**SUSTOUR Laos – Promoting Sustainable Tourism by Integrating MSMEs into Sustainable Supply Chains and Raising Consumer Awareness**

# BASELINE STUDY – FINAL REPORT

March 2021

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# 1. Executive Summary

The overall objective of the SUSTOUR Laos project is to contribute to the Laos National Green Growth Strategy, 8th Five-Year National Socio-Economic Development Plan, and the National Tourism Strategy as well as SDG goals 8 (decent work) and 12 (sustainable consumption and production (SCP)) by promoting SCP through sustainable supply chain development in the Laos tourism sector. As the project embarks on a plan to achieve its outcomes, this baseline study was done as an important preliminary step. It aims to provide quantitative and qualitative information on the current status of the Lao tourism supply chain in terms of sustainable consumption and production (SCP) practices and sustainability in general. The study will help establish a benchmark, to which the project can refer when planning future activities, and in measuring and monitoring its progress and impact.

This report outlines results and findings from three surveys and more than 20 in-depth interviews with tourism stakeholders. The analysis further refers to, compares with, or incorporates relevant insights from publications of the government of Laos and international organisations. The results are presented in three main sections: business survey, tourist survey, and community survey. Conclusions and recommendations are provided at the end of each section.

Regarding tourism businesses, lack of knowledge of and access to sustainable suppliers, lack of funds, and technical capacity are the biggest challenges to improving sustainable practices in their operations. Furthermore, the findings show that most of them lack a comprehensive understanding of the sustainable tourism concept which results in low awareness of sustainability certifications and their benefits. This, along with the employment and financial impacts of the COVID-19 pandemic, is a challenge to introducing sustainability certifications in the tourism sector in Laos. Nevertheless, there is an encouraging result in favor of the project's objectives which is the majority of businesses consider implementing sustainability certifications or standards a high or medium priority.

The results of the tourist survey indicated that how tourism destinations handle COVID-19 and their health safety and hygiene practices are deciding factors when travelers choose where they are going on vacation. Most travelers care about the environmental and social practices of their holiday providers, nevertheless, the price remains important. About a third of them are aware of the Travelife certification and sustainable practices of Lao tourism businesses. This is a positive starting point but provides a lot of room for improvement.

Most community members perceived community-based tourism as beneficial. Nevertheless, there is a lack of a comprehensive understanding of community-based tourism among surveyed communities. The majority of respondents agreed that health safety and hygiene are important aspects of tourism, thus, providing clear information and training to communities to improve hygiene practices to promote the safe return of international tourism is recommended. Besides, most respondents mentioned that tourism helps protect the environment in their area which means tourism offers a good opportunity to address waste management problems. Last but not least, the report suggests a market-driven approach for the project's activities on community-based tourism.

## 2. Methodology & Limitations

The baseline study employs a mixed-method approach which is a combination of qualitative and quantitative data collection and data analysis (see Appendix 2 for the timeline of this study). This approach is often regarded as an approach that provides a better understanding of research problems and complex phenomena than either approach alone. The two components of the study, quantitative and qualitative, were conducted simultaneously. It is important to mention that the purpose of mixing two different kinds of data in this study is complementarity. In other words, it explores and searches for elaboration, enhancement, clarification of the results from quantitative surveys with the results from the interviews.

Quantitative data was obtained through three survey questionnaires which were developed and adapted from previous studies, criteria of Travelife for Tour Operators and Travelife for Accommodations, and based on the research questions and logframe of the project. The second business survey of international travel agents overlaps with some of the aspects of the Value Chain Study (VCS). Therefore, the VCS will take the lead in this survey with inputs from the Laos-based consultant.

This study employs non-probability sampling, a technique that does not involve "random" processes for selecting participants. In non-probability sampling, the chance of any member being selected for a sample cannot be calculated. In other words, members of the population do not have an equal chance of being selected. There are several justifications for this approach. First of all, the population is too large, especially in the case of the tourist survey. Secondly, there is a lack of data about tourism supplier MSMEs. It might be possible to randomly select respondents from the list of LNCCI's members but they are not all tourism MSMEs and supplier MSMEs. Thirdly, non-probability sampling is suitable for a study with time constraints. One of the limitations of the non-probability sampling is that the result will not perfectly extrapolate to the entire population of international and domestic tourists, local communities, Lao tourism MSMEs, and their supplier MSMEs. Despite these limitations, the non-probability sampling technique is considered to be the most appropriate for this study.

The business survey (see Appendix 3) was distributed in two formats. The first one is an electronic self-administered version built on Survey Monkey. It was distributed via email and social media including through the LNCCI Facebook page (13,764 followers) and its network including the European Chamber of Commerce and Industry, Lao Handicraft Association, Lao Hotel and Restaurant Association, Lao Association of Travel Agents. It was further distributed via business and expat networks such as Tourism Professionals in Laos (4,852 members), Expats Luang Prabang, Vientiane Social, Pakse Social, and the informal Hospitality General Manager group in Luang Prabang. Besides, paper-based and digital tablet versions of the survey will be available to any businesses that don't have access to the internet or are not familiar with online surveys. Since the main distribution channel is via social media, the survey received 113 responses instead of its initial aim which around 300 to 500. Most similar studies that have a high number of respondents, such as those that are done by LNCCI and the ADB, were carried out by in-person or phone interviews. The study does not have enough resources to employ that approach. Furthermore, many businesses also mentioned that there have been many surveys since the beginning of the COVID-19 pandemic, and there has not been much support resulted from them. It is important to note that although the number of respondents for the business survey is not as high as it initially planned, the qualitative data significantly complements it.

The tourist survey (see Appendix 4) was available in six languages (English, Lao, Chinese, Korean, Vietnamese, and Thai) and distributed electronically via social media including through Facebook groups,

Instagram, and Linkedin. Two hotel and one restaurant vouchers in Laos were provided as prizes for lucky participants. The tourist survey ended up with more than 1000 responses from domestic travelers and only 178 responses from international tourists. This is because the survey was mostly distributed online via social media and travel forums. The prizes include vouchers for hotels and restaurants in Laos so they probably were not attractive to international tourists who are unsure when they can travel again.

The community survey (see Appendix 5) was conducted with a paper-based form with a total of 120 respondents in 6 villages in Luang Prabang and Vientiane Province. The limitation of this survey is the inconsistency in data collection methods. In Luang Prabang, the survey was administered by three interviewers through face-to-face interaction. In Vang Vieng, due to the lack of trained human resources and difficulties in scheduling with three villages, data was collected through a mix of face-to-face interviews and self-administered paper-based forms (with face-to-face instructions from the interviewers).

In addition to three quantitative surveys, twenty-five interviews and email exchanges were conducted with tourism stakeholders. The focus of these interviews is to explore and investigate the perception and understanding of SCP practices, sustainable tourism certification, and cross-cutting topics such as gender equality and child protection amongst tourism stakeholders. Finally, desktop research was also conducted to collect secondary data which will provide context and data triangulation to the results of the primary data collection.

Prior to the data collection, a training session was provided to data collectors from the project and its partner. The training explained the questionnaires in terms of structure, terminologies, etc., interview techniques, and how to deal with difficult situations. Once the questionnaires were approved, a test was run with two businesses, two tourists, and two villagers. After the training and testing, some of the surveys were revised for a final time based on the recommendations for the project and test respondents.

The data coming from the three surveys were analysed through the use of percentages and comparisons. Data from paper-based surveys were manually transferred to Survey Monkey form so that all primary data was centralised for analysis. The built-in analysis function of Survey Monkey allows paid users to create multiple rules to filter and compare data to answer specific research questions. Qualitative data is collected in the form of audio recordings and the interviewer's notes. Verbatim transcribing of all audio recordings was conducted and then analysed together with the interviewer's note to identify emerging themes.

Finally, data collected from quantitative and qualitative methods as well as through secondary sources were compared and triangulated in the interpretation phase of the study. The quantitative data will provide an overview of sustainability management of Lao tourism MSMEs while the qualitative data will further clarify and explain the results from the quantitative methods. For instance, the business quantitative questionnaire informs how many MSMEs in Laos apply sustainability certifications, while the qualitative interview helps the study understand the context, underlying reasons for the adoption of sustainability certifications, or the lack thereof. Next, the findings are augmented by citing related literature and relevant secondary data, reflecting published studies and information on the topic.

# 3. Results

## 3.1. Business survey

### *3.1.1. Respondent profile*

In this report, businesses are sometimes segregated into two categories: tourism businesses and tourism suppliers. Tourism businesses include tour operators, travel agents, and accommodation businesses such as hotels, resorts, guesthouses. Tourism suppliers are MSMEs across a wide range of sectors who answer "yes" to the following question: "Do you service the tourism industry".

The business survey was sent out on 12 February 2021 and was closed on 10 March 2021. It received 113 responses with 75 of them are complete (66 percent completion rate). 84 percent of respondents provided information about their business location, among which 70 percent of them are based in Luang Prabang province, 15% percent of businesses are in Vientiane province, 11 percent of businesses are in Vientiane capital, and 4 percent in other provinces such as Champasak and Xiengkhoang. Among the complete respondents, [illegible] accommodation providers (43 percent).

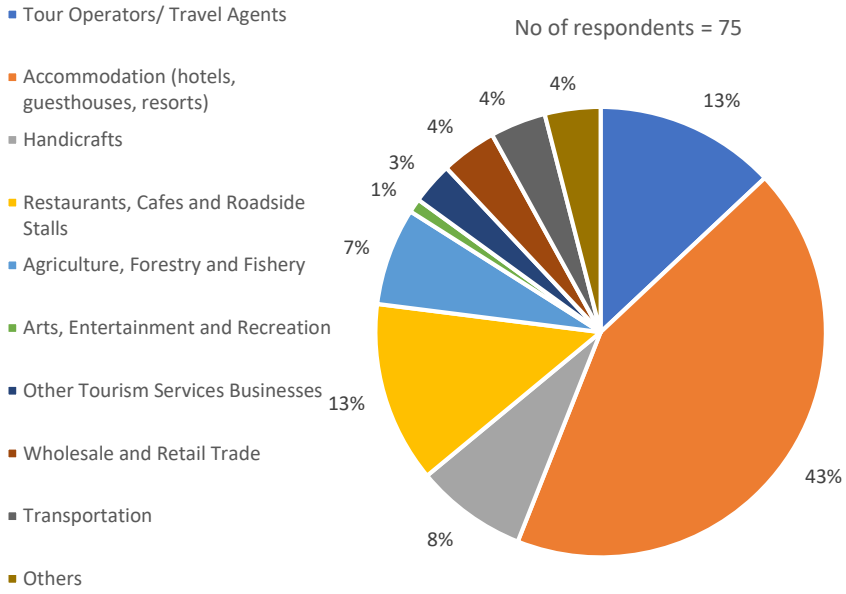


***Figure 1: Respondents by business sectors***

### *3.1.2. The Adoption of Sustainability Certifications*

Most surveyed businesses (83 percent) do not apply any certification schemes or standards (see figure 2). Only 17 percent of respondents have voluntarily adopted a certification or a standard in their business.

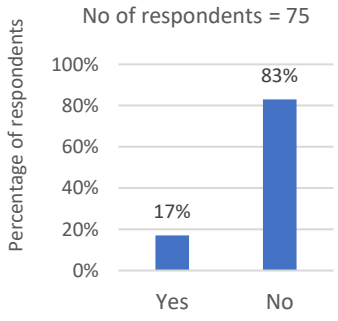


***Figure 3: Does your business apply any sustainability certifications?***

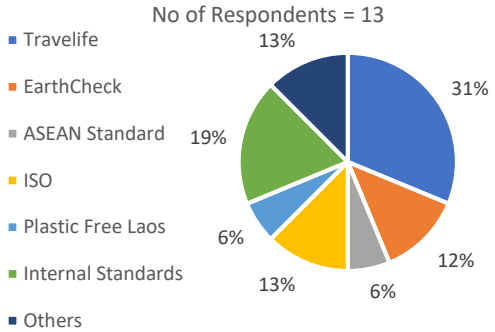


***Figure 2: Certification applied by surveyed businesses***

Travelife is the most popular certification scheme with 7 members[1], followed by EarthCheck with 2 member businesses. The main reasons why both tourism businesses and tourism suppliers do not apply sustainability certifications include lack of awareness of certifications and interest but don't know where to start.

Sustainability certifications are not a familiar concept in Laos yet. 34 percent of the survey respondents have not heard about any sustainability certification schemes before (see figure 4). A third of them are interested but do not know where to start (31 percent). This finding is further corroborated through qualitative interviews. Most interviewees are not aware of any certifications. When asked if they would be interested in applying a certification scheme, most businesses mentioned that they would consider it for marketing purposes, however, the cost of the certification is a key determining factor. Additionally, it is important to emphasize that there is always a gap between intention and action; interest in taking up certification will not necessarily result in actions. The lack of awareness of sustainability certification might be a result of the ambiguity and incomprehensiveness in understanding the sustainable tourism concept among tourism businesses. It is revealed through in-depth interviews that businesses often perceive "sustainable tourism" as sole long-term economic growth or issues that are the most relevant and/or concerns to them. For instance, handicraft MSMEs typically see sustainability as creating jobs, supporting communities, and preserving traditions, while for some hospitality businesses, sustainable tourism means protecting the environment. Some other reasons that 19 percent of surveyed MSMEs listed out include "little reward for the cost", "not needed as that's the way we work already" and that "sustainability certifications are not relevant for their business".

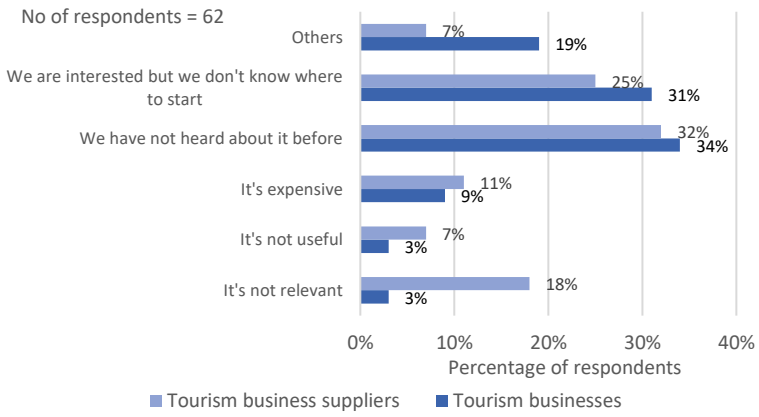


***Figure 4: Why doesn't your business apply any sustainability certifications?***

Among businesses that have applied sustainability certifications, they reported several benefits of certifications. They can serve as a good management tool that helps formalize guidelines, procedures, and objectives. The process of implementing certification and getting certified further enhances staff engagement. On the other hand, these businesses mentioned that there is not enough awareness of certifications among customers (both business-to-business and business-to-customer) so the marketing potential for tourism businesses is limited.

### *3.1.3. Sustainability Management*

[1] According to the website of Travelife for Tour Operators, there are 7 business members in Laos in total among which 2 companies (EXO Travel and Khiri) are certified.

The biggest challenge to improving sustainability practices for tourism businesses is the lack of awareness and actions among suppliers (55 percent). Tourism suppliers see lack of funds as their major obstacle (65 percent). Both groups consider the lack of technical knowledge as the second biggest barrier to becoming more sustainable (48 percent). Other challenges reported by respondents include a lack of policies and infrastructure (such as wastewater treatment systems) and a lack of awareness and actions among the general public (see figure 5)

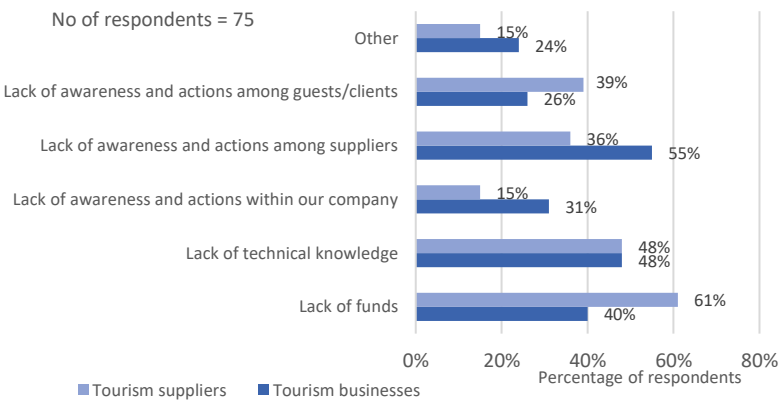


*Figure 5: What are the challenges you face in terms of improving sustainability practices?*

The challenges mentioned by respondents are well reflected in the areas that they would like to get support (see figure 6). Most tourism businesses would like to increase knowledge and/or awareness of and access to sustainable suppliers. The next most sought assistance is expert advice on sustainability management and training. Most tourism suppliers seek financial support, followed by assistance in increasing knowledge and awareness of and access to sustainable suppliers.

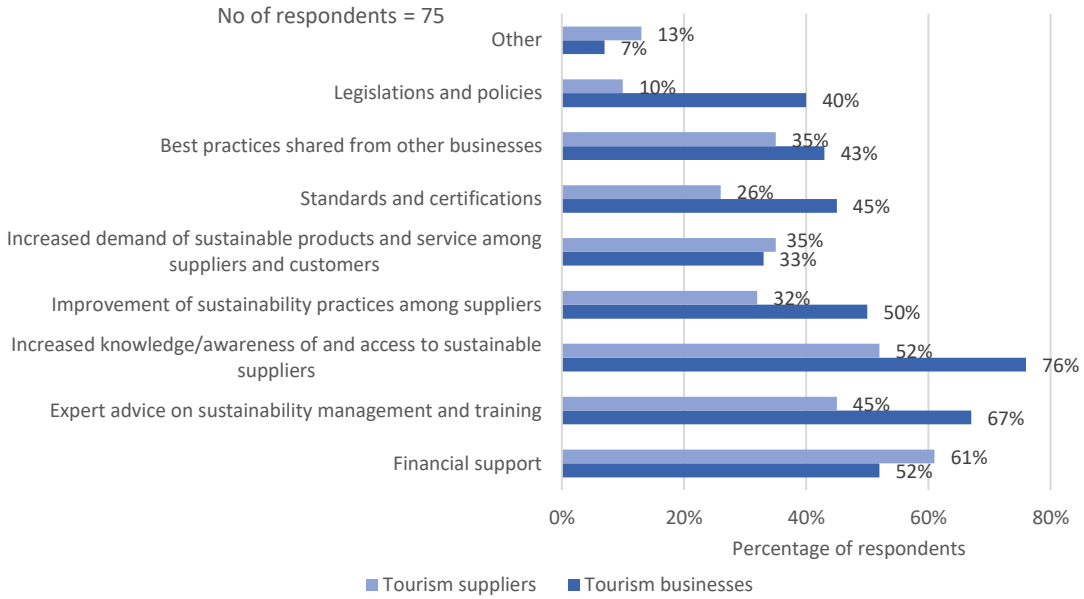


*Figure 6: What support would your business require to improve the sustainability management within your business and your supply chain?*

The need for standards and certification is mentioned by 45% of tourism businesses and 35% of tourism suppliers. This is a positive finding in light of the project's objectives.

