SUSTAINABLE TOURISM? BE MY GUEST!

THE CASE OF ARUBA’S BUCUTI AND TARA BEACH RESORT

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS
ACKNOWLEDGMENTS

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SYNOPSIS

This case study describes how Bucuti & Tara Beach Resort, an award-winning resort in Aruba, is leading the way by adopting a sustainable approach to tourism as it concurrently protects the natural environment and increases profits. The challenges the resort has successfully navigated include the designing of a business model that attracts more visitors while adhering to global eco-friendly standards. It’s commended for innovations on, among others, water consumption, waste disposal, sewage treatment and energy use. Solutions and lessons learned are seen in the measures taken by management and staff to rigorously implement international tourism certification standards. Scaling up will be aided by innovative tax incentives provided by the Government of Aruba for the promotion of a sustainable tourism industry in the country and across the Caribbean region.
Sustainable Tourism has the potential to contribute, directly or indirectly, to the preservation of the planet and the Sustainable Development Goals (SDGs).

It particularly targets **Goal 8** (on inclusive and sustainable economic growth), **Goal 12** (on sustainable consumption and production) and **Goal 14** (on the sustainable use of oceans and marine resources). Travel and tourism contributed to 91% of Aruba’s gross domestic product (GDP) in 2015. In that year, tourism directly provided 17,000 jobs (33% of total employment). Aruba has for some years set itself a goal to move towards sustainable economic development, which in essence means balancing out three interconnected needs; social equity, economic responsibility and ecological resilience. One of the dimensions of the socioeconomic transformation pursued by Aruba through its “Within the Green Gateway” policy of 2011-2013, focuses on the environment: “sustainable development by conservation, preservation and innovation of natural habitats, cultural expressions, and (land/marine) ecological systems.” The 2016 sustainability vision of the Government of Aruba states that “in Aruba, prosperity goes beyond material concerns. It transcends merely a higher standard of living or a larger Gross Domestic Product. Aruba views prosperity as not only material success but also as the quality of our lives and the health and happiness of our families.”

With regards to tourism, the Government emphasizes within the two policies of Winning the Future of 2011 and Two Steps Ahead of 2012 that “the vision of the Minister of Tourism is for Aruba to excel as a tourism destination through sustainable development.”

**PUBLIC AND PRIVATE SECTOR LEADERSHIP**

In order to reach the Sustainable Development Goals (SDGs) and move from business-as-usual towards a path to Sustainable Development, governments, civil society, businesses and academia must be collaboratively engaged. The Bucuti and Tara Beach Resort case study provides an account of how one private sector actor designed and implemented an effective business model through adherence to sustainable tourism certification standards set by internationally recognized bodies. It also highlights the importance of effective leadership in both the public and the private sectors in efforts to achieve the SDGs. According to Mr. Ewald Biemans, Managing Director of the resort, “Aruba is not in the tourism business. Everybody says we live 90% from tourism; but we don’t; we live 90% from our environment...so, it’s not tourism, its nature, and we need to protect nature so that we stay in business.”
Bucuti was built in 1987 and Tara was added in 2004. The resort is considered a pioneer in the green movement within the hotel and accommodations sector in the Caribbean and has received countless awards for its efforts. The hotel has been engaged in sustainable tourism efforts from the beginning and considers sustainable tourism an imperative. Annette and Larry Vanore of New Jersey, U.S.A., who have been guests at Bucuti for 9 consecutive years commend the resort for progressively effecting reforms that have included the reduction of littering and a ban on smoking at its beaches. Other guests appreciate the resort’s financial incentives that include lowering bills for customers who contribute to saving the environment by not having their towels and bedsheets changed on a daily basis.

“Aruba is not in the tourism business. Everybody says we live 90% off of tourism; but we don’t; we live 90% off of our environment...so, it’s not tourism, its nature, and we need to protect nature so that we stay in business.”

MR. EWALD BIEMANS
OWNER/CEO BUCUTI & TARA BEACH RESORT
Tropical island economies, such as Aruba’s, and many SIDS, depend on the services of their ecosystems. Although Aruba has some protected areas, it experiences a lot of pressure on nature through changing climate and growth of its population and tourism, which can lead to uncontrolled real estate development and pollution. All these problems are multifaceted and require policy-makers and the tourism industry in SIDS to address them, mindful of such inter-linkages.

