procurement from the local community suppliers &lt; 40%</p> <p>3: Percentage of procurement from the local community suppliers = 40%</p> <p>4: 40% &lt; Percentage of procurement from the local community suppliers &lt; 60%</p> <p>5: 60% and above</p>			
<b>Local partnership or ownership</b>	Percentage of local ownership or partnership	<p>1: Less than 5%</p> <p>2: Between 5% and 25%</p> <p>3: Between 26% and 30%</p> <p>4: Between 31% and 40%</p> <p>5: More than 40%</p>	Local ownership or partnerships is an ideal way to ensure local community beneficiation.	Business partnership and ownership records	

<p><b>Capacity Building</b></p>	<p>Skills development expenditure as a percentage of total payroll</p> <p>Skills development opportunities provided to local community</p>	<p>1:0% 2: At 2% or less 3: Between 3% and 4% 4: Between 5% and 7% 5: At 8% and more.</p> <p>1: None provided 2: Awareness of skills development opportunities raised but not provided by RTP. 3: In addition to (2), skills development opportunities provided internally (in-house) to the RTP staff only from local community 4: In addition to (3) skills development opportunities provided externally (out-sourced) to the RTP staff only from local community 5: 4: In addition to (4), skills development opportunities are provided to unemployed members of local community.</p>	<p>The indicators can provide evidence on the socio-economic impacts of the RTP on the well-being of the community. Some of the indicators have a negative effect. Assessing the net well-being could therefore be crucial.</p>	<p>Interviews with key informants.</p> <p>Focus groups with community members and business owners.</p> <p>Community questionnaire</p>	<p>Note - Skills development expenditure on par with BEE standards</p> <p>Skills development includes training, learnerships, apprenticeships and internships</p>
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<b>Corporate social responsibility</b>	Corporate social responsibility (CSR) plan	<p>1: No CSR plan in place</p> <p>2: CSR plan exist but is not being implemented</p> <p>3: CSR plan exists but its implementation does not address local beneficiation and does not have a monitoring and evaluation component</p> <p>4: CSR plan exist and its implementation addresses local beneficiation but does not have a monitoring and evaluation component.</p> <p>5: A CSR plan exists and its implementation addresses local beneficiation and has a monitoring and evaluation component.</p>	Local beneficiation through knowledge sharing and capacity building potentially strengthens the sustainability of RTP.	Knowledge and skill transfer plan and support programmes in the business (tourism firm) documents.	A systems approach to a CSR plan means that it is reflected in the plan that the organisation recognises that it is embedded within a larger social ecological system upon it and other shared user are dependent for resources.
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### PRINCIPLE 6: OPTIMAL USE OF RESOURCES

CRITERIA	INDICATOR	SUSTAINABILITY SCALE	REASON FOR INDICATOR	SOURCE OF INDICATOR	FURTHER INFORMATION/ QUESTIONS/ EXAMPLES TO GUIDE RTP
<b>Water management</b>	Water consumption on a yearly base.	1: water consumption increased over a year and the RTP has no water efficiency measures in place 2: water consumption stayed the same with no water efficiency measures in place 3: water consumption stayed the same as previous year even with water efficiency measures in place 4: water consumption decreased between 5-25% with water efficiency measures in place including the reuse of waste water 5: water consumption decreased between 26-50% with water efficiency measures in place including the reuse of water	Water consumption is measured and reduction/efficiency measures in place to reduce water use where possible.	Utility records, environmental monitoring records	Water efficiency for this indicator includes the reuse of water. The RTP can highlight a reduction in water consumption due to the reuse of water for other purposes.  Have you consulted the South African National Standards on Responsible Tourism? Section 5.4.3 states that the tourism product needs to decrease overall consumption of water and improve the reuse of waste water.
<b>Solid waste management</b>	Solid waste management plan	1: The RTP does not have waste management plan 2: waste management plan is in draft 3: Waste management plan is being implemented 4: Waste management includes recycling of waste 5: Waste management includes recycling of waste and reuse of waste	RTP needs to put in measures to reduce their solid and liquid waste. Recycling programme needs to be introduced and measured.	Utility records, environmental monitoring records	Waste management plan needs to address solid and liquid waste Addresses waste production, storage, collection, recycling and reuse.  Have you consulted the South African National Standards on Responsible Tourism? Section 5.4.5 states that an organisation needs to implement a waste management plan that looks to minimize



	Waste production and waste reduction	<p>1: waste production and reduction is not being measured</p> <p>2: waste produced by the RTP has not reduced over the past year</p> <p>3: waste production has been reduced over the past year</p> <p>4: waste production has been reduced and recycling programme implemented</p> <p>5: Waste recycled/reused is greater than unusable waste</p>			waste production of both solid and liquid waste.
<b>Energy conservation</b>	Energy saving mechanisms	<p>1: The RTP does not apply any energy saving mechanism</p> <p>2: The RTP does apply energy saving but does not measure the saving</p> <p>3: The RTP continues to save between 10-29% of total energy use due to energy saving mechanisms</p> <p>4: The RTP continues to save between 30- 49% of total energy use due to energy saving mechanisms</p> <p>5: The RTP continues to save more than 50% of total energy use due to energy saving mechanisms</p>	RTP needs to measure their energy consumption and put in place reduction/conservation measure this would include the energy saving devices (energy saving bulbs, solar geysers, etc) and the use of renewable energy where possible.	Utility records, environmental monitoring records	<p>This criteria applies even to those RTP's that do not use electricity from the national grid. All RTP's needs to have measures in place that address energy conservation as whatever form of fuel used to generate energy for the RTP produces carbon. All carbon needs to be reduced.</p> <p>Have you consulted the South African National Standards on Responsible Tourism? Section 5.4.2 states that an organisation must measure its energy consumption, indicating all its energy sources and shall adopt goals and measures to decrease overall energy consumption.</p>