Despite concerns over the lack of sustainable suppliers, most companies consider the quality and price the most important factors when they select their suppliers. Good social and environmental practices and sustainability standards/certification are not as important. This suggests that both tourism businesses and tourism suppliers might not associate good sustainable practices or certification with high quality. Moreover, the price seems to remain an important factor.

Another important result of the business survey is the increasing share of online travel agents (OTA) in the tourism value chain. Among surveyed accommodation providers, half of them receive at least 40 percent of their bookings from OTAs while 14 percent of them are even more reliant on OTAs with 80 to 100 percent of their bookings from this channel. On the other hand, only 15 percent of them receive at least 40 percent of their bookings from DMCs in Laos and European outbound tour operators.

### *3.1.4. Human resources and social policies*

Most surveyed companies reported that they have policies and procedures in place to ensure that their staff is treated fairly and in accordance with national labor law (74 percent). However, when asked to specify, most businesses did not go beyond "we follow labor law". In terms of gender equality and child protection (see figure 6), although the percentage of tourism businesses who actively promote gender equality and child protection (57 percent) is higher than those who do not (43 percent), the gap is quite narrow (14 percent). The main reason for this lack of action is the common perception that gender and child protection issues are not relevant to their businesses (39 percent).

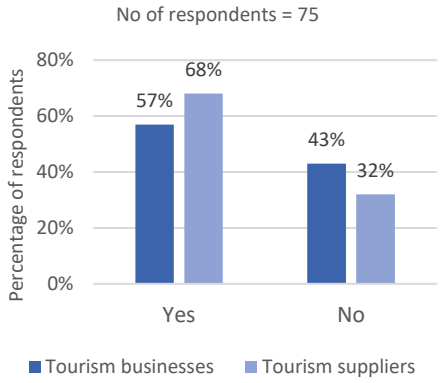


*Figure 8: Have you taken any measures to promote gender equality and child protection in your business?*

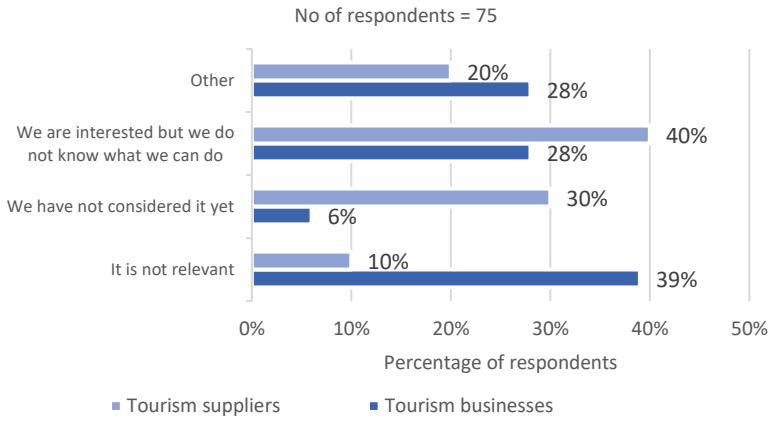


*Figure 7: Why hasn't your business taken any measures to promote gender equality and child protection?*

This result is supported by evidence found through in-depth interviews. Tourism business managers and owners often simply mention the fact that more than half of their employees are women, which is the nature of the sector worldwide [1], as the sole indicator that they are promoting gender equality. Only one hotel manager specified their policies and the number of female employees in management positions. Although many surveyed businesses claimed that they provide equal opportunity to employees regardless of their gender, employment practices are still underpinned by gender norms and stereotypes. Some of the participants mentioned that certain jobs, such as gardening or maintenance are more suitable for men, while housekeeping suits women better.

In the child protection domain, the only practice that was started by interviewees is that they do not hire people under the age of 18. Most of them are not aware of other child protection issues in tourism such as school and orphanage visits, child begging, and child sex. When those issues are raised during interviews, many tourism stakeholders believe that child labor and sexual exploitation of children do not exist in Laos.

### *3.1.5. Environmental Management & Community Relations*

Regarding environmental management, most tourism enterprises and tourism suppliers have taken some measures to reduce their energy and water consumption as well as waste generation (See figure 8, 9, and 10). For energy and water-saving measures, tourism businesses are further categorized into accommodations and tour operators since utility costs are significantly higher in accommodation businesses, thereby they might be more motivated to take actions to reduce their consumption.
Using LED light bulbs is the most common energy-saving practice among accommodation providers as

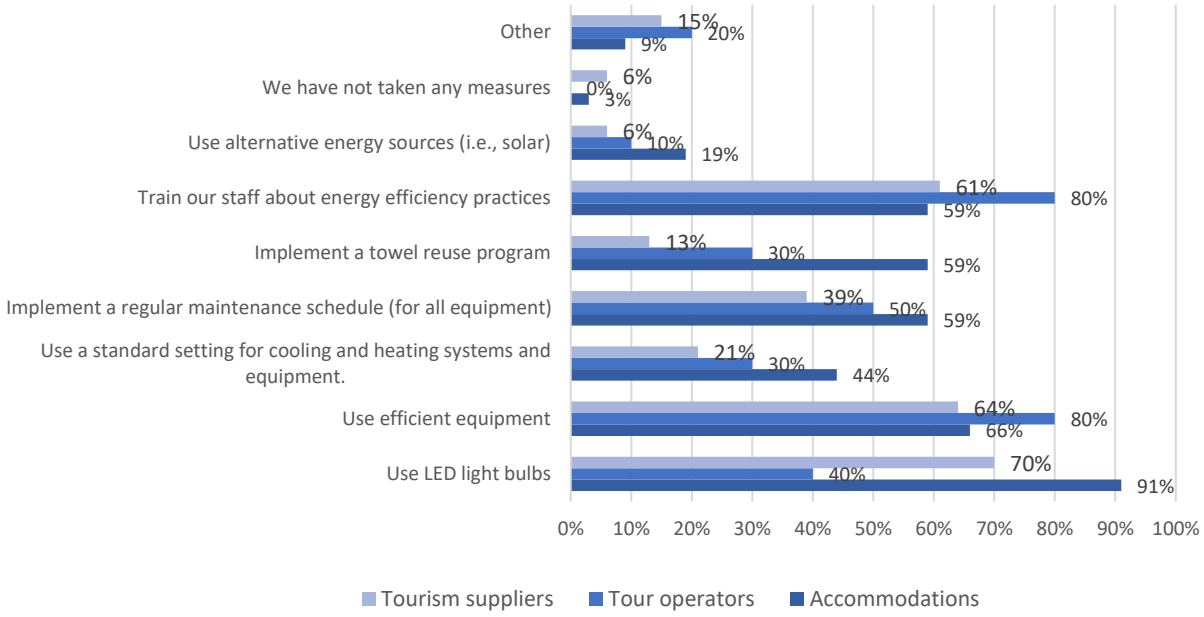


***Figure 9: What measures have you taken to reduce the amount of energy your business uses?***

lighting is among major energy consumers in accommodation businesses and LED light bulbs have also become increasingly available and affordable. The next most common measures are the use of energy-efficient equipment and staff training, although these measures seem to be more widely adopted among tour operators and travel agents (80 percent). Given how important these measures are for high energy consumers as accommodation businesses, there is a lot of room for improvement here. In terms of water conservation, more accommodation providers have implemented measures such as staff training, using water-efficient showers and taps than tour operators and tourism suppliers. This is understandable they consume more water and thereby pay more for it. However, when asked about energy and water consumption monitoring (during face-to-face interviews), many of them do not have a system to track the consumption as an input to each guest night or for each dollar of revenue generated. Most of them just have energy and water bills as records. This is problematic because, without a proper monitoring system, businesses are not able to detect anomalies or monitor and measure the effectiveness of their

interventions. For instance, many hotels have a towel reuse program, they are not aware that it is often not carried out consistently by their housekeeping staff [2]. This was also observed by the Luang Prabang – Handle with Care project.

In the waste management area, 81 percent of respondents reported reducing single-use plastic items such as bags, bottles, straws, etc. This was further echoed in many interviews with tourism MSMEs. Most businesses are well aware of the negative impacts of single-use plastics and try to reduce them one way or another. This could be the result of efforts in raising awareness of the impacts of single-use plastics by many organisations and projects in Laos in the past 5 years including EXO Travel, GIZ, SME Service Center (Plastic Free Laos).

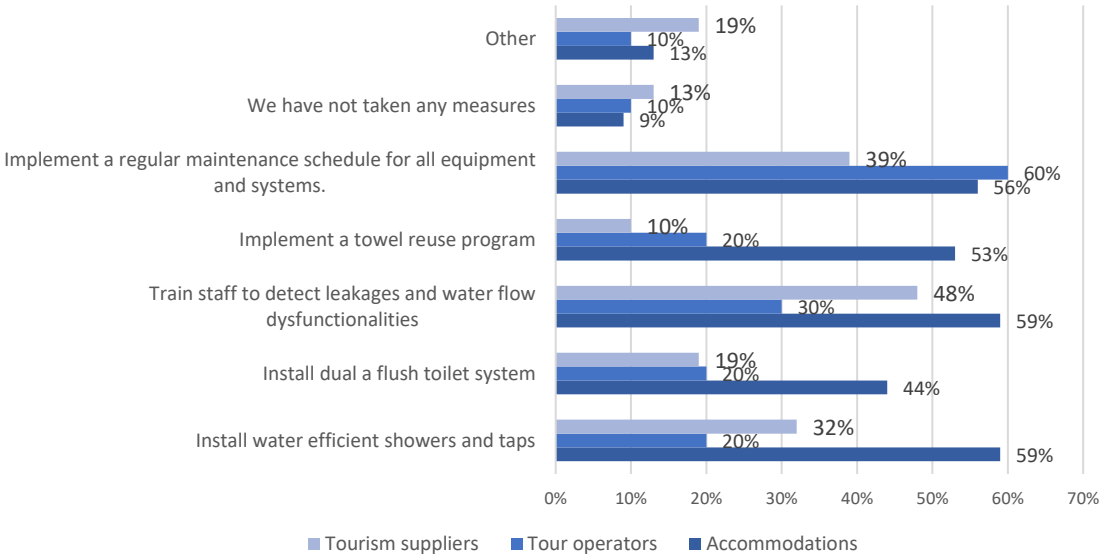


*Figure 10: What measures have you taken to reduce the amount of water your business uses?*

Although waste separation and recycling are the second most common practice, it is important to emphasize that it is not always consistent due to the lack of formal recyclable waste collection service and recycling facilities.

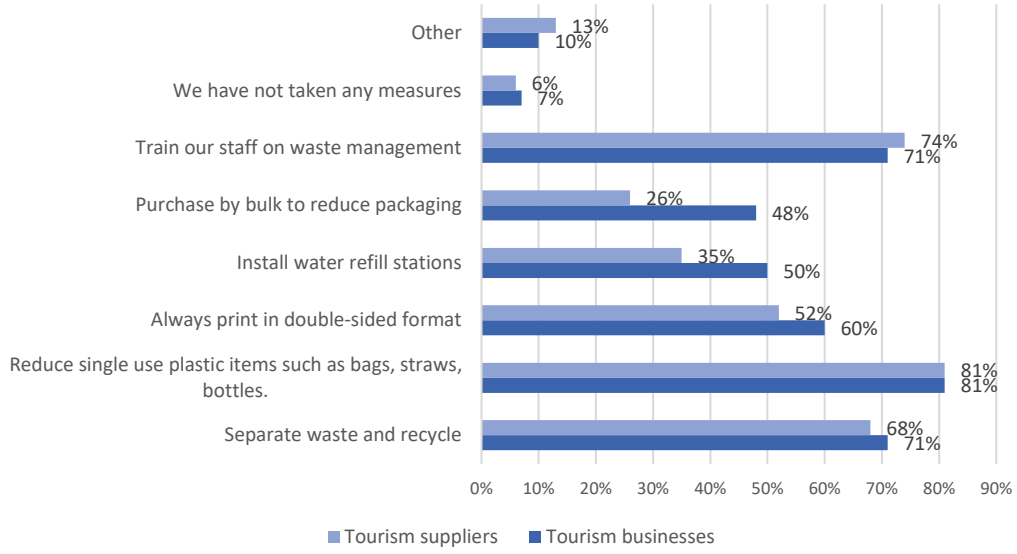


***Figure 11: What measures have you taken to manage and reduce the amount of waste your business generates?***

In terms of procurement, when asked if products such as organic certified vegetables, Fair Trade certified tea and coffee, or FSC certified paper is chosen, tourism businesses and tour suppliers share their responses. 31 percent of all surveyed businesses said they have tried but cannot find and 28 percent said "no". Among 31 percent of respondents who answered "yes" mentioned that they sourced local coffee brands and organic vegetables.

### *3.1.6. COVID-19 Impacts and Responses*

Before the COVID-19 pandemic, tourism was growing rapidly as one of the leading sectors in Lao PDR. In 2019, the country welcomed close to 4.8 million international visitors [3].

It is estimated that revenue generated from tourism is amounted to $934 million, just after mineral exports ($1,43 billion) and electricity exports ($1,32 billion). Tourism employed 54,000 people and about 63 percent of whom are women [4].

Tourism is among the most affected sectors by the unparalleled impacts of the COVID-19 pandemic. The number of international visitors to Laos decreased by 81.5 percent in 2020 [5]. This unprecedented fall impacted most tourism enterprises in the country. According to the LNCCI's survey on impacts of the COVID-19 pandemic on businesses done in May 2020, 63 percent

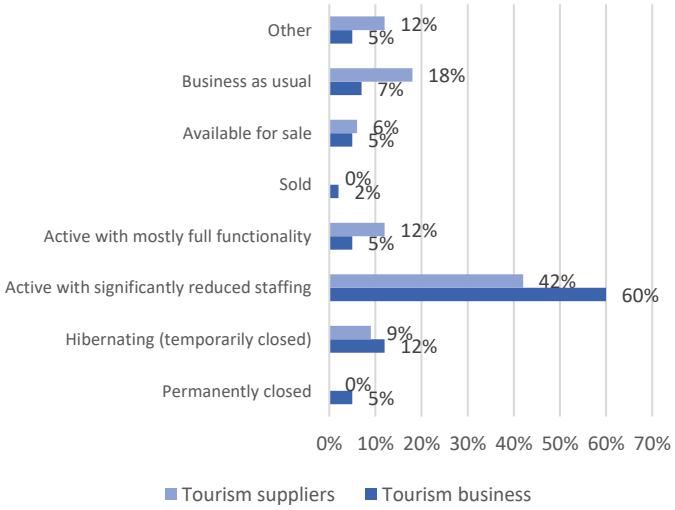


***Figure 12: What is the current status of your business?***

of accommodation and food service estimated that there was an over 80 percent risk of going out or being suspended [6].

By March 2021, 5 percent of surveyed tourism businesses are permanently closed and 12 percent of them are hibernating. The majority of tourism MSMEs (60 percent) are operating with significantly reduced staffing. Tourism supplier businesses seem to be slightly less impacted with 42 percent of them are active with reduced staffing. Close to three-quarters of tourism businesses have laid off staff, more than half of them have put employees on unpaid leave and 33 percent of businesses have reduced pay for workers. These figures are much lower among tourism suppliers.

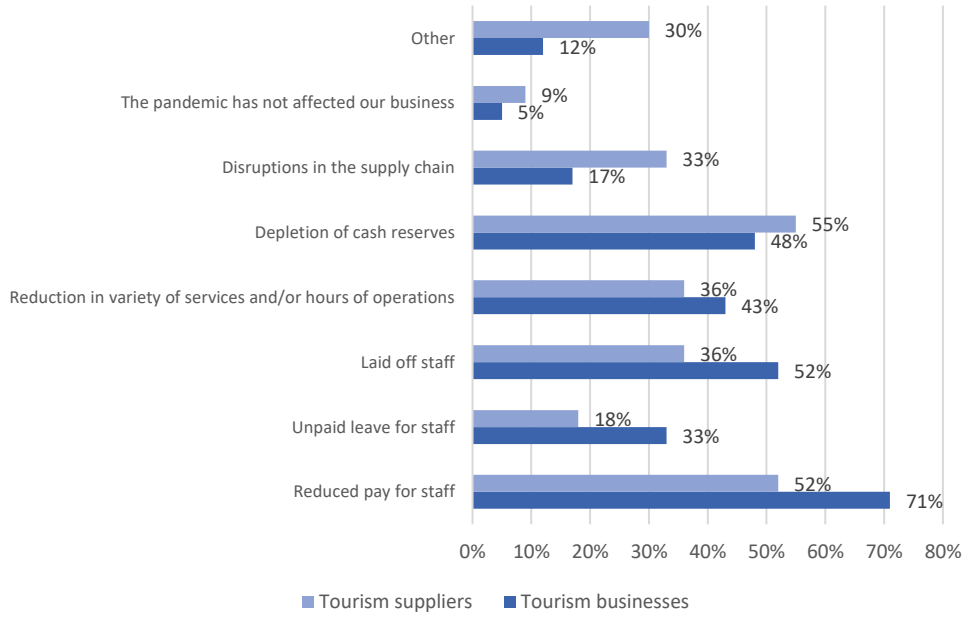


*Figure 13: How has the COVID-19 pandemic affected your business operation?*

Furthermore, many businesses in both categories reported difficulties in sourcing specialist equipment and suffering fluctuating prices due to logistic issues caused by the border closure. Some businesses lost suppliers and/or are uncertain if their suppliers would open again.