This case study highlights the need to foster sustainable tourism by addressing multiple challenges, including:

- Paucity of eco-friendly legal and regulatory frameworks for enforcing standards;
- Change-averse mindset;
- Adoption of new technologies; and
- Financial constraints.

Mr. Biemans, the Owner/CEO of Bucuti & Tara Beach Resort, realized early on that the main asset Aruba has is its environment and he started going “green” before the Aruba Government instituted measures to implement certification standards for the promotion of ecotourism in the country. Rather problematic, however, was the paucity of the national legal and regulatory framework as well as the public policies and regulations that affect business performance with regard to the environment. Biemans believed that the two main obstacles to sustainable tourism in Aruba were: the lack of consciousness on the part of the local population, as seen, for instance, in littering; and secondly, the lack of regulations specifically on the environment. In this regard, Mr. Biemans emphasized the importance of having an environmental law and the need for strengthening the enforcement of and adherence to spatial plans to avoid overbuilding and the misuse of the country’s landfill.
After the Government set rules for hotels to follow to meet sustainability standards, Bucuti and Tara Beach Resort faced various difficulties during their implementation. First, the adoption of ecofriendly practices gave rise to operational challenges as regular business activities and processes had to be changed. Second was the difficulty of effecting such changes through the mindset of personnel who questioned the need for reform. The experimentation on a new business model among guests and the application of novel programs and technologies also posed difficulties. Guests who saw the beach as a perfect place to relax and enjoy a cigar, needed some convincing to abstain for the sake of Mother Nature.

Another challenge was financial and it arose from the initial financing costs for participation in the certification exercise and the risk of investing in new untested technologies and programs. The Resort admits to having incurred some losses from buying equipment that didn’t perform optimally and from having instituted programs that failed.
GLOBAL ECO-FRIENDLY STANDARDS

The Bucuti & Tara Beach Resort has become a leader in the sustainable tourism movement, especially for coastal and marine tourism in Small Islands Developing States (SIDS), through measures including:

| Advocacy for environmental protection laws, regulations and policies; |
| Compliance with international sustainable tourism certification standards; |
| Sensitizing its guests and staff; |
| Adopting green technologies and innovative programs; and |
| Partnering with other hotels to fund and implement ecofriendly community-based initiatives. |

In addition to managing his resort, Mr. Biemans the Managing Director and owner of the resort has participated on the board of the Aruba Tourism Authority (ATA) and serves as Chairman of the Board of the Aruba Hotel and Tourism Association (AHATA). Over the years, together with other concerned community members, he has lobbied the Government toward the adoption of environmental preservation laws and regulatory arrangements. Through the AHATA platform an environmental committee was set-up and programs such as beach-cleanups were organized contributing to industry wide benefit.

INCENTIVIZING SUSTAINABILITY

After social dialogue sessions held in 2012, stakeholders in the tourism industry and the Government of Aruba worked on a new investment climate for the country, which focuses more on promoting sustainable practices and included the certification of ecofriendly hotels as a prerequisite for lowering their corporate income tax. The motives behind the Government’s new actions for environmental protection are summed up by Otmar Oduber, Minister of Tourism, Transportation and Primary Sector and Culture. He stated: “As the No. 2 most tourism-reliant nation in the world, Aruba views ‘happiness’ as more than a brand slogan. It’s an inherent part of our island’s DNA – and is as essential to the Aruba tourism experience as our local culture and sustainability achievements.”

The law that came into effect was part of the Imputation Payment Company (IPC) regime that reformed the incentive policy on profit tax for companies, including hotels. The agreed upon new fiscal regime was announced in 2013 and was codified in 2015. With the IPC regime, under certain conditions to be met by a company, part of the corporate income tax paid would be remitted to its shareholders in the form of an...
imputation payment. Under the IPC a compliant hotel can be eligible for a reduced profit tax rate of 10% (instead of 25%) and an exemption of dividend withholding tax. For hotels, the IPC regime includes, as one of the prerequisites, a requirement for them to have implemented (or in the process of) certification standards such as those set by Earthcheck or similar entities.