	Energy mix	<p>1: The RTP is completely reliant on the national grid and does not implement any energy saving mechanisms</p> <p>2: The RTP is reliant on the national grid and implement energy saving mechanisms</p> <p>3: The RTP makes use of energy from national grid and another source of renewable energy sources such as solar or biofuel</p> <p>4: The RTP is not dependent on national grid using other fuel sources and /or renewable energy</p> <p>5: The RTP operates completely on renewable energy (solar, wind, biofuels)</p>			
<b>Ecosystem and biodiversity protection</b>	Identification and management plan of sensitive ecosystems	<p>1: The RTP is not aware of sensitive ecosystems for which their RTP is a part of.</p> <p>2: RTP is aware of sensitive ecosystems but have not identified measures to protect them.</p> <p>3: all sensitive ecosystems have been identified and management plan exists</p> <p>4: RTP actively monitors and manages sensitive ecosystems on site</p> <p>5: Sensitive ecosystems are identified and exist within the operation of the RTP but the</p>		Environmental management plan	Have you consulted the South African National Standards on Responsible Tourism? Section 5.4.12 states that an organisation must shall contribute to local biodiversity conservation, including supporting natural protected areas and areas of high biodiversity value. In addition, section 5.4.13 states that an organisation shall avoid adverse effects on ecosystems, and shall rectify any negative environmental impact resulting from its activities

		RTP does not have any impact on such ecosystems.			
<b>Controlling tourist carrying capacity of RTP</b>	Intensity of visitors of the RTP	<p>1: carry capacity of visitors for the RTP not known so can't evaluate if RTP is over used.</p> <p>2: density counts of visitors greater than carry capacity of RTP, i.e. RTP is too crowded</p> <p>3: density counts matches carrying capacity</p> <p>4: RTP has program in place for optimal use of RTP and actively ensures that carrying capacity is not exceeded</p> <p>5: Optimal carrying capacity of the RTP is linked to health and safety and sensitive ecosystems of the RTP.</p>	<p>How many visitor is too many?</p> <p>Too many visitors can cause stress on the RTP and the ecosystem in which it operates. In order to avoid this the RTP most keep visitors within the carrying capacity of the RTP</p>	Records of number of users of the RTP	<p>Have you consulted the South African National Standards on Responsible Tourism? Section 5.4.13 states that an organisation must avoid adverse effects on ecosystems, and shall rectify any negative environmental impact resulting from its activities.</p>

Source: Authors

## 1.4. Selection of Indicators Decision Tree

This subsection provides recommendation on how to select sustainability indicators that are contextual to the RTP and its category. The guidance can assist the owners of RTPs to genuinely assess themselves, as being sustainable is in their own benefit. A challenge may arise if, for instance, NDT may want to fund an RTP based on sustainability. In such an instance, the RTP may have no choice but to assess their sustainability using the indicators as dictated by the funder.

Figure 2 sets out a decision tree providing guidance for thinking through the main steps and decisions which need to be taken when selecting sustainability indicators, in line with the context of the RTP, and the general direction that the owners may want to take. Before discussing the key steps in the decision tree, we first justify why context may differ between RTPs within and in different categories.

An example will illustrate how context could lead to the adoption of a different indicator, which nonetheless address the same criteria and principle of sustainability as provided in the framework. Assume that we have two nature-based RTPs, one just entered the tourism market and the other has been around for more than a decade. These two RTPs are competitors as they offer the same activities, services and/or attractions. The new RTP may not be expected to make profits in its first year as it starts operations. While it is possible to measure the performance of the RTP based on profit margins, this may arguable not be the best choice of an indicator given that it may make it appear like the RTP is not sustainable, when in fact it is because it is just at its infancy. A related financial performance indicator, such as the payback period, or another, may be appropriate instead. However, for its counterpart – the rival RTP that has existed for more than 10 years – using profit margins makes sense as the RTP is established and is definitely expected to make profits.

The foregoing example is one amongst many other indicators which may be not be fairly harmonised across all RTPs because of different contexts. For this reason, it is not appropriate to be prescriptive regarding specific indicators that should be adopted, which must necessarily be context-specific and informed by an RTP's monitoring activities and pre-existing data. Nonetheless, it is appropriate to indicate that the minimum number of indicators selected should not be less than the criteria provided in this report; given that the principles and their related criteria are key elements and present the minimum requirement to assess sustainability. The decision tree set out in the figure below provides a guide through the process of sustainability indicator selection. For each step, guidance is provided below.