Apart from operational modifications to reduce costs, surveyed businesses have also made changes to deal with the impacts of COVID-19. About 70 percent of tourism businesses have shifted to the domestic market and more than 80 percent of them offered discounts and promotions to generate sales (see figure 13). About 62 percent of tourism businesses reduced utility costs while only 36 percent of tourism suppliers worked on this aspect. This difference might be because the utility is a major expense for primary tourism businesses, especially among accommodation providers. It is positive to see that 52% of businesses are taking the opportunity to upskill or train their staff despite the financial impacts of the COVID-19 pandemic. On the other hand, it is concerning that only 40 percent of primary tourism businesses and 27 percent of tourism suppliers worked on improving their hygiene and sanitation practices given how important these practices are at the moment.

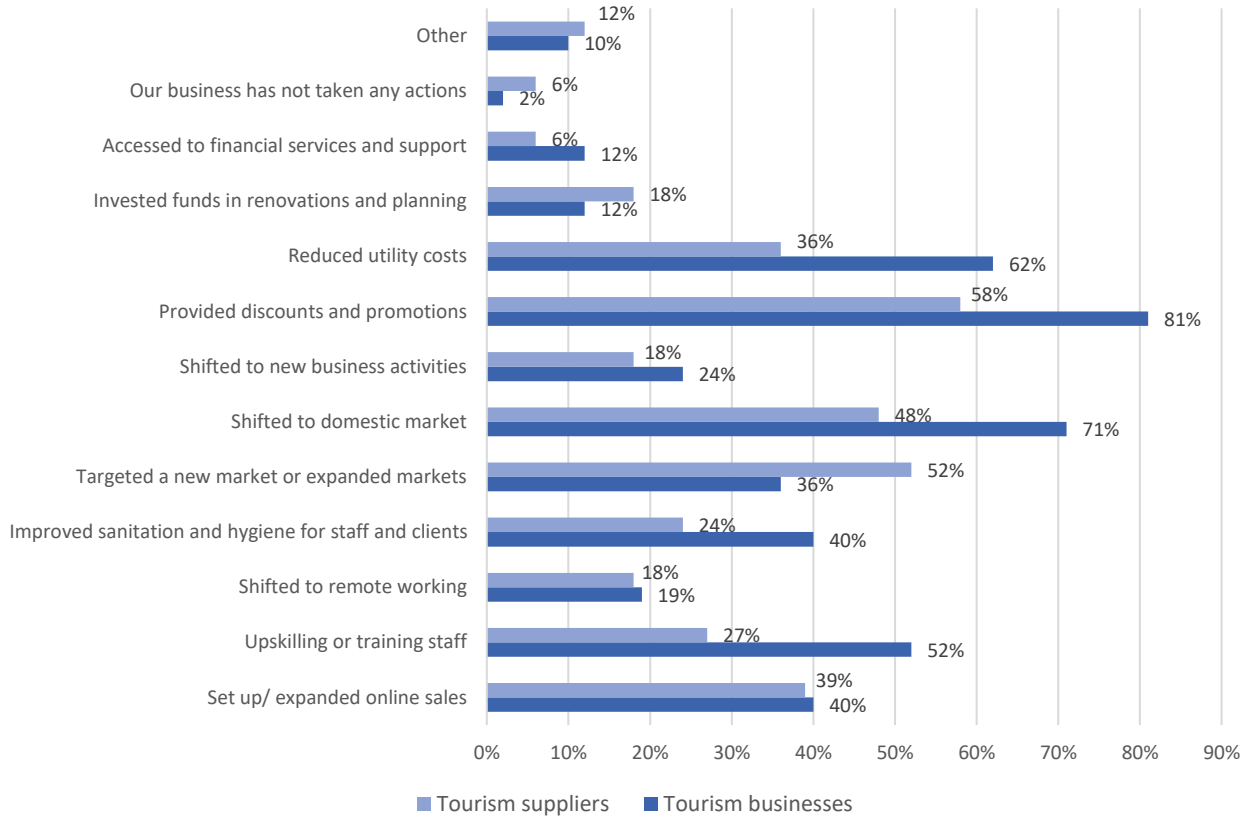


***Figure 14: What actions has your business taken in response to the COVID-19 pandemic?***

The government of Lao PDR and some international organisations have implemented several initiatives to support businesses. This includes $40 million channeled through the World Bank's Micro, Small, and Medium Enterprise Access to Finance Emergency Support and Recovery Project [7]. However, only 10 percent of tourism businesses and 3 percent of tourism suppliers reported having accessed financial support. More than half of businesses are not aware of these programs. Among those who are aware but cannot access it, a key issue is that they do not understand how to apply. This calls for clear and detailed communications programs around the resources and coaching on how to apply to increase business knowledge of the initiatives.

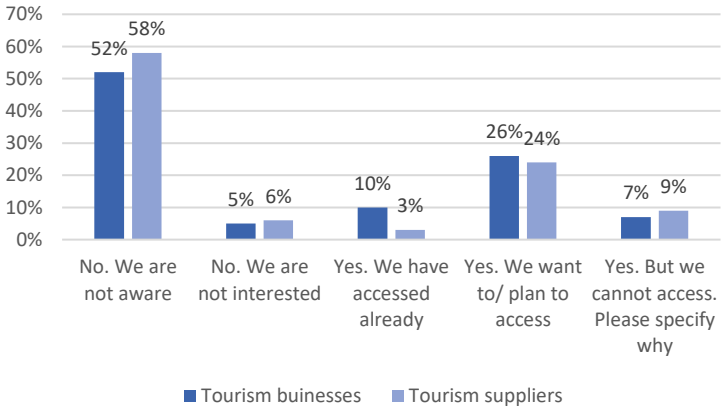


***Figure 15: Are you aware of any access to finance initiatives for small and medium-sized businesses?***

Figure 15 and figure 16 demonstrate business' priorities for post - COVID19 recovery and the support they need respectively. As there is almost no difference between the two business categories, they are

analyzed as one group for these two questions. Activities that are of high priority for businesses in the post-COVID 19 recovery include expand domestic markets (52 percent), training and upskilling employees (49 percent), innovate products and services (49 percent), and improve COVID-19 prevention, sanitation, and hygiene practices (48 percent). Over half of survey respondents (61 percent) consider implementing sustainability certifications and/or standards a high or medium priority.

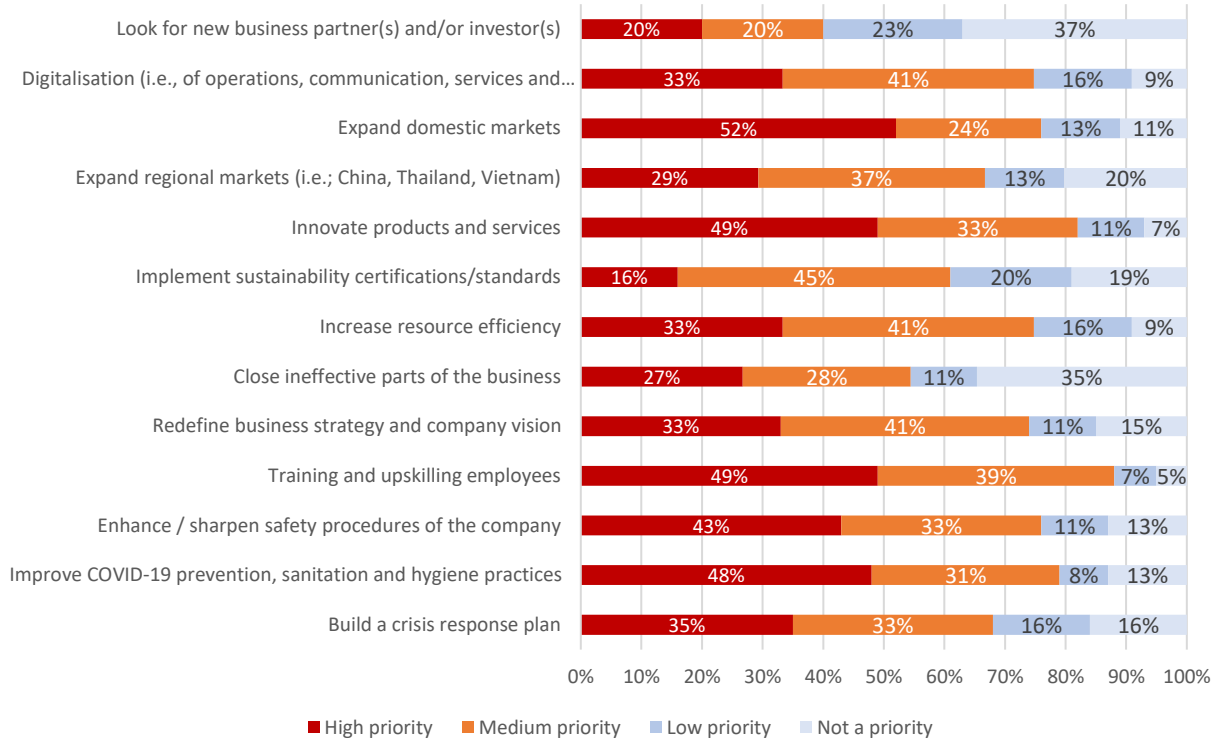


***Figure 16: What are your business' priorities for post-COVID-19 recovery?***

In line with the priorities that businesses listed above, they are urgently in need of support in the following areas:

- increasing sales to domestic markets (63 percent)
- further tax breaks and reductions (57 percent)
- training and upskilling employees (57 percent)
- marketing and promotion (56 percent)
- COVID-19 prevention and hygiene practices and certifications (53 percent)
- Increasing sales to regional markets (i.e.; China, Thailand, South Korea, Vietnam) (51 percent)

Interviews with tourism business owners and managers have revealed that the campaign "Lao Thiao Lao" (Lao Visit Laos) has contributed to boosting domestic tourism. Many businesses have been relying on this market to survive. Therefore, they would like to see more support for increasing domestic tourism sales. Furthermore, businesses seek assistance in marketing and promotion, not just for domestic markets but also for international ones. Additionally, businesses recognized the increasing importance of hygiene and health safety practices and standards and would like to have support to enhance these areas.

Improvement of environmental and social practices among suppliers and expert advice on business strategy and recovery are needed but not urgent. This is consistent with the finding in section 3.1.2 that businesses have a limited understanding of the sustainable tourism concept and low awareness of sustainability certifications and their benefits.

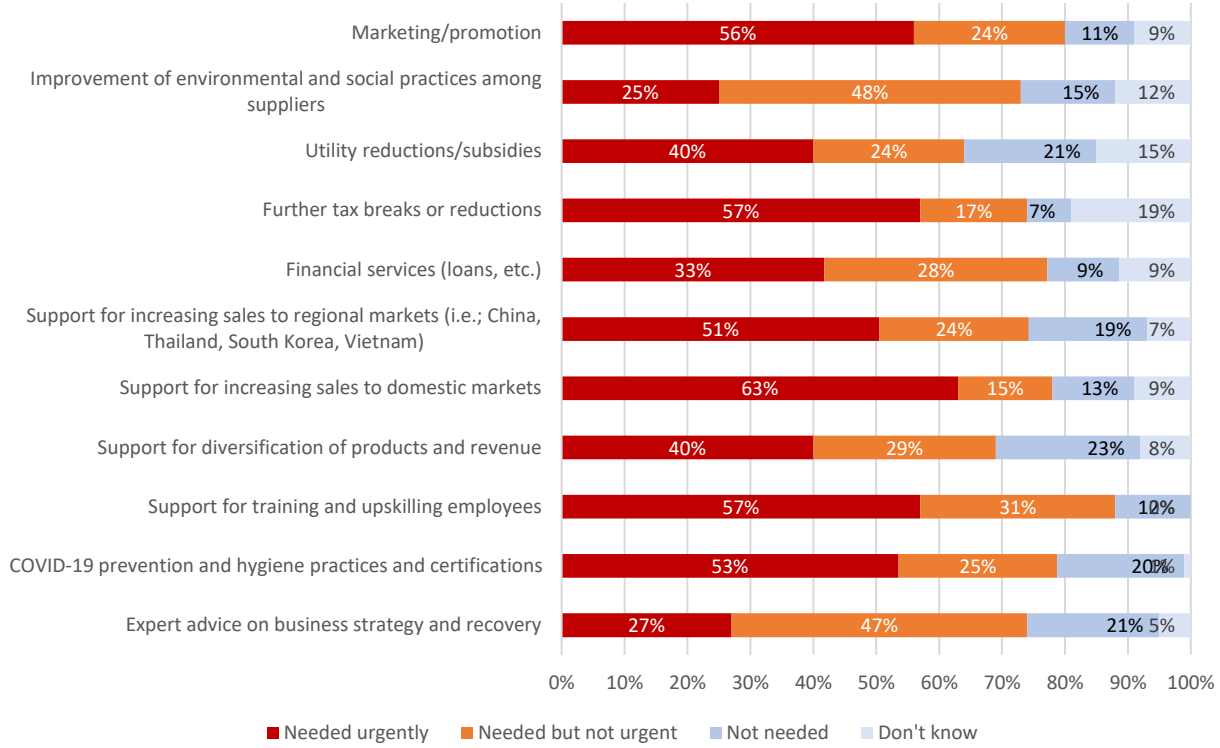


***Figure 17: What support does your business need?***

### *3.1.7. Conclusions and Recommendations*

Based on the results of the survey, the following conclusions and actions are recommended in light of the project's objectives and indicators.

- **Sustainable tourism is an abstract concept:** Most tourism businesses do not have a comprehensive and clear understanding of the sustainable tourism concept. This leads to low awareness of sustainability certification and its benefits. Most businesses see certification of sustainable tourism as a sole marketing tool. They do not associate it with the improvement of quality of management and services. Therefore, free-of-charge membership and mentoring may not be sufficient as incentives for businesses to take up certification. Moreover, the majority of tourism businesses are operating with significantly reduced staffing. The small remaining employees would take on multiple roles until the business is back on its pre-COVID 19 operations which might not happen before 2023 [8]. Therefore, the lack of human resources will be a barrier to the implementation of sustainability certification.
- **Mentoring and coaching is a better approach but not without challenges:** the project planned to provide mentoring services to help businesses implement Travelife certification which will likely be more effective than a training approach. Notwithstanding, it has several difficulties. Firstly,

recruitment and training of local mentors/coaches are challenging due to the lack of human resources that have the capacity and interest in this job. Secondly, business managers and owners tend to assign staff to work with the mentors/coaches and then remain uninvolved in the process. This can be mitigated by maintaining regular communication with business owners and managers as a strong engagement from the management is critical to be the success of implementing certification. One of the lessons learned from the Luang Prabang – Handle with Care project is that businesses are more like to act on something when they learn that their peers have done it. Therefore, it might be worth exploring the "social influence" concept in promoting sustainable behaviors [9]. An example of how this approach can be adopted is to create a community of practice where experience can be shared among businesses.

- **Training materials, tools, and best practices in the local language are helpful:** current Travelife tour operator members in Laos are larger international and regional companies such as EXO Travel, Khiri, and Asian Trails. They have a dedicated sustainability team who are in charge of implementing the certification in the business which includes staff training. With limited resources, most tourism businesses will not likely invest in developing their training and communication materials. Even though the Travelife platform provides online training modules, some parts are not very relevant to the local context. Therefore, it is recommended that the online training modules are adapted and translated to Lao. It would be helpful to develop training further training guidelines, monitoring templates, communication materials (signs, etc.) in the local language. This combines with the guidance of a coach will be a more effective support. Furthermore, with 2 certified businesses and 5 partner members in Laos, there are a lot of best practices that are relevant to the local context that could be shared among new applicants.
- **Businesses lack awareness of and access to sustainable suppliers:** the findings of this survey indicated the biggest perceived barrier to improving sustainability practices in businesses is the lack of awareness and actions among suppliers. Hence, they seek support in increasing knowledge of and access to sustainable suppliers. Trade fairs and similar kinds of events might contribute to improving this area. Creating an accessible database of sustainable suppliers is necessary. However, face-to-face interaction between suppliers and businesses potentially yields better outcomes. In terms of making local supplier MSMEs more sustainable, it is important to note that the awareness of and interest in sustainability certification among business suppliers are even lower than tourism businesses (see Figures 4 and 5). The project should take this into account when adapting Travelife criteria for tourism suppliers.
- **Domestic tourism is helping businesses survive:** Support to increasing sales to domestic and regional markets is commonly sought by tourism businesses. Given how most domestic visitors are not aware of international sustainability certifications, the project could partner with the "Lao Thiao Lao" campaign to increase awareness of sustainable practices as well as certifications among consumers, thereby motivate businesses to improve their sustainability performance. Regional visitors are most likely the first to travel to Laos when borders are open. Therefore, it is important that the project actively seek partnership with the public and private sectors, as well as international organizations to make sure that sustainability is integrated into promotional campaigns.
- **Green Growth Indicators** (OOia): The Ministry of Information, Culture, and Tourism elaborated an action plan for the tourism sector following the National Green Growth Strategy of the Lao PDR till 2030 [10]. They set several goals/indicators to be achieved by 2025 as below:
    - More than 30 percent of accommodation businesses (hotels, resorts, guesthouses) meet Lao standards[2].

[2] These standards are not specified in the document.

- More than 30% of tour companies meet GSTC accredited certifications.
- National tourism destinations reduce the use of single-use plastics by 50 percent.
- Accommodation and food and beverage businesses reduce Styrofoam and single-use plastics by 50 percent.

The project can adopt one of the above indicators as its indicator OOia on Green Growth Strategies as they are all in line with the project's overall objectives. This also offers an opportunity to involve the public sector in some of the project's activities.

- **Collaboration and partnership:** there are several tourism and access to finance projects in Laos at the moment. The project could reach out to find opportunities for collaboration. For instance, the Green Value Chain project by Swisscontact is an excellent partner to work on developing 20 green solutions (Activity 1.2.4). Many businesses would like to have support on health safety and hygiene standard, which is also the main concern of international visitors. The Lao/029 Skills for Tourism Project is supporting the Ministry of Information, Culture, and Tourism to develop a standard on COVID-19 prevention and health safety. The project might explore opportunities for collaboration with them and avoid duplication.

- **The key differences between tourism businesses and tourism** suppliers include:

- Lower awareness of and thereby interest in the sustainable tourism concept and sustainability certifications.
- Slightly less impacted by the COVID-19 pandemic.