According to Mr. Biemans, the 1992 United Nations Conference on Environment and Development, held in Rio de Janeiro, Brazil, made the green movement come alive. He notes that that Green Globe certification offered him the roadmap on how to go about sustainability scientifically. “A certification program gives you detailed instructions on how to certify and prove by auditors that you are what you claim you are.” The certification standards implemented by the resort are Green Globe 21 Platinum, LEED Silver, ISO 14 001 (environmental management), ISO 9001 (quality assurance) and Travelife Gold.

Within the hotel and leisure accommodations industry, the impact on the coastal environment is mainly linked to high water consumption, waste disposal and sewage treatment. Additionally, island hotels need large amounts of energy for hot showers, air conditioning and electric appliances all of which call for a change of mindset on the part of hotel staff and guests. Certification criteria offer hotels such as Bucuti minimum standard requirements for effecting and measuring ecofriendly practices on numerous topics including waste reduction, water reuse and recycling; energy efficiency, conservation and management; an environmentally sensitive purchasing policy; social and cultural development; hazardous waste disposal; company transportation and its effect on the environment; and land use planning and management. Table 1. summarizes the action plan Bucuti and Tara Resort has developed to meet standards for ecotourism.

### Table 1 | Bucuti Implements an Environmental Action Plan Based On:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>Efficiency and Saving</td>
<td>Streamline and make good use of natural resources, to reduce the impact on the environment.</td>
</tr>
<tr>
<td>Prevent Pollution</td>
<td>Continuously improve, implementing the necessary measures and acting with caution to avoid accidents with an environmental impact.</td>
</tr>
<tr>
<td>Compliance</td>
<td>Continuously adjust compliance with environmental legislation and regulations.</td>
</tr>
<tr>
<td>Training and Information</td>
<td>Promote team training and raising awareness amongst customers, employees and the general public.</td>
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*Table adjusted from: Bucuti Sustainability Report 2017*
Following below are a range of additional measures that the hotel has taken to implement its lauded environmental action plan.

**CHANGING MINDSETS**

Over the years, the Bucuti green team has evolved strategies to address various challenges to the point that the resort today has a dedicated Sustainability Manager whose primary responsibility is the constant improvement and adherence to international sustainability standards. According to Arnold Solognier the Sustainability Manager, the great operational challenge of changing mindsets is addressed by explaining the purpose of reforms to personnel at different levels so they understand what is in it for them, for the resort and guests and for Aruba. One example is explaining why changing the cleaning detergents would be beneficial to their own health. For the guests, awareness raising (e.g. through their in-room sustainability TV channel) by providing choices has been crucial to effecting voluntary reforms. For example, a plastic straw is not given to a guest upon ordering for a drink at the bar; however, it can be provided upon request but the resort realizes that most guests won’t ask for straws. In addition, one new improvement implemented by the resort is the introduction of low-carbon footprint dining. This has consisted in reducing the portions of meals in one of the resort’s restaurant to minimize food waste. This innovation came about through feedback from guests, who are seen as key contributors to implementing Bucuti’s environmental action plan.

Two guests interviewed for this study lauded the resort for giving guests incentives to save the environment through participation in its Greenstay program. “They explain very politely, to please try to reuse your towels, like we do at home. So we don’t use [a towel] just once: we dry ourselves when we are clean, so there is no reason to have to wash it every time you use it,” Annette Vanore observed.

Annette’s husband Larry explained that the Greenstay policy has been taken a step further. “The resort encourages you to take it a step further by providing a little bit of a financial incentive by a daily credit if you participate in the Greenstay program which requires less intensity of resources in maintaining the rooms.”

“The resort encourages you to take it a step further by providing a little bit of a financial incentive by a daily credit if you participate in the Greenstay program which requires less intensity of resources in maintaining the rooms”...“the transference that has taken place, the shift of responsibility to the individuals [guests],”...“it's like taking more responsibility for your space and respecting your space more and I think its been a very very positive thing and we do participate in the program.”

ANNETTE & LARRY VANORE
GUESTS OF BUCUTI FROM NEW JERSEY, COMING TO ARUBA ANNUALLY SINCE 2005
Noting that the program is equivalent to having guests take more responsibility of their space he says “it’s been a very, very positive thing and we do participate…they are not changing the sheets every day…I think it’s every three days that they come… they’re really trying to make [the environment] better and encourage you to do so by giving you this incentive to do it.”