**Steps 1 – 2:** These are taken directly from the framework. What is important is to make sure that the criteria is aligned with the principle.

**Step 3:** It is necessary to determine the context of the RTP, as in some cases the indicators identified and employed in the framework presented in this report may not be applicable. This cannot be decided a priori, outside the sustainability principles and the product cycle of the RTP. Where a principle is indicated as standard, it means that most of the indicators can apply across most RTPs.

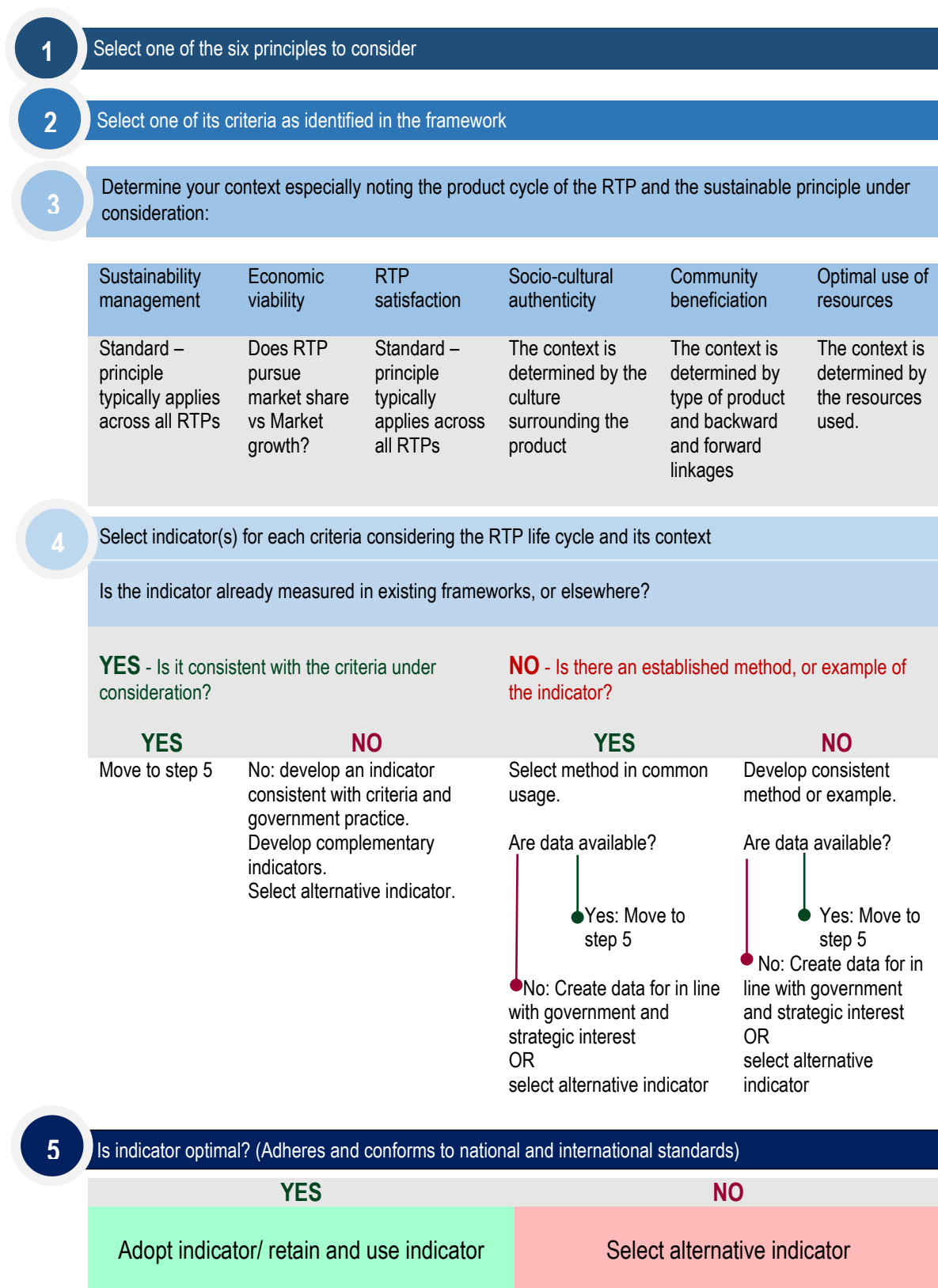
**Step 4:** The choice of type of indicator is salient, and it is necessary to consider which types to choose for the RTP because only a limited number may be selected for cost and pragmatic reasons. The following checklist may be considered in making the decision:

- How many indicators are desirable for the RTP, taking into consideration the size of the RTP?

- What type of indicators are already used or omitted and are necessary for assessing sustainability?
- Do these indicators relate appropriate to all principles of sustainability without bias?
- What type of benchmarks already exist in relation to the RTP?

**Step 5:** Indicators should be considered in relation to national and international standards. Perhaps international standards seem far-fetched, but national standards are a requirement that in most cases have to be fulfilled.

Figure 2: Selection of indicators decision tree



Source: Authors