## 3.2. Tourist Survey

### 3.2.1. Respondent profile

Out of 1,334 respondents of the tourist survey, 81 percent of them are Lao nationals, 11 percent are Asian (mainly South Korean, Vietnam, Thailand, Cambodia, Malaysia, Singapore, and China) and 8 percent are from Europe, North America, Australia, and New Zealand. Before the COVID-19 pandemic, international tourists in the Lao PDR came mainly from Thailand (45.0% of the total), followed by China (21.3%), Viet Nam (19.3%), and the Republic of Korea (4.2%) [3].

The majority of respondents are from 18 to 34 years old (78%). This result is since the survey was mainly distributed through social media networks of which most users fall into this age group. Although the survey did not get a diverse range of respondents in terms of demographics, it is still useful because it provides insights into younger segments that seemed to recover stronger after the COVID-19 pandemic; in other words, they will be the first to travel based on a report by UNWTO [8].

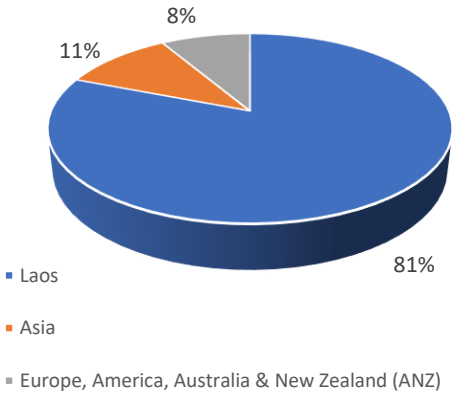


*Figure 18: Respondents by country/ region of origin*

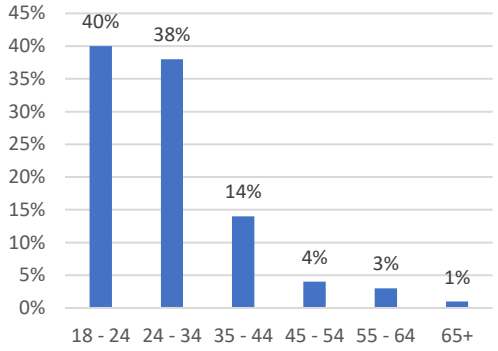


*Figure 19: Age of respondents*

### *3.2.2. Travel Experience in Laos*

Out of 178 international respondents who have visited Laos, a third of them rate it best ever or better than most. 43 percent of global visitors think that environmental and social practices among tourism businesses are average.

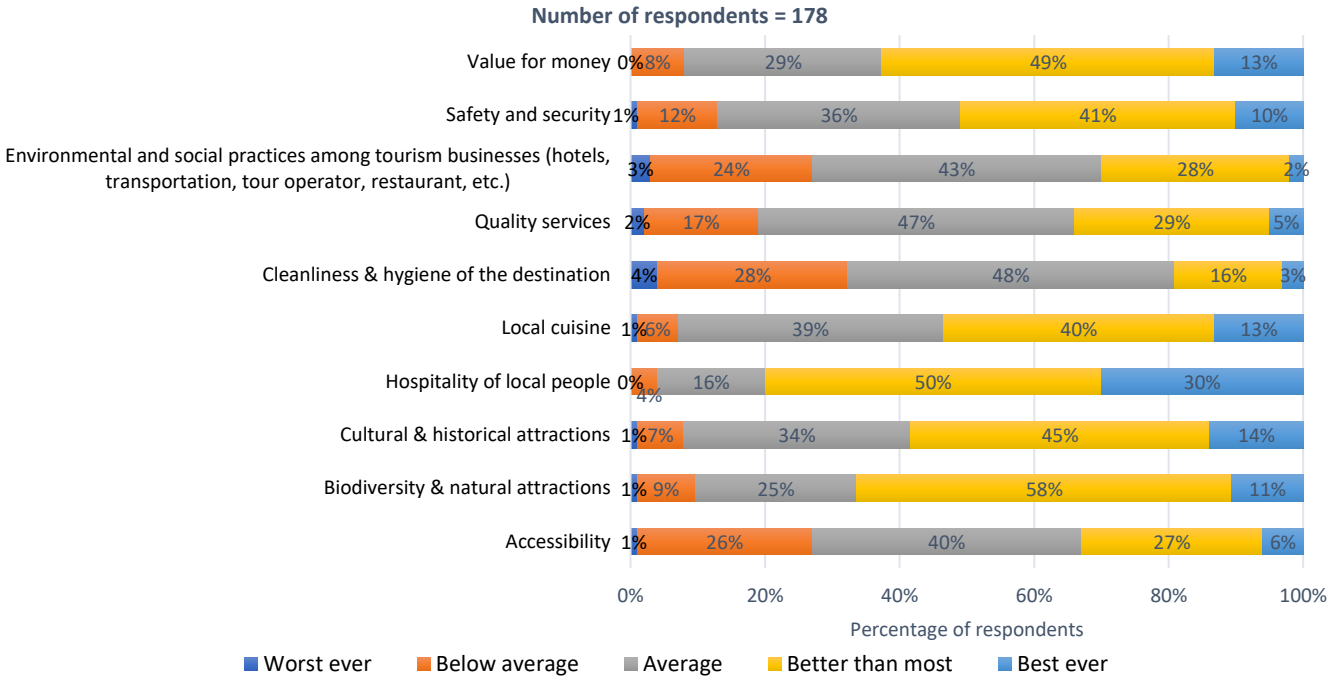


*Figure 20: International tourists rate their travel experience in Laos*

The most outstanding element of the Laos experience is the hospitality of local people. Half of the international visitors rank it better than most while 30 percent of them consider it as "best ever" (see figure 20). Laos is also rated better than most by the majority of tourists (58 percent) in terms of

biodiversity and natural attractions. Cleanliness and hygiene are the areas that need improvement as about three-quarters of international travelers rate it either average or below average.

Although similar trends are observed among domestic tourists, they seem more demanding. 74 percent of them score environmental and social practices among tourism businesses either average or below average (see figure 20). Other aspects that have similar ratings include quality of services, cleanliness, and hygiene, and accessibility.

Aspects that are rated best ever or better than most by more than 50 percent of respondents include biodiversity and natural attractions, the hospitality of local people, and local cuisine.

Importantly, when asked factors influencing future choices of travel destination, 75 percent of international travelers consider the handling of the COVID-19 pandemic (death rate, infection rate, vaccination, government policies, hygiene practices, etc.) as most important or very important. Additionally, 86 percent of them reported that the safety and security of a destination will largely influence their selection of holiday destinations.

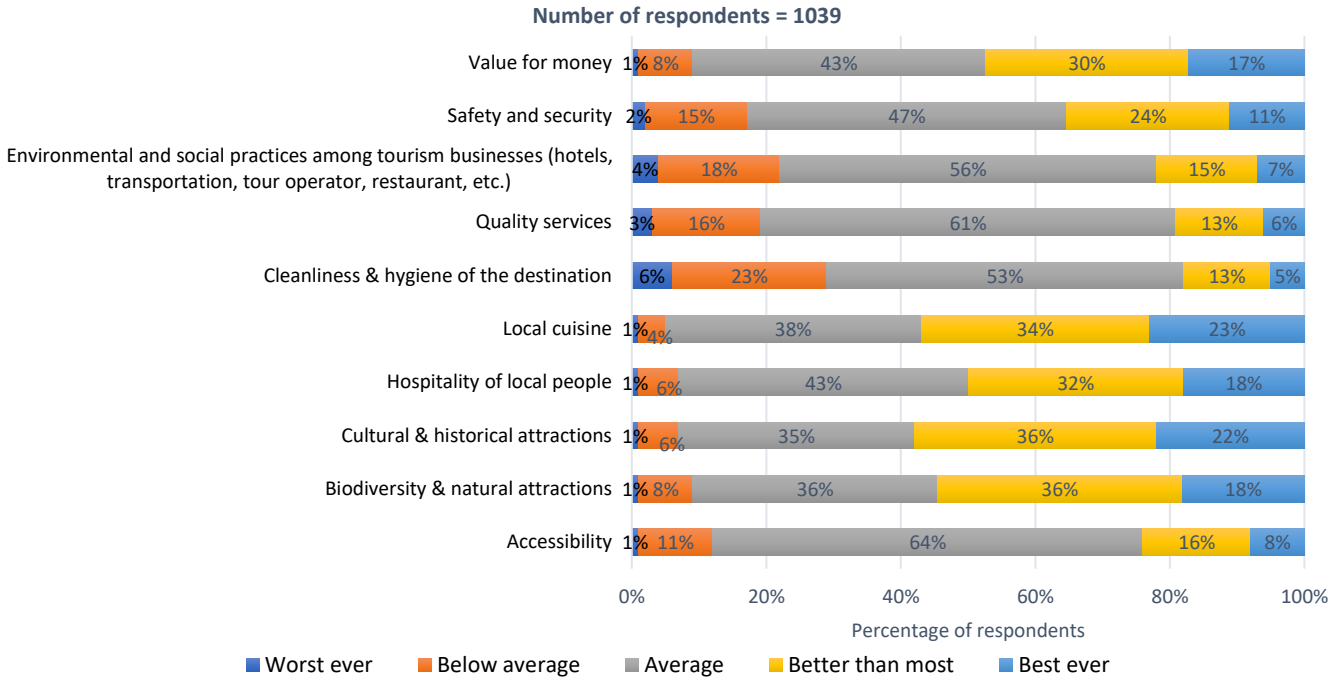


*Figure 21: Lao tourists rate their travel experience in Laos*

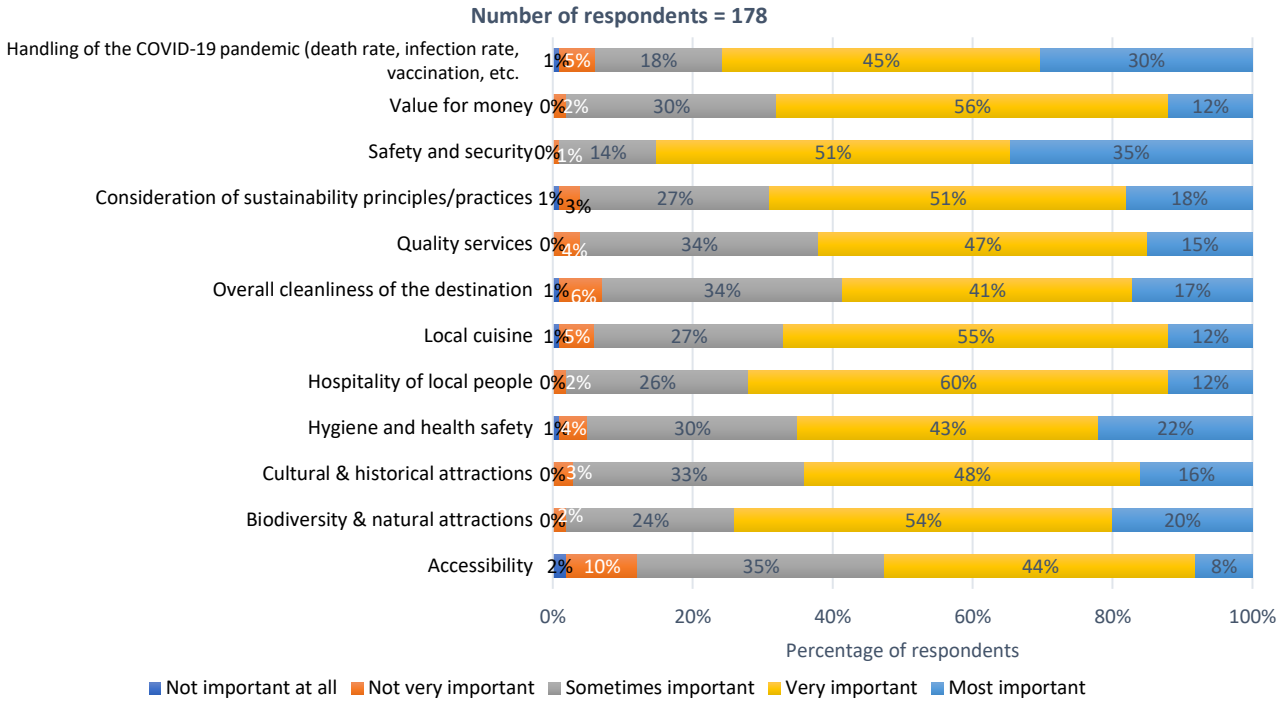


***Figure 22: Rate the following factors in order of importance when selecting a destination for your next holiday***

### *3.2.3. Tourists and Sustainable Tourism*

When selecting holiday providers, 75 percent of both international and domestic respondents strongly agree with the statement that they care about the environment and expect the service provided on their holiday to be environmentally responsible. The majority of them favor a product and service if it had a green/sustainability certification or award (see figure 20). A similar trend is also reported in The Future of Travel Report 2020 by Booking.com. Over half (53 percent) of global travelers want to travel more sustainably in the future as they have come to better understand human's impact on the environment and that the health of people depends on the health of the planet [11].

Nevertheless, it is important to acknowledge that respondents might be influenced by "social desirability bias" – the tendency of participants to give socially desirable responses instead of choosing responses that reflect their true feelings [12]. Furthermore, when putting sustainability practices in side by side with specific aspects of the holiday such as location, comfort, value for money, and hygiene and safety standard for consideration, the majority of travelers would prioritise the latter. Specifically, 56 percent of travelers prioritize location, comfort, and value for money over sustainability. Due to the financial legacy of the COVID-19 pandemic, travelers are even more price sensitive. Price comes 2$^{nd}$ (and sustainability is at 25$^{th}$) when asked about important influences on their last holiday choice according to the BVA BDRC Holiday Report 2020 [13]. Similarly, Booking.com reported that 62 percent of tourists will be more price-conscious and demand more value for money as a result of the economic impacts of the COVID-19 crisis [11]. In a nutshell, even though respondents claimed that they care about the environmental and social practices of businesses and would choose a product or service that has a green or sustainability certification over others, they might not do it in reality.

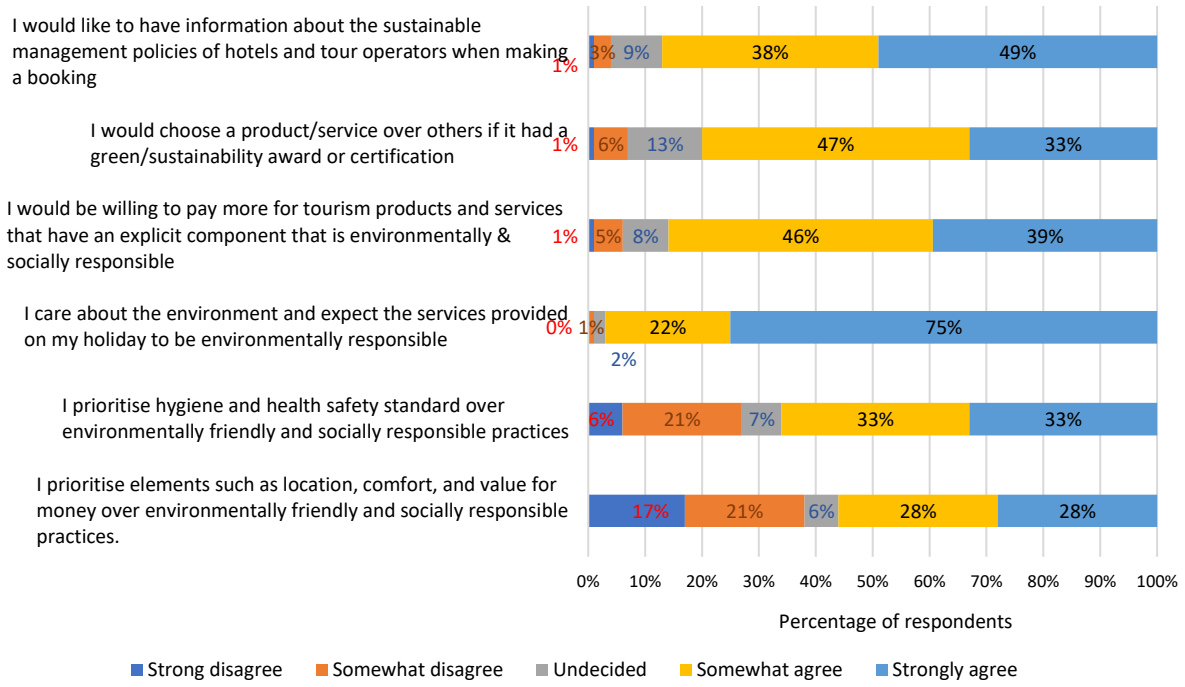


***Figure 23: How important are sustainability criteria in your choice of holiday providers (hotel, tour operator, restaurants, etc.)?***

Another impact of COVID-19 is the emergence of hygiene and health safety standards as an important factor of holiday choices. 66 percent of respondents indicated that hygiene and health safety standard are more important to them than environmentally and socially responsible practices. This finding is consistent with several industry reports. According to the Pacific Association of Travel Agents'*The Impact of Health and Hygiene on Post COVID-19 Destination Competitiveness in Asia Pacific Report,* clear health and safety precautions are now more important than price and location [14].

Figures 23 and 24 demonstrate how international and domestic tourists perceive the sustainability performance of tourism businesses. Among international tourists, employing people from local communities is the most recognized indicator that a tourism business is committed to sustainability (94 percent), followed by using local products (93 percent) no single-use plastic items (91 percent), making efforts to reduce energy and water use (91 percent) and guests are encouraged to travel responsibly (91 percent). Among domestic travelers, the majority of them (91 percent) perceive using local products as the most visible indicator, followed by planting trees (88 percent), supporting charity and community development initiatives (87 percent). This shows that there are some differences in how international tourists and domestic tourists perceive sustainability actions in tourism businesses.