With regards to meeting the costs of sustainability certification standards, Larry is of the view that Bucuti has the privilege of having a very high occupancy rate, which other hotels do not match. However, he further observed that green programs are not necessarily an unbearable financial burden because “if you don’t have housekeeping every day, you actually reduce your cost of operations… it could be a win-win… for the guest and for the hotel; and if the Earth wins, too and we have a cleaner environment, then hallelujah,” he concluded.

Bucuti & Tara Beach Resort is also having an impact on the wider Aruban community through the changing mindsets of its staff. Sylvia Gold, a Front Office Supervisor noted that from the lessons learned at Bucuti, staff members who buy a house may also be thinking of buying and installing solar panels. From her experience of working at Bucuti for a year and a half, she said. “As far as I know, it is simply changing your mind and being open to [new] ideas, so I think we all take it home…everybody who works here is constantly reminded…to do this and that differently and then you also at home think of it, and say oh yeah we don’t do this at the hotel because of a green reason.”

NEW TECHNOLOGIES
The Sustainability Manager at Bucuti and Tara Resort does extensive background research on new technologies before purchasing them and he checks out their potential return on investment (ROI) to balance sustainability requirements with efficiency gains. New technologies designed to attain solar hot water, solar and sea water air conditioning, as well as rooftop photovoltaic panels, provide cost-effective options to meet this need, reducing hotel electricity bills and operating costs.

In short, the resort has through the years implemented different activities, policies and obtained new technologies that are continuously changing and improving its eco-friendliness. Table 2 is an illustrative rather than exhaustive overview of the measures and key benefits of the various voluntary sustainability standards (VSS) implemented by Bucuti & Tara Beach Resort such as for water, waste, energy and community-based initiatives.
Uses solar power to heat water for rooms, laundries and restaurants;

Reduces the consumption of energy through the use of air-conditioning sensor stats, energy efficient lighting as well as non-air-conditioned public spaces, plus making more use of natural lighting;

Delivers as little as 40% of total waste to the Parkietenbos local landfill (a normal hotel would deliver 100%). Recycles and reuses 60% of its water leading to high cost-savings on wastewater delivery;

Reduces food waste and delivers leftovers amounting to 300 kilos per day to local farmers;

Uses organic detergents and nontoxic chemicals;

Abides by the “eliminate plastic” policy by using glass, china plates and real cutlery;

Refrains from selling plastic bottles and ensures that every room receives aluminum water bottles;

Promotes recycling within rooms and organizes monthly beach cleanups encouraging individual guests to participate;

Organizes group clean-up events (of about 20 people) once a year on the northern coast;

Practices nature friendly/ paperless billing;

Builds awareness on environmental preservation among guests and staff;

Ensures that anything that can be locally purchased from the island itself is procured and supplied by the hotel to its guests. For example, shampoo bottles are sourced from Aruba Aloë;

Employs local artists; every room has a painting by local artists;

Hires local musicians to perform every Sunday night and serves local cuisine such as pastechi (local pastry);

Participates in the AHATA environmental committee and sponsors public lecture;

Created and funded “Stimami” Sterilization program for cats and dogs;

Conducts training of local staff, providing knowledge that extends into the community.

Recycles grey water amounting to 72% of that by drip systems in its gardens. The rest is delivered to the Bubali Plas wastewater treatment plant;

Uses local endemic plants which require less water and eliminates the use of chlorine for the pool;

Reduces food waste and informs guests about their participation in a voluntary Greenstay program to re-use towels and bedsheets and to utilize new efficient toilets;

WATER

LOCAL COMMUNITY
HOW TO FINANCE

According to Bucuti & Tara Beach Resort officials, the initial investment and costs involved in preparation for the affiliation and certification process are high. At the beginning it was not affordable to have a Sustainability Manager at the hotel and various actions were implemented by committees, each taking up different responsibilities. Industry-wide cooperation was sought and used at the beginning as auditors were jointly brought in with other hotels to save on airfare. Additionally, the time for obtaining optimal returns on investment exceeds normal projections (mostly in a year or two); therefore, having a long-term vision is key when investing in ecotourism.

