



Guidelines for promoting public policies on

SUSTAINABLE TOURISM IN THE STATE OF MATO GROSSO

DESIGN AND STRUCTURE

SEDEC
Secretaria
de Estado de
Desenvolvimento
Econômico





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Introduction

Tourism is an economic activity that creates value for a number of other activities, including transportation, food, recreation and entertainment, movable goods rentals, and many others. Tourism plays a key role in the regional economy and links a variety of developmental stakeholders like governments, communities, private initiatives, trade associations, professionals and business owners from diverse industries, and regulatory agencies.

These factors characterize its development in such a way that, regardless of the region, there are fundamental issues that are part of an overall consensus, such as the system of governance, the relationship between public authorities and private initiative, long-term vision and strategy alignment, public policy, and community engagement.

According to the World Tourism Organization (WTO) Sustainable Development Guide, enacting tourism policies and plans requires a number of different approaches and techniques. Proposals on planning need to be enforceable, and the ways to consolidate them should be addressed throughout the process. Both the government and the private sector are responsible for implementing these plans, and their respective roles have to be clearly defined. A political commitment to developing tourism in a planned and sustained manner is vital for making sure it is effective.

The public sector's role in establishing tourism generally involves tourism policy, planning and research. This ensures a sound infrastructure for tourism that provides tourist attractions, assigns and manages standards for tourism facilities and services, and institutes and administers regulations. The public sector also plays a major role in offering incentives to attract investments from the private sector or to even form business partnerships with the private sector in tourism development projects. According to the WTO, it is also the responsibility of public authorities to assume the lead in managing the tourism sector as a facilitator of tourism and regional development.

The private sector is typically involved in providing services (lodging, travel agencies, tour operators, passenger transport, food and so on) through tourism enterprises, local infrastructure, various tourist attractions and a number of marketing activities. It can also dictate the standards of quality for the local tourism industry through trade associations or other entities, such as NGOs.

Public policy is what reinforces public-private integration, providing benefits to stakeholders and minimizing detrimental impacts. Perceived as a set of promotional and developmental regulations, rules, guidelines,

directives, objectives and strategies, public policy provides a framework for collective and individual decision-making that directly affects touristic development and daily activities within a destination.

Public policies for tourism serve to define the terms for operating tourism, to provide joint direction and guidance for all stakeholders in the sector, to facilitate a consensus on strategies and objectives for the touristic destination, to provide a structure for public discussions on the duties of each group of social actors involved and to allow tourism to effectively interface with other sectors of the economy.



The State of Mato Grosso boasts four exquisitely beautiful tourist attractions: the Amazon Forest, with its diversity of fauna and flora; the Pantanal, the world's largest floodplain featuring the richest biodiversity of animals on the planet; the Cerrado, replete with plateaus, caves and breathtaking waterfalls; and the Araguaia region, with the mysticism of the Serra do Roncador combined with the freshwater beaches of the Araguaia River.

In all four regions, the warmth and hospitality of the people is striking, combined with a rich cultural heritage,

particularly in Cuiabá (MT). There is also a plethora of regional cuisine, based primarily on fish and intermingled with the flavors, fruits and spices of the land. The potential and attractiveness of the State's nature tourism, coupled with the allure of local culture and cuisine, present key opportunities for promoting a new approach to building tourism in the region.

Public policies can not only be implemented to solve a problem, but also to formulate a solution. This is the intention with promoting sustainable tourism in the state of Mato Grosso.







Guidelines for Sustainable tourism

In order to support the formation of an effective public policy for sustainable tourism development, the State of Mato Grosso has established “guidelines for developing sustainable tourism” that consider:

- the principles of sustainable tourism, currently underway at the International Organization for Standardization (ISO);
- the United Nations Sustainable Development Goals (SDGs); and
- the views of stakeholders from the State of Mato Grosso.



Guidelines for developing sustainable tourism in the State of Mato Grosso



Planning and developing tourism based on the principles of sustainable tourism and on the sustainable development goals.



Promoting and incentivizing municipal and regional systems of governance between public authorities, private initiatives and local community for sustainable development.



Stimulating and promoting the adoption of sustainable tourism practices and certifications in the tourism production chain.

4 Encouraging sustainable procurement in tourism

Adopting practices for procuring products and services in the tourism production chain.

5 Valuing local culture and boosting the green economy

Promoting local culture while generating income for communities (indigenous, quilombolas, riparian groups and others) and stimulating the creation of green jobs.

6 Promoting sustainable tourism with outbound travel markets

Developing plans for marketing and specific actions for touristic promotions with a focus on sustainable tourism.