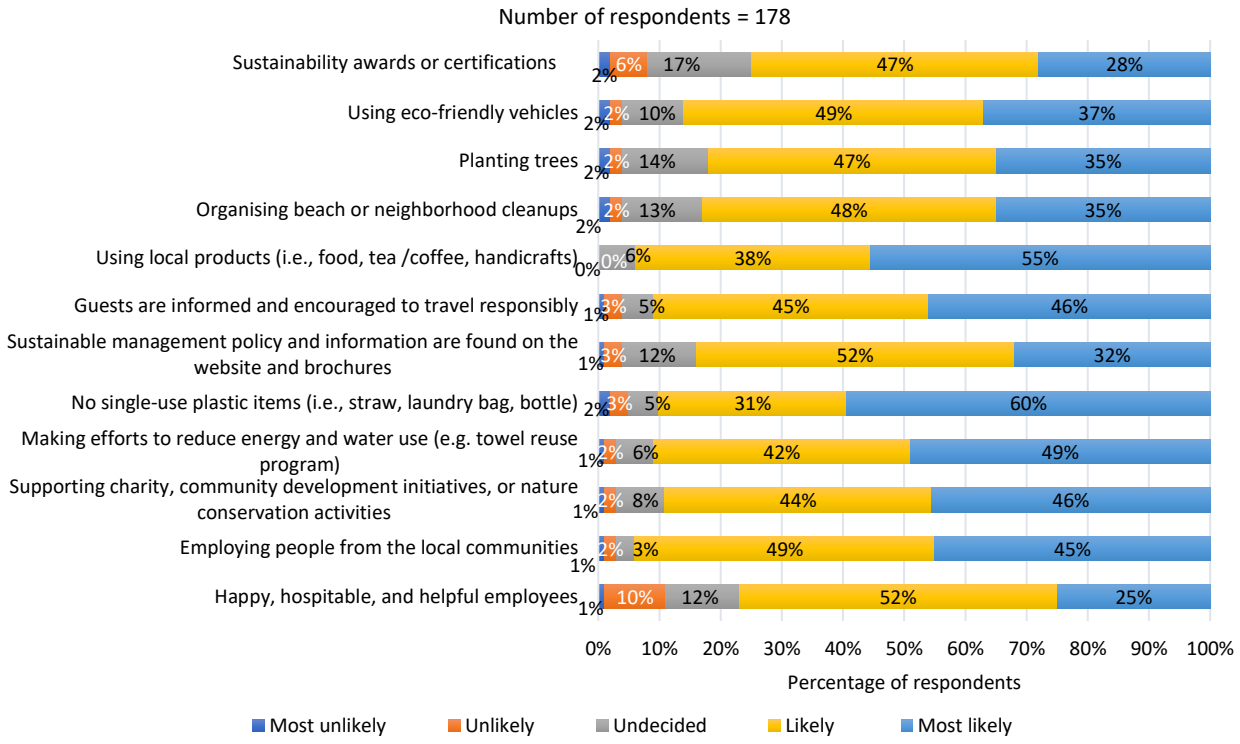


***Figure 23: In your opinion, which of the following actions are indicators of a tourism business that is committed to sustainability? (International tourists)***

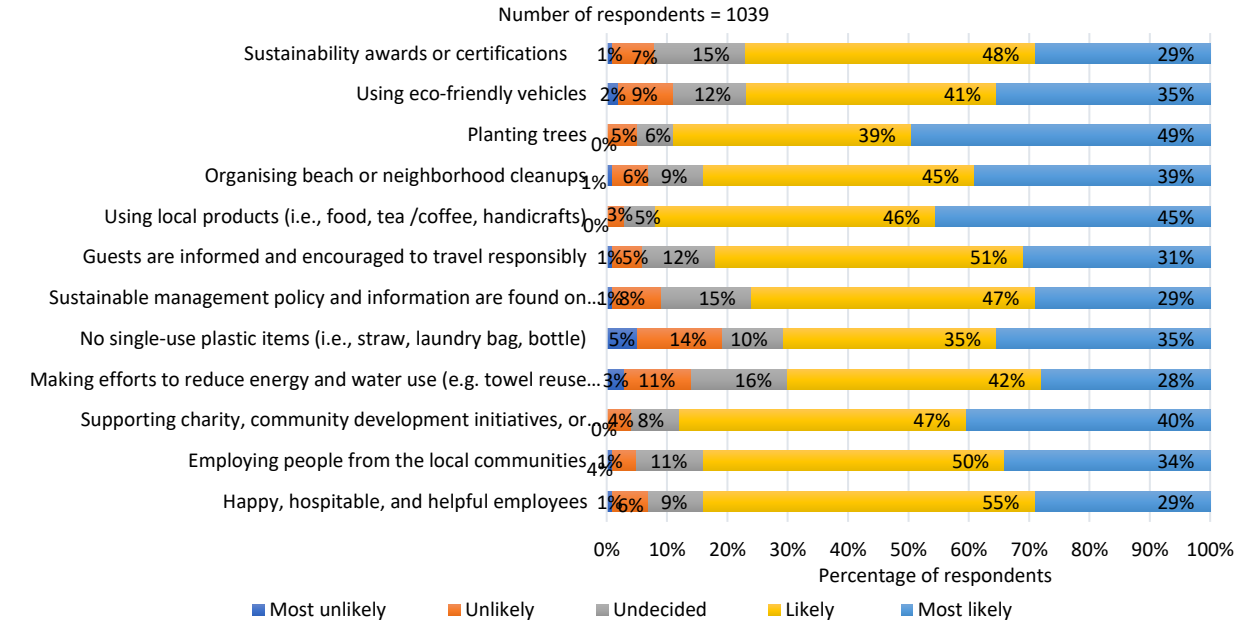


***Figure 24: In your opinion, which of the following actions are indicators of a tourism business that is committed to sustainability? (domestic tourists)***

In terms of awareness of international certifications, Fair Trade (52%) and Rainforest Alliance (42%) are the most popular schemes among international consumers (see figure 25). This result may be explained by the fact that these are certifications for common products such as coffee, tea, and chocolate and can easily be found on their packaging. Travelife comes as the 3rd most recognized certification among international respondents. Half of the domestic respondents are not aware of any mentioned certifications. Among those who can recognize some of the schemes, Green Globe comes first with 27 percent of respondents and Travelife comes second with 26 percent.

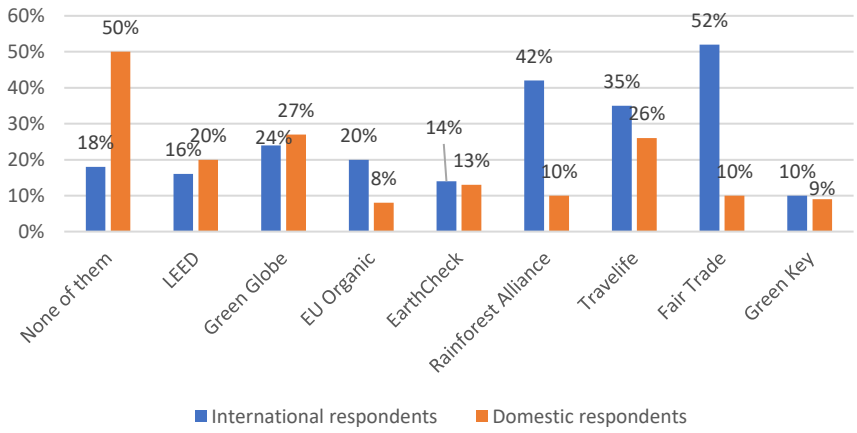


***Figure 25: Which of the following certification(s) are you aware of?***

Positively, when asked about the characteristics of a sustainability-certified hotel, from 60 percent to 70 percent of travelers associate it with better quality services, lower environmental impacts, and positive social and cultural impacts. However, more than half (52 percent) of them think the sustainability-certified hotel can sometimes be more expensive than others.

### *3.2.3. When will they travel again?*

Despite travel restrictions and continued uncertainty, most travelers are excited to travel again. Most international travelers (89 percent) are willing to travel internationally again when it is possible and safe. And 63 percent of them would do so as soon as they can. Compared to international travelers, domestic tourists are a bit more cautious when it comes to international travel. Only 47 percent of them will be willing to travel internationally and only 30 percent of them would do so as soon as they can while 38 percent of them would wait at least 3 months (see figure 26 and 27).

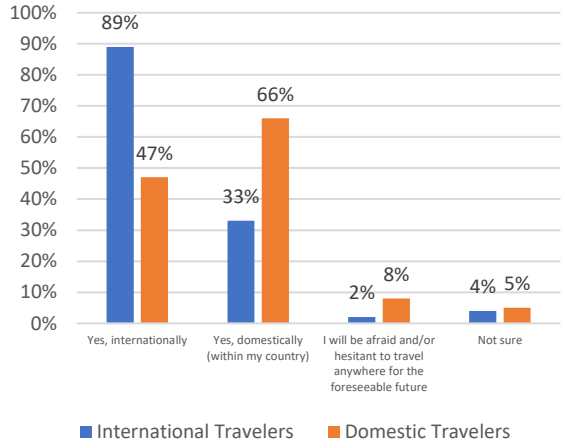


***Figure 26: When leisure travel is safe and opens up again, will you be willing to travel?***

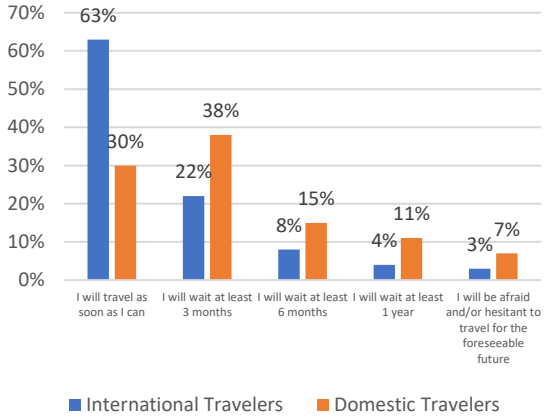


***Figure 27: When borders, flights and hotels are open, will you be eager to travel?***

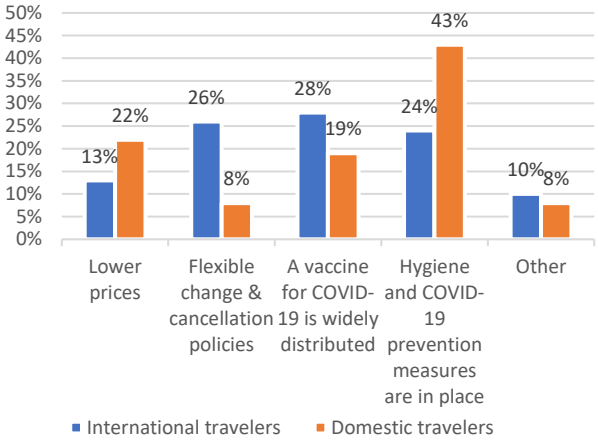


*Figure 28: What would motivate you to travel?*

In terms of motivation to travel again, hygiene and COVID-19 prevention measures being in place is the most important factor among domestic travelers (43 percent), followed by lower prices (22 percent). Among international tourists, the wide distribution of a vaccine for COVID-19 is the main motivator (28 percent). The next most important factors are flexible change and cancellation policies (26 percent) and hygiene and COVID-19 prevention measures (24 percent).

### *3.2.4. Conclusions and Recommendations*

Based on the results of the survey, the following conclusions and actions are recommended in light of the project's objectives and indicators:

- **There are differences between domestic and international travelers:** the most noticeable difference between these two markets is how they perceive sustainability practices in tourism businesses. The majority of international tourists think actions such as employing local people, using local products, reduction of single-use plastic, energy, and water use are strong indicators of business' sustainability commitment. While domestic tourists see using local products, planting trees, and supporting charity and community development initiatives are as indicators of sustainability commitment of tourism businesses. Additionally, half of the domestic respondents are not aware of any of the international sustainability certifications mentioned in the survey. Therefore, it suggests that any awareness-raising and marketing efforts should take these differences into account.

- **Indicator OC2i.b: at least 20 percent of FITs surveyed are aware of sustainable practices of Lao tourism SMEs by 2024.** The baseline data suggested that 30 percent of international visitors rated the environmental and social practices of tourism businesses in Laos as best ever or better than most. This measurement is not precisely in line with one of the indicators which are just to measure "awareness". Nevertheless, it did not digress from the topic. It went one step further by identifying how tourists perceived sustainable practices in tourism SMEs. However, it is recommended that the project keep its initial target value which is 20 percent for several reasons. Firstly, there is still a lot of uncertainty about when tourist activities are back to the level pre-COVID 19 and how tourism would look like. Furthermore, the number of international tourists in the baseline survey is quite small (178 respondents). Last but not least, due to travel restrictions, the latest trip to Laos among surveyed respondents is a year ago, thus the reflection of their travel experience might be the same as what it would be when the end-survey is done in 2024 at airports in Laos.

- **Communicating sustainable tourism in a language the public can understand and engage in is critical**. According to the BDRC's Holiday Trends Report 2020 [13], the public understood terms such as "recycling", "single-use plastic", "compostable", "climate change" are well understood,

while “carbon footprint”, “carbon offsetting”, and “sustainability” are terms that were not understood. Messages should also be positive and fun as travelers do not want to be reminded of environmental and social problems on their well-earned holidays. The project has already planned to put out a wide range of promotional materials in different forms such as billboards, posters, promotional articles on in-flight magazines. The backside of the immigration card can also be used to promote sustainable practices or offer tourists the opportunity to voluntarily pledge to travel environmentally and socially responsible in Laos. Furthermore, the project can assist tourism SMEs in how to communicate their sustainable practices so that messages are consistent, thereby, have larger effects.

- **How destinations handle the COVID-19 pandemic (death rate, infection rate, vaccination, hygiene practices, etc.) is a deciding factor when consumers select future holiday destinations**. The project could consider supporting the public and private sectors to enhance hygiene and health safety standards and promote it as a safe destination. Because Laos has been quite successful in dealing with the global public health crisis, along with the fact that it has a small population and offers a lot of outdoor activities.

## 3.3. Community Survey

### *3.3.1. Overview of Surveyed Communities*

| Province | Village | Population | Number of Households |
|---|---|---|---|
| Luang Prabang | Xiengman | 1705 (857 female) | 341 |
| | Thaphan | 685 (316 female) | 131 |
| | Chan Nuea | 493 (264 female) | 90 |
| Vang Vieng | Naduang | 905 (479 female) | 162 |
| | Huaysagnao | 2,507 (1,278 female) | 489 |
| | Nathong | 847 (447 female) | 168 |

- **Xiengman Village**

Xiengman village is part of the Chomphet Heritage District lies on the west bank of the Mekong River, opposite the Town of Luangprabang. Although situated within the World Heritage Site boundaries, it receives less than 2% of Luangprabang’s visitors. However, this problem has set to change due to improvement of access under the ADB-Tourism Infrastructure for Inclusive Growth Project (TIIGP). The improvements mainly include improvement of existing access roads, ferry terminal, and other small works e.g., construction of a parking area, new public toilets, walking paths, community markets, and small boat landings. The access road that connects Luang Prabang to Hongsa, Sayabouly, and Nan Province, Thailand via route 4B will likely bring more tourists especially Thai once borders re-opens.

This village has a population of 1,705 people (857 female) and 341 households. Approximately 60% of the total households are involved in the tourism and service sector. There is no structured community-based tourism in Xiengman. Many people from the village come to Luang Prabang town daily to trade and work. Many come to women who sell food and arms giving items to tourists in the morning.

- **Thaphan village (Kuangxi Waterfall)**

Thaphene village has a population of 685 people (316 female) and 131 households. It is located about 28 km south-west of Luang Prabang World Heritage site and is adjacent to Kuangxi Waterfall Forest Park. The waterfall is currently under the management responsibilities of the Luang Prabang provincial government. Only a few of the villagers are involved in the daily management of the waterfall. The villagers also operate the car park and market stalls around the parking lot.

However, at the time of the survey, a new car park and service area were due to open for use by a private investor from Luang Prabang town. This new service facility that is further down from the village and the current parking lots will directly impact the local stall operators and the village in general. As reported by the villagers, all vehicles are expected to be parked in designated areas. Visitors are to be shuttled to the waterfall by electric carts. Village vehicles will be provided with special identification tags that would allow them to get through the barrier. New shops and stalls have been constructed for rental to all those that are interested to sell at the facilities. However, it is still unclear to the villagers who will be allowed to sell as there is only limited space available. At the same time, the annual rental fees are said to be too high for what the local communities can afford, especially during the time of COVID-19.

- **Chan Nuea (Pottery Village)**

Ban Chan Neua is a pottery village that is part of the Luang Prabang World Heritage Site across the Mekong on the Chomphet district side. The village comprises 90 households and a population of 493 people (264 female). Ban Chan Neua has been attracting tourists coming to Luang Prabang and is been part of the tour itinerary of many tour companies. This village is a traditional pottery-making village, however in recent years income from pottery has declined, hence many families have switched to other livelihood activities. Only 7 families are currently active in pottery making.

Access to the village has previously been by boat only, however, the road access to the village has been upgraded by the ADB Tourism Infrastructure for Inclusive Growth Project, which makes arriving at the village very convenient by car, motorbike, and even bicycle. As a result of the ADB's tourism intervention, the village now has a communal pottery exhibition hall and selling outlet.

- **Naduang Village**

Naduang village is 6 km east of Vang Vieng town, which is accessed via a dirt road linked to the National Highway 13. It is a community-based tourism village that provides home-stays service as their main drawcard with Tad Keang Yui just 2 km from the village. The village has a population of 905 people (479 female) and 162 households. Most of the population is of Khmu ethnic group with about 480 people and the Tai-Kadai language group (Lao, Tai-dam) contain about 425 people.

Naduang is the village in charge of managing Tad Keang Yui under a Community Tourism Group system, which includes selling entrance tickets, selling food and drinks and handicrafts, and Khmu dance performance. The management of the site is carried out on a rotational basis among villages, where 12 families are given a one-year "contract" to sell drinks and foodstuff at the market site. The yearly fee the families must pay to the village is 10 Million LAK, which is shared among the 12 families. Since there are only 4 selling stations, these are distributed to three families each to rotate the staffing of the one table selling grilled snacks, dry goods, and drinks. However, due to COVID-19, all services at the waterfall have been suspended.

This village is also a homestay village since 2010, with about 8 families currently involved. It was part of the Sustainable Tourism Development Project funded by the Asian Development Bank (ADB) and is also a target village of the ongoing Second Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (TIIGP2, 2019-2025). The TIIGP2 is improving the 6 km access road to the concrete surface and parking area at the base of the pathway leading to the waterfall, which will allow more tourists to visit the waterfall more comfortably and provide residents better access to markets and social services in nearby Vang Vieng Town.

- **Huaysagnao Village**

Huaysagnao is made up of 2,507 people (1,278 female) and 489 households. The main ethnic group is the Tai-Kadai language group, which is about 2,264 people.

The village is part of the six municipal villages of Vang Vieng, located about 1 km from the town. Huaysagnao's key attract is Tam None Cave, which is managed under a concession by a private company. The village is the main commercial hub of Vang Vieng with the town's market and bus station. More than half of the working population are government employees. Tourism makes up only about 35% of the village's economic activities.