BENEFICIARIES AND IMPACTS

The main beneficiaries of the implementation of voluntary sustainability standards according to Bucuti & Tara Beach Resort are:

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<th>Private sector</th>
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<td>Cost-saving, earning a good reputation and opportunities for technical assistance from certification bodies.</td>
<td>Offering guests opportunities for volunteerism (beach clean-ups) and lowering energy costs leading to lower hotel bills.</td>
</tr>
<tr>
<td>Personnel</td>
<td>Local Aruban community</td>
</tr>
<tr>
<td>Enhanced safety and professional development. Education is taken home on what technology to use (e.g. solar), [staff] educate their children on saving water and recycling.</td>
<td>Provision of a ready market for local businesses (reducing economic leakage), nature conservation as well as support to local schools, university, artists and the preservation of Aruban culture.</td>
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<tr>
<td>Guests participating in Greenstay program pay lower bills.</td>
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By installing green technologies and other equipment, 20-25% of electricity was saved. When oil prices went up some hotels imposed an energy surcharge on their customers of close to $5 per night to offset the increased cost. Bucuti did not have to raise rates according to the resort’s management.
LESSONS LEARNED

The main lessons learned during the implementation process according to Bucuti & Tara Beach Resort are:

**Law, regulatory policies and standards are key:** The Government plays a critical role in instituting and enforcing laws to protect the environment and in creating incentives for the hotel industry to implement international sustainability standards.

**Communicate to change mindsets:** Communication is the most important action during a transition in order to obtain the voluntary cooperation of personnel, guests and the public.

**Explain “why” to secure voluntary compliance:** The goals of the envisaged changes and the means to reach them need to be effectively and constantly communicated to make sure that everyone is willing to voluntarily participate for the good of the resort, Aruba and the employees.

**Share and act on feedback:** The need to share among staff the feedback that guests give on, for example, Trip Advisor. This has for example, led to responding to guests’ views to avoiding food waste by reducing the portions of meals served in one of the resort’s restaurant.

**Experiment and Evaluate:** New initiatives and technologies have to be tested and tweaked until they are most suitable. Keeping a long-term view is important because returns on investments for certain technologies take a long time. Having a Sustainability Manager dedicated to doing thorough research on alternative technologies and programs can facilitate the balancing of needs for generating profits and for environmental preservation.

**According to the Sustainability Manager, giving the customer a choice, to, for example, re-use towels, to set the thermostat or to recycle in the room is better than imposing demands; such voluntary willingness comes naturally through awareness raising by the hotel--a lesson learned through trial and error.**

**Strong leadership:** A Sustainability Manager dedicated to the implementation of environmental standards is of great importance as is having a Managing Director who passionately believed in the concept of sustainability and works closely with Government to scale up good practices in sustainable tourism throughout the country and the region.
The scaling up of sustainability to the national level is a governmental and market-based decision that needs effective laws and regulations plus corporate income tax incentives to ensure compliance on the part of the tourist industry. Hence, getting all hotels to abide by sustainability standards would require the creation of a level-playing field with clear rules that applicable to all relevant parties. According to Mr. Biemans the reformed Aruban IPC law that the Government has implemented is a positive change and an incentive that will support the growing up-take (due to cost-saving) of VSS. He observes that the law is “a real incentive for a hotel...you save if you invest in certification, do training and support local [sports] teams [etc.]”. However, for sustainable tourism and support in implementation of VSS, he is also of the opinion that background legislation such as command-and-control instruments (building permits etc.), spatial plan, environmental policies and especially enforcement mechanisms must be in place. Incentives have been developed for energy saving technology in Aruba. For example, import duties for sustainable equipment have been implemented; however according to Mr. Biemans the focus should be broadened from energy to protection of the environment in general.
RESOURCES FOR FURTHER INFORMATION

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<th>Resource</th>
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<td>Aruba Tourism Authority</td>
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<td>Bucuti &amp; Tara Beach Resort</td>
<td><a href="https://www.bucuti.com">https://www.bucuti.com</a></td>
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<td>Caribbean Alliance for Sustainable Tourism (CAST)</td>
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<td>Government of Aruba Ministry of Tourism, Transportation and Energy and Environment</td>
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<tr>
<td>World Tourism Organization (UNWTO)</td>
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