7 Promoting innovative tourism in the State of Mato Grosso

Identifying, organizing and promoting qualified information on the offer of products and services to the market, increasing visibility and boosting access to tourist destinations within the state of Mato Grosso.



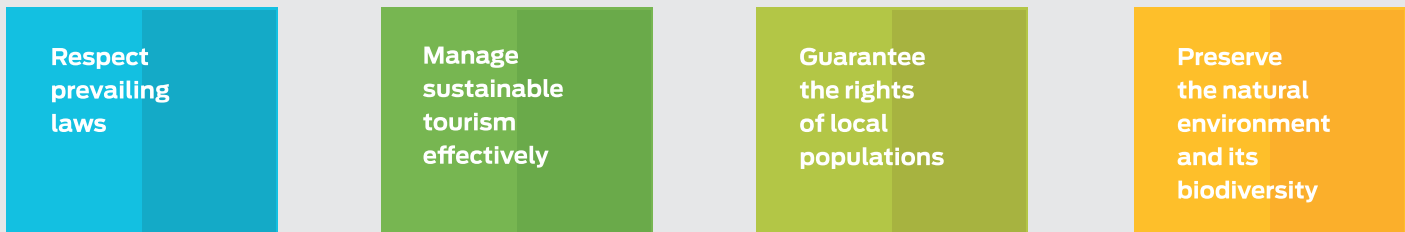
Guidelines for developing sustainable tourism in the State of Mato Grosso



Sustainable Development Goals



Sustainable tourism principles



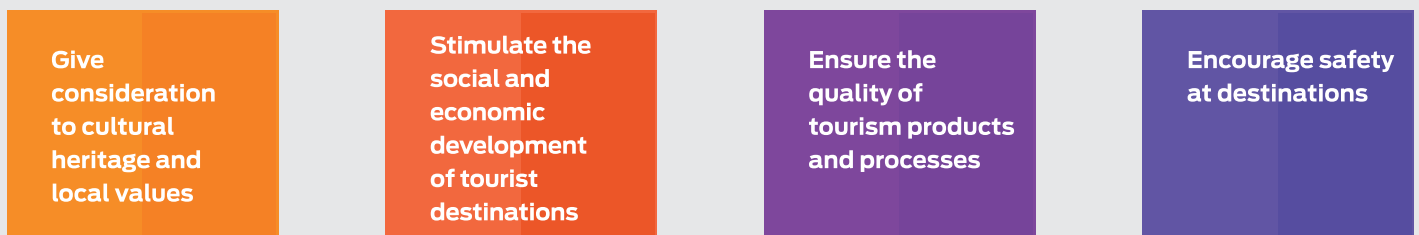


Figure 1 - Interweaving sustainable tourism principles and sustainable development objectives into the guidelines for sustainable tourism in the State of Mato Grosso.



Stakeholder Engagement

Being able to successfully apply a public policy for developing sustainable tourism depends on establishing an on-going process of stakeholder engagement. And maintaining cooperation between the public and private sectors over the course of planning and implementation is crucial in ensuring that the development is coordinated and directed towards reaching shared goals.

The creation of a tourism consultancy or steering committee – made up of representatives from public and private management, the local community and other stakeholders – is the organizational mechanism commonly used to establish a coordination like this. This group should meet regularly to deliberate on shared issues involving tourism, aligning and sharing ideas and information, to help solve problems, engage with the relevant authorities, coordinate joint sponsorship of projects, and other activities.

This activity is suggested to be carried out at the state level, but it should also be promoted in a decentralized manner in touristic cities and potential tourist destinations, creating an alliance between all levels of government, reinforcing relationships and constructing common development strategies.

Incentives for sustainability

Tourism is a rather unique economic activity that, among numerous features, has the ability to connect to various other economic sectors and impact, using them as resources and simultaneously creating great interdependence. Additionally, tourism depends on both public and private infrastructure and services, making its implementation a collective challenge for a wide range of parties, including governments (national, regional and local), the private sector and the local community.

The development of tourism is complex and challenging. Relationships and interdependencies of actors are central in whatever direction this development takes place. The public-private governance structure is inseparable from any process for defining strategy, positioning, marketing and reinforcing tourism, particularly sustainable tourism.

Bearing this in mind, public authorities have a number of responsibilities that need to be fulfilled. This includes ensuring investments in public infrastructure, improving the quality of public services, marketing tourist destinations, and leading local governance. However, establishing public policies focused on incentives is a specific mechanism that enhances and, most importantly, directs tourism development towards the chosen path.