However, the village is currently developing a new tourist attraction, which is a cave that is located on the village land of about 10 ha. They are interested in replicating the operation and management model from Nathong, where villagers have full ownership of the attraction. The proposal for the development has been drafted and 365 families have registered their interest in taking part in the development. The initial stages of the development will be provided by the registered families who will contribute 500,000 Kip per family. This will cover the costs for development access from the car parking area to the cave entrance, some shops, and food stalls as well as rest huts for visitors. Each family is responsible for planting one tree in the area. The village will seek further finance for the next stage of development.

- **Nathong Village**

Situated about 7.5 km west from Vang Vieng Town, Nathong village manages the 2 key attractions of Vang Vieng, the Blue Lagoon 1 and Phoukham Cave through a Community Tourism Group system. This includes selling entry tickets, food and drink stalls operation, tour guiding (cave), toilets, cark parking, life jacket rental, handicraft stalls, selling of fish food, waste collection, and maintenance of facilities within the attractions.

The village has a population of 847 people (447 women) and 168 households. Nathong is one of the very few tourism villages in Laos that can manage such popular attractions with minimal external assistant or investment. The village has a strong sense of ownership and teamwork as every family benefits from tourism directly and indirectly. Nathong is the local champion at community-based tourism in terms of how it operates and manages the attraction. The village will also benefit from access road improvement by the current ADB project (TIIGP2).

### *3.3.2. Respondent Profile*

A total of 120 community members were surveyed in the 6 target villages. The village's total population and the ratio between male and female population were part of the respondent's selection criteria.

Although the survey team had requested an equal ratio of male and female respondents, the turnout of female respondents was 26 percent higher than male respondents. This was mainly due to female respondents' role in community tourism. They are the food and produce sellers, the stall operators, ticket sellers, etc. While some female respondents came in place of their husband as their husband had work elsewhere at the time of the survey.

There is a good disperse in the age groups of the respondents. While the main age group of the respondents is predominantly 36-50 range (45 percent), 25 percent of the respondents were age between 20 – 35 and 22 percent of the respondents belong to the 51 – 64 age group. Close to all surveyed respondents (97%) are married.

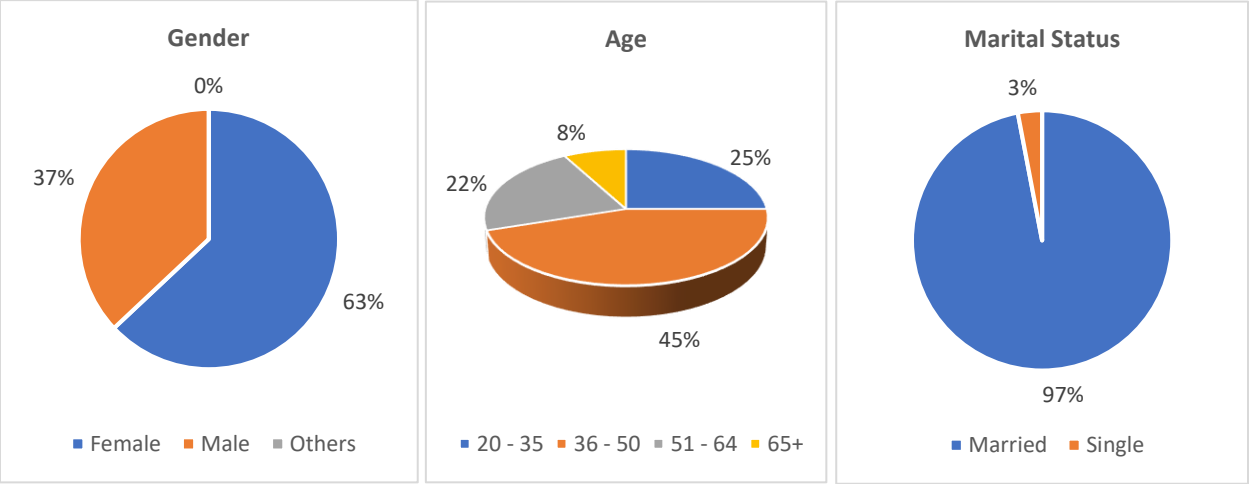


*Figure 29: Respondent Profile*

The majority of respondents have a basic form of education, however, approximately 3 percent of all respondents said they did not have any formal schooling. Close to 30 percent have completed primary education. While 24 percent and 29 percent have completed lower secondary and upper secondary school, respectively. Only 6 percent attained vocational certification and 4 percent made it to university. The lower levels of education for the respondents might be intricately linked to the main age group of the respondents, which is the older age range. Access to schools for these groups of people may have been difficult in the past.

In terms of respondents' occupation, 40 percent are self-employed mainly in operating their own shop or stalls at attractions close to their village, tourism boat owners and those who sell morning arm offering goods to tourists and while 35 percent said that they are farmers. Farming and agricultural activities remain important sources of livelihoods for many families.

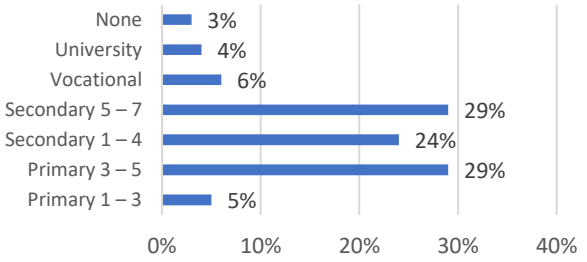


*Figure 30: Level of education of respondents*

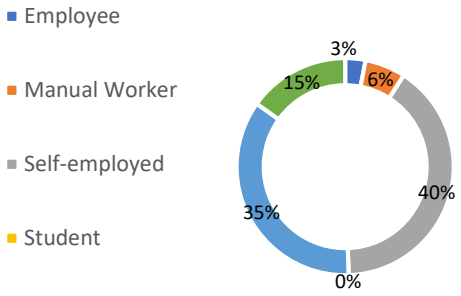


*Figure 31: Occupation of respondents*

Overall, the majority of respondents said that their family does not have anyone with a disability. For the 10 percent that mentioned a disability in the family, the type of disabilities includes blindness, mental disability, and some with physical impairment.

### *3.3.3. Perception of Community-based Tourism*

In general, all communities surveyed have a sense of understanding of community tourism in their respective villages. However, their understanding is very general and basic except for a few people who have a bit deeper knowledge and awareness of the tourism concept. For example, those who demonstrated a better understanding of tourism could draw linkages of the tourism activity that they do to the wider tourism supply chain. However, some did not realize that they were of the tourism supply chain until further explained. Male respondents seem to present a clearer understanding of the topic than female respondents although most of the female respondents are involved directly in the tourism activities.

Although all villages surveyed are tourism villages when asked to rank the most important village income source, some respondents were unsure despite the village's key income source is from managing tourist attractions such as the Blue Lagoon (Nathong Village). This is an indicator that villagers do not fully understand community-based tourism despite that they are part of the beneficiary.

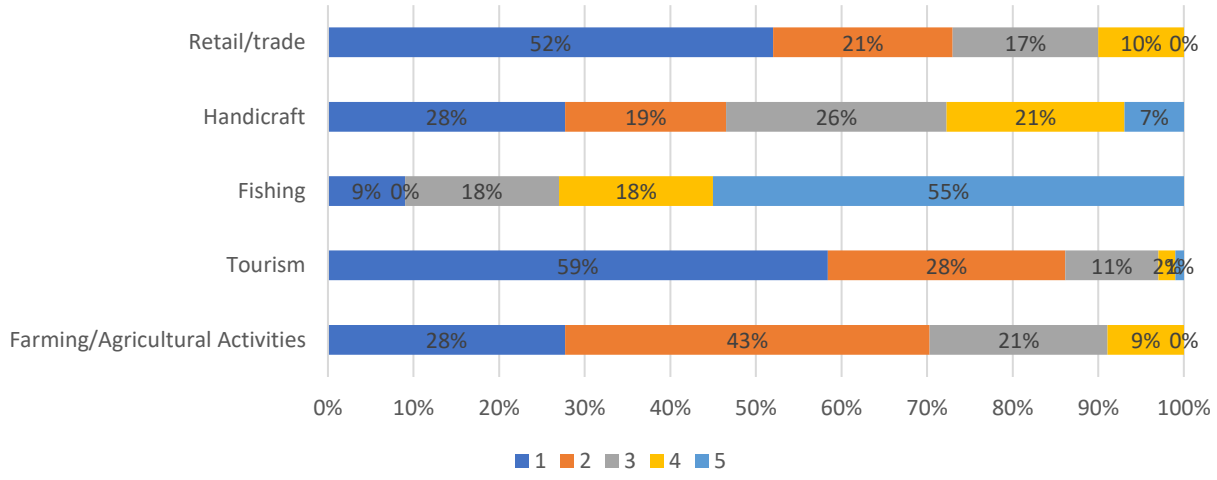


*Figure 32: The most important income source for the village*

A note on village income source ranking, not all respondents ranked the available choices in the survey. They ranked the choices that they think applied to their village. Hence, the results do not add to 100 percent for each option. Nonetheless, the results show that despite all villages surveyed are tourism villages, the level of economic contribution from tourism varies. Nearly 60 percent of respondents stated that tourism is the number one income earner. Farming and agricultural activities are also important income sources, 43 percent of respondents ranked it as the second. Additionally, farming and agricultural activities are considered as important even in a village where the main income source is from tourism might be because most attractions are managed on a rotational basis and tourism is seasonal. For the off-tourism period, families mainly work in their fields. While 52 percent of respondents ranked retail/trade as the number one income source, this is because the main linkages are selling to tourists. This might be an exception of Huaysagnao, where the main economic activity is commercial retail and trading.

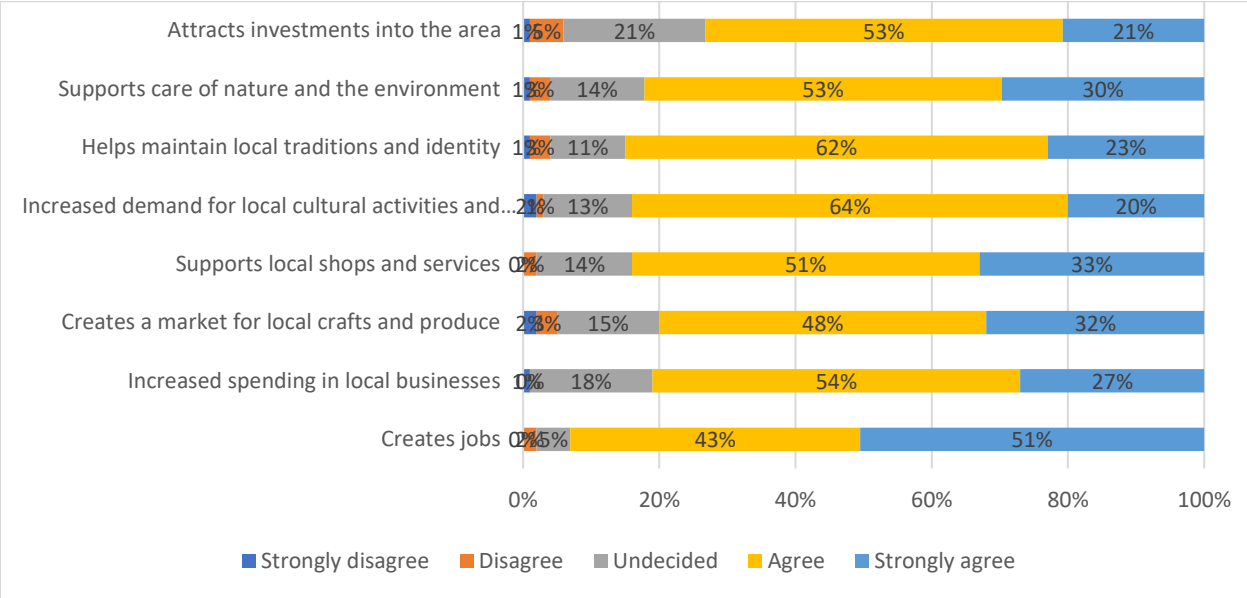


*Figure 33: How tourism contributes to life in the community*

Overall, the local people surveyed perceived community-based tourism to be beneficial to their families and communities. Figure 25 shows that more than 90 percent agreed (51 percent strongly agree) that tourism in the area helps creates jobs. Approximately 80 percent agreed that it has helped increased spending in local businesses. At the same time, they agreed that tourism increases the demand for local cultural activities and helps maintain local traditions and identity (84 percent and 85 percent respectively). Besides, tourism in the communities provides equal opportunities for everyone in the village regardless of gender and disability (88 percent agreed with the statement in Figure 33). In general, villagers think that tourists do not have a bad influence on children's behavior in the community (52 percent in Figure 33). It may have been in the past, but currently, villages have rules and regulations that tourists must follow. Additionally, there have been many campaigns by government authorities and projects to disseminate cultural information for tourists such as the Dos and Dont's while traveling in Laos.

Tourism is an important economic sector for the long-term prosperity of the community. Close to 90 percent said that tourism made a positive contribution to the quality of life for people in the community. Some respondents mentioned that they were able to send their children for higher education and build

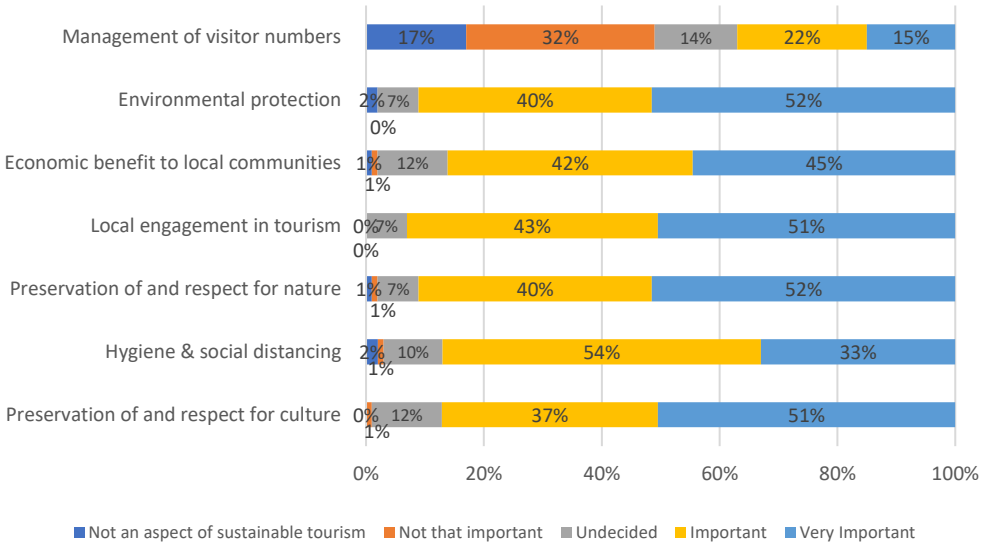


*Figure 34: Perception of aspects of sustainable tourism*

houses with the income received from tourism activities. Figure 26 also shows that more than 60 percent of respondents agreed that tourism does not create a burden on local services and amenities. They also think that foreign tourists care for the local environment, which corresponds to 64 percent disagreement on the statement "The tourists coming here cause damage to the environment". While more than 10 percent of respondents agreed with the statement this could be due to the perception that some groups of foreign tourists such as the Chinese do not respect the local environment. This perception also applies to some groups of domestic tourists. Some people are more aware of the negative impacts of tourism, especially on the environment. For example, locals are aware of the increase in waste because of more tourists. The negative impacts on the culture and social aspects especially on children are seen to be low. This is, however, is not surprising because negative impacts of tourism on social and cultural aspects are often not as visible and immediate as environmental impacts. Though some respondents remained neutral and disagreed in most aspects, it was mainly due to the low or no involvement in tourism activities in the village.

Most respondents (87 percent – 94 percent) agree on most of the aspects outlined in Figure 34 are important aspects of sustainable tourism except for "management of visitor numbers", only 37 percent indicated that it is important. This is because locals are highly dependent on the high flow of tourists so they can sell more entrance tickets and sell more food and drinks and other products to tourists. Most said, the more tourists the better. They have little awareness and linkages between carrying capacity and environment degradation apart from the waste issues.

In general, local villages are aware of people from outside the village who would like to operate or do tourism activities in their village area (53 percent). However, most of the detailed information usually remains at the village committee level. The wider communities are usually not very well informed. Local people receive inconsistent information. They must speculate and need to wait to see what the development would be or what kind of impacts it would have on them. Many said that what the company proposed very different from how they implement it. The example is drawn from Kuangxi Waterfall's new car parking facilities at Thaphan village. 33 percent of total respondents know of companies or individuals that have formal contracts with the village authorities. However, 38 percent said they either don't know or unsure.

Though local communities are generally happy with tourism in their area, during the COVID-19 global pandemic all communities are hard hit by the low tourism numbers, especially on those destinations that rely on foreign visitors. Though the "Lao Thiao Lao" campaign has helped encouraged domestic tourists to travel more, it mainly brings tourists to the key destinations such as Luang Prabang town or Vang Vieng town. However, only a handful of people venture out to smaller villages. For example, it has not helped some villages such as Naduang, which is mostly dependent on foreign tourists that comes to Vang Vieng and seeking homestay opportunity. Despite the negative impact that COVID-19 has on the tourism sector, 59 percent of respondents remain positive about the outlooks of tourism in their area.

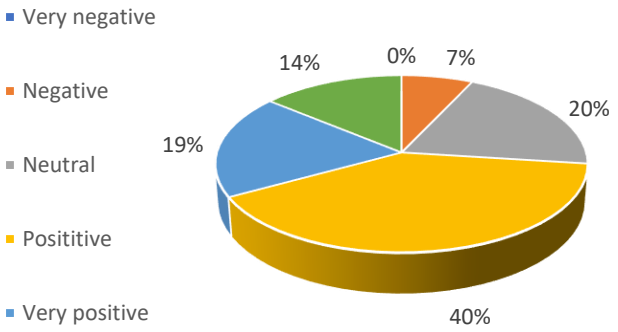


*Figure 35: How do you feel about the future of tourism in your area post COVID-19*

### *3.3.4. Conclusions and Recommendations*

Since it is unclear how long the borders will remain closed, it is undoubtedly difficult for the villagers to maintain confidence in tourism. To respond to today's needs and prepare for the future, key recommendations related to community-based tourism include the following:

- **There is a lack of a comprehensive understanding of community-based tourism among surveyed communities:** therefore, even though at least 80 percent of surveyed community members perceived community-based tourism as beneficial, it is recommended that the project keeps the target value of indicator OC1i.c (75 percent of surveyed community members perceive community-based tourism as beneficial. This finding further calls for activities at communities).