In addition to driving development, incentives, whether fiscal, financial or marketing, can generate beneficial economic environments and scenarios while streamlining investments and obtaining results.

The two types of incentives identified, marketing and economic, could be adopted by the State of Mato Grosso for instituting the guidelines of sustainable tourism outlined in chapter 2 of this document.

I. INCENTIVES FROM MARKETING

a. Rewarding certified businesses and companies that adopt sustainable practices

• Objective

The primary role of this mechanism is to cultivate a culture of sustainability in the state of Mato Grosso, encouraging the adoption of sustainability practices and initiatives, and strive for certifications that demonstrate sustainability. This could persuade both private initiatives and local governments to introduce sustainable tourism.

• Activities

The measures for adopting this incentive include the creation of an award process, defining technical criteria, the award to be granted, producing an award ceremony and establishing instruments for promotion, entry, assessing sustainability initiatives and evaluation by a technical jury.

• Risks

Some prominent risks associated with this type of initiative are: low audience commitment, poor quantity and/or quality of existing sustainability initiatives, few certified companies, validating companies that may eventually breach environmental laws, irrelevance due to the existence of other similar awards, awards to

the same companies over the duration of the incentive and the creation of expectations by tourists and outbound travel markets.

• Opportunities

This type of incentive has a number of potential opportunities, which include providing visibility to companies, tourist destinations and public authorities, along with the natural attraction of companies in search of business recognition as a way to distinguish themselves in the market.

• Technical feasibility

The technical feasibility of this incentive could be considered high. The above opportunities create a favorable scenario, in addition to the heightened appeal generated by the theme of sustainable tourism in society, governments and mainstream media. The level of success from implementing it depends on efforts to create an award with the credibility required for such a process.

Encouraging sustainable tourism through awards involves a relatively low degree of technical difficulty. The most pressing issues for implementation are constructing well-defined criteria and having a clearly defined process for granting these awards. Furthermore, investments in promotion and outreach will be required to make sure the proper visibility is given to the award and to the local businesses and governments awarded.

One alternative that needs to be considered for this type of incentive is the search for partnerships from various stakeholders, as well as establishing partnership with existing awards like the Braztoa Sustainability Award, which is already on its 8th Edition and wields a substantial amount of credibility in the tourism industry.

b. Promoting companies that adopt sustainable practices and companies certified in tourism marketing activities

• Objective

The key idea of this incentive mechanism is to create a culture of sustainability by publicizing the practices, initiatives, companies and destinations that adopt sustainability in their activities, using existing State of Mato Grosso official promotional tools such as websites, events, participation in international fairs, pamphlets, flyers, and others.

• Activities

Activities for adopting this incentive mechanism include defining a continuous process of tracking sustainable practices and designing how to distinguish between companies and sustainable destinations in promotional instruments.

• Risks

The most significant risks associated with this type of initiative are: limited quantity and quality of existing sustainability initiatives, few certified companies and creating expectations on the part of tourists and outbound travel markets.

• Opportunities

This type of incentive has a number of potential opportunities, which include providing visibility to companies, tourist destinations and public authorities, which will stand out in relation to other companies and destinations as a way to remain distinctive in the market.

• Technical feasibility

This incentive mechanism has a high degree of technical feasibility. The above opportunities create a favorable scenario, in addition to the heightened appeal generated by the theme of sustainable tourism in society, governments and mainstream media. In this case, the implementation effort is much lower than mechanism I.a. (award). However, the identified risks should be accounted for.

II. ECONOMIC INCENTIVES

a. Granting tax exemptions for investments in sustainable tourism

• Objective

This type of incentive mechanism is designed to encourage investments that focus on sustainability as a way to expand the practices adopted and the current level of development of companies and destinations.

• Activities

Activities for this incentive mechanism include a clear indication of what type of investment could be regarded as sustainability, along with the types of companies, the kind of tax that would be exempt, the duration of the benefit and the percentage of tax exemption that would be applied.

• Risks

The primary risks associated with this type of initiative are: resistance to offering tax exemptions from the State's economic area, discontinuity in shifts in public management, natural bureaucracy that is established for granting benefits like these, slight interest of companies and assurances that funds are being invested in sustainable investments.

• Opportunities

The most important opportunities for this type of incentive include providing incentives to companies that wish to invest in the sustainability of their businesses and the growth of sustainability activities, initiatives and practices in the State.

• Technical feasibility

This incentive mechanism offers a medium degree of technical viability depending on the types of risks suggested. In addition, it generally tends to have a longer implementation period, particularly when it comes to buy-in from the private market.

b. Establishing a source of financing with additional benefits for certified companies (Develop MT)

• Objective

The idea behind this type of incentive mechanism is to stimulate investments that focus on the sustainability concept. In this case, the mechanisms which have already been instituted in the State are used as sources of financing as a way to amplify the practices adopted and the present level of development of companies and destinations.

• Activities

The first step involves identifying the current mechanisms used, particularly those that could



be supplemented with criteria for adopting sustainable practices. After this, there is a need for awareness-raising and negotiations with the agent from the source of funding in order to implement the modifications of the criteria within the legal framework and rules that have already been established for the defined funding source.

• **Risks**

The primary risks associated with this type of initiative are: resistance from the funding source agent, discontinuity in shifts in public management, natural bureaucracy that is established for granting benefits like these, slight interest on the part of companies and assurances that funds are being invested in sustainable investments.

• **Opportunities**

The most important opportunities for this type of incentive include providing incentives to companies that wish to invest in the sustainability of their businesses and the growth of sustainability activities, initiatives and practices in the State.

• **Technical feasibility**

This incentive mechanism offers a medium degree of technical viability depending on the types of risks suggested. In addition, it generally tends to have a longer implementation period, particularly when it comes to buy-in from the private market.

Tracking results

The results from instituting incentive mechanism can be tracked through the use of indicators (KPIs).

Types of incentive mechanisms	
I.a. Rewarding certified businesses and companies that adopt sustainable practices	I.b. Promoting companies that adopt sustainable practices and companies certified in tourism marketing activities
KPIs (Indicators)	
Number of companies with sustainable practices	
Number of certified companies	
Number of local suppliers	
Number of direct and indirect jobs	
Percentage of gross revenue invested in environmental initiatives	
Percentage of gross revenue invested in social initiatives	
Number of environmental initiatives	
Number of social initiatives	

Types of incentive mechanisms	
II.a. Granting tax exemptions for investments in sustainable tourism	II.b. Establishing a source of financing with additional benefits for certified companies (Develop MT)
KPIs (Indicators)	
Number of companies with sustainable practices (funded)	
Number of certified companies (funded)	
Number of local suppliers (benefited from financing)	
Number of direct and indirect jobs generated by the investment	
Percentage of gross revenue invested in environmental initiatives (from investments)	
Percentage of gross revenue invested in social initiatives (from investments)	

Transparency and communication

Whichever incentive mechanism that is adopted, the process must be deployed from the outset on the principle of transparency, establishing an on-going system of engagement and communication with stakeholders.

This approach will lend credibility to the incentive mechanism that has been adopted. It will also increase the likelihood of gaining successful results and strengthen the tourism governance system in the state of Mato Grosso.



APPENDIX I - THE PRINCIPLES OF SUSTAINABLE TOURISM

Principle 1

Manage sustainable tourism effectively

Establish and/or promote ethical business practices that seek to engage with those involved in corporate responsibility (social, economic and environmental), increasing the commitment by destinations and businesses to sustainability in the design and implementation of missions, objectives, strategies, plans and management processes.

Principle 2

Guarantee the rights of local populations

Actively look for and promote mechanisms and activities involving social and environmental responsibility and economic equity, including respect for and advocacy of human rights and

land use while maintaining or enhancing the dignity of the workers and communities involved over the medium and long term.

The organization's operations and practices must recognize, promote and respect the cultural heritage of the regions, along with non-predatory cultural traditions and values. They must also contribute to the social and economic development of the workers and communities involved in its production chain.

Principle 3

Preserve the natural environment and its biodiversity

Taking the prevailing social and economic context into account, adopt practices that have minimal impact on the natural environment, effectively monitoring and mitigating adverse impacts in order to help maintain natural dynamics and processes in their scenic, physical and biological aspects.



Principle 4
Give consideration to cultural heritage and local values

Recognize and respect the historic and cultural heritage of tourist destinations. Tourism activities should be planned, implemented and managed in harmony with traditions and cultural values, playing a role in their preservation and development.

Principle 5
Stimulate the social and economic development of tourist destinations

Play an active part in invigorating the local economy, training a workforce, ever-increasing labor, employment and income, and encouraging the local capacity to expand tourism-related businesses according to their vocation.

Principle 6
Ensure the quality of tourism products and processes

Evaluate and respond to tourist expectations by establishing, documenting, promoting and acknowledging standards for hygiene, safety, customer service, information and environmental education.

Principle 7
Encourage security at destinations

Assist in making sure destinations are safe by boosting the levels of security, protection and comfort for the local population and for tourists.

Principle 8
Respect prevailing laws

Identify and be conscious of the applicable legal requirements.







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