- **Promoting activities to raise awareness of and address waste management issues such as waste separation and reduction of single-use plastics**: the majority of respondents (84 percent) mentioned that tourism helps protect the environment in their area which means tourism offers a good opportunity to address waste management problems.

- **Training on health safety and hygiene is needed:** the survey clearly shows that close to 90 percent of respondents agree that this is an important aspect for the future of tourism. Therefore,

providing clear information and training to communities to improve hygiene practices to promote safe return of international tourism.

- **A market-driven approach might be more effective**: In terms of community-based tourism initiatives, the project may consider collaborating with villages that are already working with tourism SMEs who take part in the project's activities. There have been development projects that tried to develop community-based tourism in villages in Laos but they have not been very successful in connecting these communities with the market. Most tour companies have been working with communities across the country. They do not always have a formal agreement with these communities. As the project adopts a value chain approach, it would be more effective for it to assist companies that participate in its activities to formalise their partnership and support with communities that they are working with. Additionally, there are quite a few examples used around the country that can be built upon. In 2019-2020 the GIZ ProFEB project in Hin Nam No developed a tourism investment framework and a contract template between the private sector operator, communities, and relevant government authorities to develop and manage a nature-based tourism attraction (e.g., Xe Bang Fai Cave), which takes account for environmental, social, business considerations and outlines key details such as roles and responsibilities of each stakeholder, benefit-sharing, employment, and monitoring. In 2020, the KFW-funded ICBF Project developed a similar contract for use in Nam Ha National Protected Area (NPA) to create formal agreements between local tour agencies, ethnic communities, and tourism and protected area agencies. Some other examples of tourism contracts with communities include the Nam Nern Night Safari in Nam Et-Phou Louey NPA and agreements made directly between private operators such as Green Discovery and Tiger Trails with their partner communities.

## 3.4. Final Conclusion

This section summarises how the baseline study answered the five key research questions defined at the outset of the study.

i. **What is the current state of the sustainability of the Lao tourism supply chain, particularly as it relates to sustainable consumption and production (SCP)? What is the perception, understanding, and current practices of key stakeholders/beneficiaries (tourism MSMEs, supplier MSMEs, local communities, business/tourism associations, government organizations) related to SCP, sustainable supply chain management, and sustainable tourism (including the Travelife programme)?**

The majority of businesses do not have a comprehensive understanding of the sustainable tourism concept (some of them have not even heard about "sustainable consumption and production" before). This leads to a lack of awareness of sustainability certifications and their benefits. Only 17 percent of surveyed businesses have adopted a sustainability certification. Nevertheless, many of them are interested in certifications, and applying one is considered as a high or medium priority by more than half of surveyed enterprises. In terms of practices, many businesses reported having taken measures to improve their human resources and environmental performance. However, there is still ample room for improvement.

**ii. What is the perception and level of awareness/interest that consumers (Free-and-Independent Travelers (FIT), international travel agents) have of tourism MSMEs and their suppliers, as related to SCP and sustainable tourism (including the Travelife programme)?**

The Travelife certification, despite being more known as a business-to-business sustainability certification, is surprisingly recognized by a third of respondents. About the same number of respondents ranked sustainable practices of Lao tourism SMEs as "better than most" or "best ever". Most tourists claimed that they care about the sustainability practices of businesses and would prefer those who are committed to sustainable tourism. Nevertheless, this intention might not always be translated to actions. Furthermore, other aspects might gain more importance such as hygiene and health safety due to the COVID-19 pandemic.

**iii. What are the key enabling factors which promote greater sustainability within the Lao tourism supply chain? What are the key disabling factors which hinder it?**

There are two enabling factors: (i) sustainability is embraced and promoted by some of the biggest tour operators in Laos which will have a positive impact on their supply chain. (ii) sustainability in tourism SMEs has been further promoted by several organisations in Laos in the past few years and it has gained momentum.

On the other hand, disable factors include (i) lack of comprehensive understanding of sustainable tourism among stakeholders, (ii) lack of sustainable suppliers, (iii) financial and employment impacts of the COVID-19 pandemic on tourism SMEs.

**iv. How are key cross-cutting themes, gender equality, and child rights/protection, understood and practiced across the Lao tourism sector?**

Most businesses do not have a good understanding of gender equality and child rights/protection. The common perception of gender equality is to hire more women. In terms of child rights/protection, all businesses mentioned that they do not have any employees under the age of 18. Some of them have heard about other issues such as begging children and sexual abuse but they believe that those issues do not exist in Laos.

**v. What has been the impact of the COVID-19 pandemic on the tourism sector and the Lao tourism supply chain and MSMEs in particular – what is their current situation, what are their needs and response strategies?**

Most tourism SMEs are functioning with significantly reduced staffing. In response to the COVID-19 pandemic, many of them have turned to the domestic markets and offered big discounts and promotions. Some of the areas that they need support the most include increasing sales to domestic markets, further tax breaks and reductions, training and upskilling employees, marketing and promotion, COVID-19 prevention and hygiene practices and certifications, and increasing sales to regional markets (i.e.; China, Thailand, South Korea, Vietnam).

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# Appendix 1: M&E Framework Updated with Baseline Values

SUSTOUR-M&E_Framework_March 31 2021

## Appendix 2: Timeline of the Study

| Tasks | Timeline |
|---|---|
| Approval of the Inception report (incl. development of data collection methodology, tools (surveys, questionnaires, etc.), and analysis) | 28 January 2021 |
| Training of project staff on data collection | 1 February 2021 |
| Data Collection Test | 2 - 5 February 2021 |
| Data collection (incl. desktop studies, interviews, and surveys) in Vientiane Capital, Vientiane Province, and Luang Prabang (incl. travel days) | 22 February – 5 March 2021 |
| Online Surveys | 10 February – 10 March 2021 |
| Submission of the Baseline Report | 16 March 2021 |
| Workshop with Plan, LNCCI, and ECEAT | 25 March |
| Submission of the final baseline report based on feedback from Plan | 30 March 2021 |

## Appendix 3: Survey on Sustainable Consumption and Production Practices of Lao MSMEs

Help us better understand your practices, needs, and priorities by filling out this survey.

This 20-minute survey is for tourism businesses of all sizes and any businesses that service the tourism industry. The results of this survey will support Plan International and the Lao National Chamber of Commerce and Industry (LNCCI) to develop activities to improve the sustainability of the Lao tourism supply chain.

The survey seeks respondents of over 18 years of age and will take about 20 minutes to complete. After completing the survey, your responses will be combined with others at the aggregate level to get a consensus of opinion on these issues. All responses will be kept completely confidential and every attempt will be made to preserve your anonymity. Individual responses are never attributed without your prior consent.

By proceeding with the survey, you confirm that your participation is entirely voluntary and that you have read and understood the above information.

**Section 1: Business Details**

| | |
|---|---|
| Business Name (optional) | |
| Sector | (Dropdown list)<br>Tour Operators/ Travel Agents<br>Accommodation (hotels, guesthouses, resorts)<br>Building and Construction<br>Handicrafts<br>Restaurants, Cafes and Roadside Stalls<br>Agriculture, Forestry and Fishery<br>Arts, Entertainment and Recreation<br>Other Tourism Services Businesses<br>Wholesale and Retail Trade<br>Education<br>Financial and Insurance Services<br>Transportation<br>Other. Please specify: _ |
| Do you service the tourism sector? | ☐ Yes<br>☐ No |
| Number of Staff | |

| | |
|---|---|
| Location | ☐ Vientiane Capital<br>☐ Vientiane Province<br>☐ Luang Prabang Province<br>☐ Champasak Province<br>☐ Other. Please specify:_ |
| Position of the respondent (optional) | |
| Email address (optional) | |

*Question 1 - 3 are for tour operators, travel agents and accommodation providers only*

1. Through which channels do you receive clients? Please list the (approximate) percentages of your bookings per channel in the below table.

| | |
|---|---|
| Direct bookings | |
| Through European outbound tour operators | |
| Through Asian outbound tour operators | |
| Through DMCs in Laos | |
| Through booking sites | |
| Other. Please specify | |
| Total | 100% |

2. Where did your clients come from pre-pandemic? Mention your top 5 source markets and their share in your total clientele.

| # | **Country of origin** | % |
|---|---|---|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| Total | | 100% |

3. How would you describe your target groups?
   - ☐ Seniors
   - ☐ Families with children
   - ☐ Couples
   - ☐ Singles
   - ☐ Youth
   - ☐ Students
   - ☐ Persons with disabilities
   - ☐ Business travelers

☐ Small groups (up to 10 pax)
☐ Medium groups (11 to 20 pax)
☐ Large groups (21 pax and more)

**Section 2: Sustainability Management**

4. Does your business apply any sustainability certifications (i.e Travelife, Earthcheck, ISO standards, Fair Trade, Ecocert, Global G.A.P, LEED)? If yes, please name the certification(s).
   ☐ Yes. Name of the certification(s): . *Please go to question 6*
   ☐ No. *Please go to question 5*

5. Why doesn't your business apply any sustainability certifications?
   ☐ It's not relevant
   ☐ It's not useful
   ☐ It's expensive
   ☐ I have not heard about it before
   ☐ I am interested but I don't know where to start
   ☐ Other. Please specify

6. Do you have policies and procedures to ensure that your staff are treated fairly and in accordance with all labor laws?
   ☐ Yes. Please explain
   ☐ No
   ☐ Not sure

7. What measures have you taken to reduce the amount of energy your business uses? *Choose one or more.*
   ☐ Use LED light bulbs
   ☐ Use efficient equipment
   ☐ Use a standard setting for cooling and heating systems and equipment.
   ☐ Implement a regular maintenance schedule (for all equipment)
   ☐ Implement a towel reuse program
   ☐ Train our staff about energy efficiency practices
   ☐ Use alternative energy sources (i.e., solar)
   ☐ Other. Please describe
   ☐ We have not taken any measures

   Additional Comment:

8. What measures have you taken to reduce the amount of water your business uses? *Choose one or more measure.*
   ☐ Install water efficient showers and taps
   ☐ Install dual a flush toilet system
   ☐ Train staff to detect leakages and water flow dysfunctionalities

- ☐ Implement a towel reuse program
- ☐ Implement a regular maintenance schedule for all equipment and systems.
- ☐ Other. Describe
- ☐ We have not taken any measures

Additional Comment:

9. What measures have you taken to manage and reduce the amount of waste your business generates? *Choose one or more measure.*
   - ☐ Separate waste and recycle
   - ☐ Reduce single use plastic items such as bags, straws, bottles.
   - ☐ Always print in double-sided format
   - ☐ Install water refill stations
   - ☐ Purchase by bulk to reduce packaging
   - ☐ Train our staff on waste management
   - ☐ Other. Please describe
   - ☐ We have not taken any measures

   Additional Comment:

10. Do you procure products such as organic certified vegetables, Fair Trade certified tea and coffee or FSC certified paper?
    - ☐ Yes. Please explain
    - ☐ Tried, but cannot find products available. Please explain
    - ☐ No
    - ☐ Not applicable

    Additional Comment:

11. Rank the following factors in order of importance when you select your suppliers - 1 being the most important factor to you.
    - ☐ Quality
    - ☐ Price
    - ☐ Reliability
    - ☐ Relationship
    - ☐ Good social practices
    - ☐ Good environmental practices
    - ☐ Sustainability standards/certifications such as Fair Trade, G.A.P, Lao Organic, etc.
    - ☐ Others. Please specify

12. Have you taken any measures to promote gender equality and/or child protection in your business?
    - ☐ Yes. Please explain what you have done . *Please go to question 14*
    - ☐ No. *Please go to question 13*

13. Why hasn't your business taken any measures to promote gender equality and/or child protection?

- ☐ It is not relevant
- ☐ We have not considered it yet
- ☐ We are interested but we do not know what we can do
- ☐ Other. Please specify

14. Do you engage in activities that support the local community such as buying local products or supporting local charities and initiatives?
    - ☐ Yes. Please specify
    - ☐ No. Please explain why

15. What are the challenges you face in terms of improving sustainability practices?
    - ☐ Lack of funds
    - ☐ Lack of technical knowledge
    - ☐ Lack of awareness and actions within our company
    - ☐ Lack of awareness and actions among suppliers
    - ☐ Lack of awareness and actions among guests/clients
    - ☐ Others. Please specify

16. What support would your business require to improve the sustainability management within your business and your supply chain?
    - ☐ Financial support
    - ☐ Expert advice on sustainability management and training
    - ☐ Increased knowledge/awareness of and access to sustainable suppliers
    - ☐ Improvement of sustainability practices among suppliers
    - ☐ Increased demand of sustainable products and service among suppliers and customers
    - ☐ Standards and certifications
    - ☐ Best practices shared from other businesses
    - ☐ Legislations and policies

**Section 3: COVID-19 Pandemic - Impacts and Responses**

17. What is your current business status?
    - ☐ Permanently closed
    - ☐ Hibernating (temporarily closed)
    - ☐ Active with significantly reduced staffing
    - ☐ Active with mostly full functionality
    - ☐ Sold
    - ☐ Available for sale
    - ☐ Business as usual
    - ☐ Other. Please specify

18. How has COVID-19 pandemic affected your business operations? *Choose one or more option.*
    - ☐ Reduced pay for staff
    - ☐ Unpaid leave for staff
    - ☐ Laid off staff
    - ☐ Reduction in variety of services and/or hours of operations
    - ☐ Depletion of cash reserves
    - ☐ Disruptions in the supply chain. Please specify
    - ☐ The pandemic has not affected our business
    - ☐ Others. Please specify

19. What actions has your business taken in response to the COVID-19 pandemic? *Choose one or more option.*
    - ☐ Set up/ expanded online sales
    - ☐ Upskilling or training staff
    - ☐ Shifted to remote working
    - ☐ Improved sanitation and hygiene for staff and clients
    - ☐ Targeted a new market or expanded markets
    - ☐ Shifted to domestic market
    - ☐ Shifted to new business activities
    - ☐ Provided discounts and promotions
    - ☐ Reduced utility costs
    - ☐ Invested funds in renovations and planning
    - ☐ Accessed to financial services and support
    - ☐ Our business has not taken any actions
    - ☐ Others. Please specify

20. Are you aware of any access to finance initiatives for small and medium-sized businesses?
    - ☐ Yes. We have accessed already
    - ☐ Yes. We want to/ plan to access
    - ☐ Yes. But we cannot access. Please specify why
    - ☐ Yes. But we are not interested
    - ☐ No. We are not aware
    - ☐ No. We are not interested

21. Have you received other COVID-19 related support from the government or any organisations?
    - ☐ Yes. Please specify
    - ☐ No

Additional Comment:

22. How would you describe your most effective, most successful coping strategy (if any)?

23. What are your business' priorities for post COVID-19 recovery? *Please select one option per row only*

| | Not a priority | Low priority | Medium priority | High priority |
|---|---|---|---|---|
| Build a crisis response plan | ☐ | ☐ | ☐ | ☐ |
| Improve COVID-19 prevention, sanitation and hygiene practices | ☐ | ☐ | ☐ | ☐ |
| Enhance / sharpen safety procedures of the company | ☐ | ☐ | ☐ | ☐ |
| Training and upskilling employees | ☐ | ☐ | ☐ | ☐ |
| Redefine business strategy and company vision | ☐ | ☐ | ☐ | ☐ |
| Close ineffective parts of the business | ☐ | ☐ | ☐ | ☐ |
| Increase resource efficiency | ☐ | ☐ | ☐ | ☐ |
| Implement sustainability certifications/standards | ☐ | ☐ | ☐ | ☐ |
| Innovate products and services | ☐ | ☐ | ☐ | ☐ |
| Expand regional markets (i.e.; China, Thailand, Vietnam) | ☐ | ☐ | ☐ | ☐ |
| Expand domestic markets | ☐ | ☐ | ☐ | ☐ |
| Digitalisation (i.e., of operations, communication, services and products) | ☐ | ☐ | ☐ | ☐ |
| Look for new business partner(s) and/or investor(s) | ☐ | ☐ | ☐ | ☐ |

Other comment:

24. What support does your business need? *Please select one option per row only*

| | Not needed | Needed but not urgent | Needed urgently | Don't know |
|---|---|---|---|---|
| Expert advice on business strategy and recovery | ☐ | ☐ | ☐ | ☐ |
| COVID-19 prevention and hygiene practices and certifications | ☐ | ☐ | ☐ | ☐ |
| Support for training and upskilling employees | ☐ | ☐ | ☐ | ☐ |
| Support for diversification of products and revenue | ☐ | ☐ | ☐ | ☐ |
| Support for increasing sales to domestic markets | ☐ | ☐ | ☐ | ☐ |
| Support for increasing sales to regional markets (i.e.; China, Thailand, South Korea, Vietnam) | ☐ | ☐ | ☐ | ☐ |
| Financial services (loans, etc.) | ☐ | ☐ | ☐ | ☐ |
| Further tax breaks or reductions | ☐ | ☐ | ☐ | ☐ |
| Utility reductions/subsidies | ☐ | ☐ | ☐ | ☐ |
| Improvement of environmental and social practices among suppliers | ☐ | ☐ | ☐ | ☐ |
| Marketing/promotion | ☐ | ☐ | ☐ | ☐ |

Additional comment:

25. Is there anything else you would like to share with us regarding the COVID-19 crisis?

Thank you for completing the survey!

# Appendix 4: Survey on Perception and Level of Awareness of Sustainable Tourism among Tourists

This survey is part of a baseline study commissioned by the Lao National Chamber of Commerce and Industry, Plan International, and the European Centre for Ecological and Agricultural Tourism and funded by the European Union SWITCH Asia program.

This study aims to obtain information about perceptions and levels of awareness and interest that travelers have on sustainable tourism practices among tourism businesses and their suppliers.

Your responses will be combined with others at the aggregate level to get a consensus on these issues. All responses will be kept completely confidential and every attempt will be made to preserve your anonymity. Individual responses will not be used without your prior consent.

Respondents must be over 18 years old. The survey will take about 5 to 7 minutes to complete. By proceeding with the survey, you confirm that your participation is entirely voluntary and that you have read and understood the above information. Thank you very much for your time!

| | |
|---|---|
| Age | |
| Country | |
| Gender | ☐ Female ☐ Male ☐ Other |
| Name (optional)* | |
| Email Address (optional)* | |

**Required if respondents would like to take part in the lucky draw*

1. Where did you go on your last holiday abroad?
   - ☐ Southeast Asia
   - ☐ Asia (except for Southeast Asia)
   - ☐ Europe
   - ☐ Other
   - ☐ I have never traveled abroad.

2. Who did you travel with?
   - ☐ Alone
   - ☐ With family or friends
   - ☐ Organised tour group
   - ☐ Other. Please explain

3. How do you get information about the destinations that you visit?
   - ☐ Knowledge from the previous visit
   - ☐ Word of mouth
   - ☐ Guidebooks
   - ☐ Social media (Facebook, Instagram, etc.)

☐ Tripadvisor
☐ Other websites. Please specify
☐ Travel Agent/ Tour operators
☐ TV, Magazines, and Newspapers
☐ Other. Please explain

4. Have you visited Laos?
   ☐ Yes. Please go to question 4
   ☐ No. Please go to question 5

5. On a scale of 1 to 5 (1 = worst ever, 2 = below average, 3 = average, 4 = better than most, 5 = best ever) please rate each of the following elements about your travel experience in Laos.

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Accessibility | ☐ | ☐ | ☐ | ☐ | ☐ |
| Biodiversity & natural attractions | ☐ | ☐ | ☐ | ☐ | ☐ |
| Cultural & historical attractions | ☐ | ☐ | ☐ | ☐ | ☐ |
| Hospitality of local people | ☐ | ☐ | ☐ | ☐ | ☐ |
| Local cuisine | ☐ | ☐ | ☐ | ☐ | ☐ |
| Cleanliness & hygiene of the destination | ☐ | ☐ | ☐ | ☐ | ☐ |
| Quality services | ☐ | ☐ | ☐ | ☐ | ☐ |
| Environmental and social practices among tourism businesses (hotels, transportation, tour operator, restaurant, etc.) | ☐ | ☐ | ☐ | ☐ | ☐ |
| Safety and security | ☐ | ☐ | ☐ | ☐ | ☐ |
| Value for money | ☐ | ☐ | ☐ | ☐ | ☐ |

6. Please rate the following factors in order of importance when selecting a destination for your next holiday (1 = not important at all, 2 = not very important, 3 = sometimes important, 4 = very important 5 = most important)

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Accessibility | ☐ | ☐ | ☐ | ☐ | ☐ |
| Biodiversity and natural attractions | ☐ | ☐ | ☐ | ☐ | ☐ |
| Cultural/historical attractions | ☐ | ☐ | ☐ | ☐ | ☐ |
| Hygiene and health safety | ☐ | ☐ | ☐ | ☐ | ☐ |
| The hospitality of local people | ☐ | ☐ | ☐ | ☐ | ☐ |
| Local cuisine | ☐ | ☐ | ☐ | ☐ | ☐ |
| Overall cleanliness of the destination | ☐ | ☐ | ☐ | ☐ | ☐ |
| Quality services | ☐ | ☐ | ☐ | ☐ | ☐ |
| Consideration of sustainability principles/practices | ☐ | ☐ | ☐ | ☐ | ☐ |
| Safety and security | ☐ | ☐ | ☐ | ☐ | ☐ |
| Value for money | ☐ | ☐ | ☐ | ☐ | ☐ |
| Handling of the COVID-19 pandemic (death rate, infection rate, vaccination, government policies, hygiene practices, etc.) | ☐ | ☐ | ☐ | ☐ | ☐ |

7. How important are sustainability criteria in your choice of holiday providers (hotel, tour operator, restaurant, etc.)? Please indicate your agreement/disagreement with each of the following statements.

| | Strongly disagree | Somewhat Disagree | Undecided | Somewhat Agree | Strongly agree |
|---|---|---|---|---|---|
| I prioritise elements such as location, comfort, and value for money over environmentally friendly and socially responsible practices. | ☐ | ☐ | ☐ | ☐ | ☐ |
| I prioritise hygiene and health safety standard over environmentally friendly and socially responsible practices | ☐ | ☐ | ☐ | ☐ | ☐ |
| I care about the environment and expect the services provided on my holiday to be environmentally responsible | ☐ | ☐ | ☐ | ☐ | ☐ |
| I would be willing to pay more for tourism products and services that have an explicit component that is environmentally & socially responsible (eg. Reduction of waste, water, and energy use) | ☐ | ☐ | ☐ | ☐ | ☐ |
| I would choose a product/service over others if it had a green/sustainability award or certification | ☐ | ☐ | ☐ | ☐ | ☐ |
| I would like to have information about the sustainable management policies of hotels, guesthouses, and tour operators when making a booking | ☐ | ☐ | ☐ | ☐ | ☐ |

8. In your opinion, which of the following are indicators of a tourism business that is committed to sustainability? Please rate each action on a scale of 1 to 5 with 1 = very unlikely, 5 = most likely)

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Happy, hospitable, and helpful employees | ☐ | ☐ | ☐ | ☐ | ☐ |
| Employing people from the local communities | ☐ | ☐ | ☐ | ☐ | ☐ |
| Supporting charity, community development initiatives, or nature conservation activities | ☐ | ☐ | ☐ | ☐ | ☐ |
| Making efforts to reduce energy and water use (e.g. towel reuse program) | ☐ | ☐ | ☐ | ☐ | ☐ |

| | | | | | |
|---|---|---|---|---|---|
| No single-use plastic items (i.e., straw, laundry bag, bottle) | ☐ | ☐ | ☐ | ☐ | ☐ |
| Sustainable management policy and information are found on the website and brochures | ☐ | ☐ | ☐ | ☐ | ☐ |
| Guests are informed and encouraged to travel responsibly | ☐ | ☐ | ☐ | ☐ | ☐ |
| Using local products (i.e., food, tea /coffee, handicrafts) | ☐ | ☐ | ☐ | ☐ | ☐ |
| Organising beach or neighborhood cleanups | ☐ | ☐ | ☐ | ☐ | ☐ |
| Planting trees | ☐ | ☐ | ☐ | ☐ | ☐ |
| Using eco-friendly vehicles | ☐ | ☐ | ☐ | ☐ | ☐ |
| Green/sustainability award(s) or certification(s) | ☐ | ☐ | ☐ | ☐ | ☐ |

9. Which characteristic do you associate with a sustainability certified hotel?

| | Yes | No | Sometimes | I don't know |
|---|---|---|---|---|
| Better quality services | ☐ | ☐ | ☐ | ☐ |
| More expensive | ☐ | ☐ | ☐ | ☐ |
| Lower environmental impacts | ☐ | ☐ | ☐ | ☐ |
| Positive social & cultural impacts | ☐ | ☐ | ☐ | ☐ |

Other. Please specify

10. Are you aware of the following certifications?

| | | | |
|---|---|---|---|
| FAIRTRADE | ☐ Yes ☐ No | GREEN GLOBE CERTIFIED | ☐ Yes ☐ No |
| Travelife Sustainability in tourism | ☐ Yes ☐ No | Green Key | ☐ Yes ☐ No |
| EARTHCHECK | ☐ Yes ☐ No | RAINFOREST ALLIANCE CERTIFIED | ☐ Yes ☐ No |
| | ☐ Yes ☐ No | U.S. GREEN BUILDING COUNCIL LEED CERTIFIED USGBC | ☐ Yes ☐ No |

11. When leisure travel is safe and opens up again, will you be willing to travel? Choose all that apply.
    - ☐ Yes, internationally.
    - ☐ Yes, domestically (within your country)
    - ☐ I will be afraid and/or hesitant to travel anywhere for the foreseeable future
    - ☐ Not sure.

12. When leisure travel opens up again (when borders, flights and hotels are open), will you be eager to travel?
    - ☐ I will travel as soon as I can
    - ☐ I will wait at least 3 months
    - ☐ I will wait at least 6 months
    - ☐ I will wait at least 1 year
    - ☐ I will be afraid and/or hesitant to travel for the foreseeable future

13. What would motivate you to travel?
    - ☐ Lower prices
    - ☐ Flexible change & cancellation policies
    - ☐ A vaccine for COVID-19 is widely distributed
    - ☐ Hygiene and COVID-19 prevention measures are in place
    - ☐ Other: Please explain

Thank you for completing the survey!

# Appendix 5: Household Survey/Interview

This survey is part of the baseline study commissioned by the SUSTOUR Laos project implemented by the Lao National Chamber of Commerce and Industry, Plan International and the European Centre for Ecological and Agricultural Tourism and funded by the European Union SWITCH Asia program.

The community survey is a three-part survey containing 24 questions. The first part seeks to obtain the profile information of the respondents. The second part is to collect information on community-based tourism in the area. Information such as the community's perception, understanding, and participation in community-based tourism in their area will be collected in this section. Part three is to understand the impacts of the COVID-19 pandemic have on the communities, what kind of support they have received (if any) and if they have benefited from the ongoing tourism campaign "Lao Thiao Lao".

Please read and sign the consent form before filling out this survey.

Name of interviewer:_____

Date of interview:_____

**Section 1: Respondent's Profile**

1. Name of Province_____
2. Name of District _____
3. Name of Village_____
4. Number of people in family_____
5. Are you (respondent) the head of this household? ☐ Yes ☐ No
6. Gender: ☐ Male ☐ Female ☐ Other
7. Marital Status: ☐ Married ☐ Single
8. Age:
9. Highest Level of Schooling:

| | Tick | | Tick |
|---|---|---|---|
| Primary 1 – 3 | | Vocational training | |
| Primary 3 – 5 | | University | |
| Secondary 1 – 4 | | None | |
| Secondary 5 – 7 | | | |

10. Occupation:

| | Tick | | Tick |
|---|---|---|---|
| Employee | | Student | |
| Manual Worker | | Others (specify) …….. | |
| Self-employed | | | |

11. Does anyone in your household have a disability? ☐ Yes ☐ No

If Yes, what type of disability?.....

**Section 2: Understanding Community-based Tourism**

12. What are the most important sources of income in your area? Please number in order of their priority (1 = most importance)

☐ Farming / Agricultural activities ☐ Handicrafts
☐ Tourism ☐ Retail and leisure services
☐ Fishing ☐ Other (specify):.....

13. How does tourism contribute to life in your community? Please indicate the effects of tourism in your area by giving the impacts listed below a score of 1 to 5 (1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree, 5 = strongly agree)

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Creates Jobs | | | | | |
| Increase spending in local businesses | | | | | |
| Creates a market for local crafts and produce | | | | | |
| Supports local shops and services | | | | | |
| Increases demand for local cultural activities & attractions. Such as supports local festivals/events, support museums and heritage sites | | | | | |
| Helps maintain local traditions and identity | | | | | |
| Supports care of nature and the environment | | | | | |
| Attracts investments into the area | | | | | |

*14. Please indicate your agreement/disagreement with the following statements by giving each a score of 1 to 5 (1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree, 5 = strongly agree)*

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Tourism makes a positive contribution to the quality of life in my area | | | | | |
| Traditional culture is an important part of the appeal for tourists coming here | | | | | |
| Tourism contributes to environment sustainability | | | | | |
| Tourism businesses have good relations with the local community | | | | | |
| Tourism provides equal opportunities for women, men and the disabled in my community | | | | | |
| Tourism helps protect traditional culture of my community | | | | | |
| Tourism is important for the long-term prosperity of my community | | | | | |
| Tourism businesses should put more back into the local community | | | | | |
| The tourists coming here cause damage to the environment | | | | | |
| Tourists are not good role model for children in my community | | | | | |
| Tourism is a burden on local services and amenities | | | | | |

15. *Please rate the importance of the following aspects of sustainable tourism according to how important you think they are to sustainable tourism in your area. Giving each a score of 1 to 5 (1 = not an aspect of sustainable tourism, 2 = not that important, 3 = undecided, 4 = important, 5 = very important)*

| | *1* | *2* | *3* | *4* | *5* |
|---|---|---|---|---|---|
| *Preservation of and respect for culture (e.g., opportunities to experience traditional culture)* | | | | | |
| *Hygiene & social distancing (e.g., hygienic practices in communal areas)* | | | | | |
| *Preservation of and respect for nature (e.g., information about vulnerable flora)* | | | | | |
| *Local engagement in tourism (e.g., locally-run tour operators)* | | | | | |
| *Economic benefit to local communities (e.g., opportunities to buy souvenirs)* | | | | | |
| *Environmental protection (e.g., waste management)* | | | | | |
| *Management of visitor numbers (e.g., limiting number of visitors to certain areas in your community)* | | | | | |

16. Do you or your family take part in the tourism activities in your community?

☐ Yes ☐ No (**If '*No*', please go to question 18)**

If yes, please indication the types of tourism businesses/activities that you or your family is participating:

| Type of activity | Tick all that applies |
|---|---|
| Accommodation (homestay/guesthouse/hotel) | |
| Cooking and selling cooked food (restaurants/stall vendors) | |
| Selling handicrafts, selling fresh produce, selling tickets | |
| Tour-guiding/trekking services | |
| Cultural performances (e.g., music, dance, ceremonial, etc.) | |
| Tour operation | |
| Transport services | |
| Other (specify): …… | |

17. How would you describe your relationship with tour operators (before COVID-19)?

*giving a score of 1 to 5 (1 = very bad, 2 = bad, 3 = neutral, 4 = good, 5 = very good)*

| *1* | *2* | *3* | *4* | *5* |
|---|---|---|---|---|

18. Indicate if you are aware of any tourism businesses (outside of your village) which follows any of these practices (select all that apply):

☐ Has consulted with the village authority before doing any business in my village
☐ Has formal agreements/contracts with the village authority to operate in my village
☐ Has formal agreements/contracts with businesses/person in my village (e.g., handicraft, local

tour guide)

- ☐ Has informal agreements/arrangements with the village authority to operate in my village
- ☐ Has informal agreements with businesses/person in my village (e.g., handicraft, local tour guide)
- ☐ Understands the local customs and rules of my village
- ☐ Respects and follows the local customs and rules of my village
- ☐ Don't know

19. Overall, what is your experience with tourists in your area (before COVID-19)?

*giving a score of 1 to 5 (1 = very bad, 2 = bad, 3 = neutral, 4 = good, 5 = very good)*

| *1* | *2* | *3* | *4* | *5* |
|---|---|---|---|---|

20. What have been the main challenges of community-based tourism in your area (Before COVID-19)?

- ☐ Product prices too low
- ☐ Cost of operating is too high
- ☐ Too much competition
- ☐ Not enough demand
- ☐ Tour operators do not follow rules and regulations
- ☐ Not enough awareness of our community
- ☐ Lack of knowledge and skills
- ☐ Others _____

21. Overall, how do you describe the general impact of tourism on you and your community (before COVID-19)?

- ☐ Tourism is not beneficial to me or my community
- ☐ Tourism is beneficial to me or my community. Please specify
- ☐ I don't know

**Section 3: Tourism and COVID-19**

22. How much has the COVID-19 pandemic effected tourism in your area?

*giving a score of 1 to 5 (1 = not at all, 2 = effected a little, 3 = neutral, 4 = bad, 5 = very bad)*

| *1* | *2* | *3* | *4* | *5* |
|---|---|---|---|---|

23. Did you or your community receive any external support to supplement income lost from tourism due to COVID-19 travel restrictions? ☐ Yes ☐ No

If 'Yes', what kind of support did you receive? …….
……..

If 'No', what kind of support do you need? ……

24. Did the "Lao Thiao Lao" campaign bring more tourists to your area?

☐ Yes ☐ No ☐ I don't know

25. How do you feel about the future of tourism in your area post COVID-19?

*giving a score of 1 to 5 (1 = very negative, 2 = negative, 3 = neutral, 4 = positive, 5 = very positive)*

| | | | | |
|---|---|---|---|---|
| *1* | *2* | *3* | *4* | *5* |

Please provide your reasons:……
……

Thank you for completing this interview!

# Appendix 6: Qualitative Interview Questionnaire

**Interview Guiding Questions**

**A. For MSMEs**

1. How do you define sustainable tourism?
2. Have you heard of the term “sustainable consumption and production”? What does it mean to you?
3. What kind of practices that you/your business has done to promote sustainable tourism in terms of environment, social policy and human rights and community support?
4. What are the challenges of implementing sustainable practices in your business?
5. What are the advantages and/or benefits of being a sustainable business?
6. (How) do you promote sustainability among your suppliers? Is it an important factor in your supplier selection process? How?
7. What do you do in your business to promote gender equality?
8. In your opinion, what are some child protection issues that a tourism business should be aware of? What can they do to address these issues?
9. What are the priorities of your business during this challenging time? Why?
10. Are you interested in obtaining a sustainability certification? Why?
11. Are you aware of the Travelife certification? What do you know about it?
12. What would motivate your business to adopt a certification? What kind of support would you need?

**B. For the public sector**

1. How do you define sustainable tourism?
2. Have you heard of the term “sustainable consumption and production”? What does it mean to you?
3. What kind of practices that a destination or tourism business can do to promote sustainable tourism?
4. What are the challenges of implementing sustainable practices at a destination or in a business?
5. What are the advantages and/or benefits of being a sustainable destination?
6. In your opinion, what can we do to promote gender equality in tourism?
7. In your opinion, what are some child protection issues that the tourism sector should be aware of? What can we do to address these issues?
8. Please name a few sustainable tourism certifications that you are aware of? Which one should the Lao tourism sector promote? Why? (follow up with question about Travelife Certification)

**C. For the communities**

1. What is your understanding of community-based tourism?
2. Have you heard of the term “sustainable consumption and production”? What does it mean to you?
3. Do you think that everyone in the community should be able to participate and benefit from tourism activities in your village? How?
4. In your opinion, what are the responsibilities that you and other villagers have in tourism activities in your village?

5. What kind of tourism activities that you don't like to see/have in your village?
6. Do you know if your village or any households in the village has any kind of agreements/arrangements with tour companies? Are they verbal or written? How were they made?
7. Have you implemented any activities to minimise negative impacts on the environment? What kind of activities were implemented if any?
8. In your opinion, what can be done to promote gender equality in tourism?
9. In your opinion, what are some child protection issues that the tourism sector should be aware of? What can be done to address these issues?
10. In your opinion, what are some key initiatives that can be implemented by you and your community (with and without external support) to improve tourism and make it beneficial to you and your community?