

ANNUAL TOURISM REPORT 2009

REPUBLIC OF CYPRUS

1. INTRODUCTION

Council Decision 86/664/EEC of 22 December 1986¹ establishing a consultation and cooperation procedure in the field of tourism foresees that “each Member State shall send the Commission, once a year, a report on the most significant measures it has taken and, as far as possible, on measures it is considering taking in the provision of services for tourists which could have consequences for travellers from the other Member States”.

With the publication of the “Agenda for a sustainable and competitive European tourism”, the Commission announced that “in order to strengthen the collaboration with and among Member States, their current annual reporting through the Tourism Advisory Committee (TAC) will be used to facilitate the exchange and the dissemination of information about how their policies and actions safeguard the sustainability of tourism”.

This Communication was welcomed by the Competitiveness Council conclusions (22nd-23rd November 2007) and by the Presidency Conclusions of the Brussels European Council of 14th December 2007.

The main aims for the reporting process are:

- to be able to monitor the level of implementation of the “Agenda for a sustainable and competitive European tourism” by Member States;
- to facilitate the exchange of experiences among member States with regard to how they tackle issues which are important for the competitiveness and sustainability of European tourism.

MS reports referring to year n shall be sent to the European Commission by the end of February of year $n+1$.

If the reports are sent in English, the deadline is shifted to the end of April.

2. ORGANISATIONAL STRUCTURE

This section should provide an overview of the main organisational structure to illustrate how tourism is organised and managed, to identify linkages and to identify the engagement of other organisations/stakeholders.

The information required will only need to be prepared fully in year 1 as it will subsequently only be necessary to provide details of any changes.

¹ Official Journal L 384, 31/12/1986 P. 0052 – 0053.

2.1 Please identify the National Bodies responsible for tourism (Ministry and also any separate/related National Tourism Organisation), including key areas of responsibility, and their relationship to other national bodies. (maximum of 1.000 characters)

The Ministry of Commerce, Industry and Tourism (MCIT) is the central government body responsible for tourism at the highest level and its mission is the development of the Cyprus economy through continuous support of various sectors amongst which is the tourism sector. The mission is pursued through the formulation of the appropriate legal and administrative framework, which fully complies with the requirements of the EU and the adoption of policies and targets which create the proper business environment for Cypriot Businesses in their effort to take advantage of the opportunities that arise in the market. Tourism administrative and policy issues are dealt with by the Ministry which has a secretariat especially for these matters.

The Executive body for the development of tourism in Cyprus is the Cyprus Tourism Organisation (CTO) which has a semi-governmental status. CTO was established and operates according to the provisions of the Cyprus Tourism Organisation Law 1969-2005 and related Regulations on Structure and Terms of employment, administration and finance.

According to the provisions of the aforementioned Act as well as of the Appointment of Public Entities Act (Appointment of Boards of Directors) 149/1988, CTO is administered by a nine member Board of Directors directly appointed by the Council of Ministers. The Minister of Commerce, Industry and Tourism, according to the Law with regards to the Ministerial monitoring, either chairs or monitors the meetings of the Board of Directors through his/her representative who is a civil servant.

The mission of the Organisation is to organise and promote tourism in the Republic of Cyprus by using all possibilities and resources available. It is structured in the Director General's Office and four departments, with the following responsibilities:

(a) The Strategy Department: Surveys, research and studies, tourist development planning and coordination, artistic and cultural events support, planning and execution of projects of tourist infrastructure and especially special interest tourist products, consideration of hotel and tourist accommodation plans, study of hotel architectural plans, agrotourism, EU tourism policy and other affairs, designing tourism programme and managing funded projects especially from EU Structural Funds, coordination of tourism issues as part of EU policies e.g the Lisbon strategy.

(b) The Marketing Department: Implementation of an integrated communication strategy , advertising, above and below the line marketing activities including advertising campaigns, public relations, hospitality, publications, international tourism agreements, tourist guides school, international organisation, organisation and supervision of tourist information offices, production of films and other means of promotion, organisation of seminars and conferences, participation in tourist

exhibitions.

(c) The Quality Assurance Department : Preparation and implementation of legislation regarding hotels and other tourist accommodations, restaurants and recreational centres, tourist and travel agencies and tourist guides, inspection of tourist enterprises, licensing for the operation of tourist enterprises, consideration of applications for the construction of new hotel units, restaurants and recreation centres.

(d) The Administration, Accounts/Financial Services and Registry Department which has a supportive and horizontal role dealing with issues of general administration, collective agreements, procurement procedure, budgeting etc.

Moreover, according to the existing legislation governing hotels and tourist accommodation establishments, as well as the respective legislation for Catering and Entertainment Establishments, two Committees , namely the "Hotels Committee" and the "Catering Establishments Committee", are being appointed by the Minister of Commerce, Industry and Tourism. Both Committees are chaired by the Chairman of CTO Board of Directors and their members include representatives of relevant public sector services, such as the Ministry of Commerce, Industry and Tourism, the Ministry of Internal Affairs, the Ministry of Health, the Town Planning and Housing Department,, as well as representatives of the Associations and Federations of hotel and catering establishments' owners and operators. The Committees examine matters relating to the initial classification of new units – hotels and restaurants, reclassification of existing ones, approval of plans and applications for the establishment of accommodation units in traditional houses (agrotourism), extensions/ renovations, improvements of existing hotel and catering units and other related matters.

By nature, tourism is a multifaceted sector. Therefore, the implementation of tourism activities, projects, actions etc, requires coordination with and the contribution of a number of national public sector bodies (through mechanisms such as of Committees) as well as of the private sector.

Thus, most of the issues that CTO is responsible for, demand liaising with other public sector bodies. For example, the formulation of CTO annual budget (Ministry of Finance), the administration of co-funded projects (Managing authority, Paying authority etc), the approval of hotel plans (Town, Planning and housing Department), education in tourism (Ministry of Education and Culture). Furthermore, the Action and Implementation Plan of the Tourism Strategy 2003-2010 required close contact with national and other authorities in charge of implementing and monitoring the progress of the issues under their responsibility.

2.2 Please, describe what organisations/agencies are used to deliver services at the national and regional level and the services that they deliver. (maximum 800 characters)

CTO, apart of the Head Office which is based in Nicosia, operates forty one offices overseas, as well as local and regional offices and the Larnaca Marina.

Six Inspectors' Offices which cover the six major regions of Cyprus, monitor the standards and services offered by the hotel and catering establishments and operate under the responsibility of the Quality and Assurance Department.

The Marketing Department constite:

(i) Twenty Two Overseas Regional Offices which promote Cyprus as a tourist destination through marketing activities and

(ii) Thirteen Tourist Information Offices.

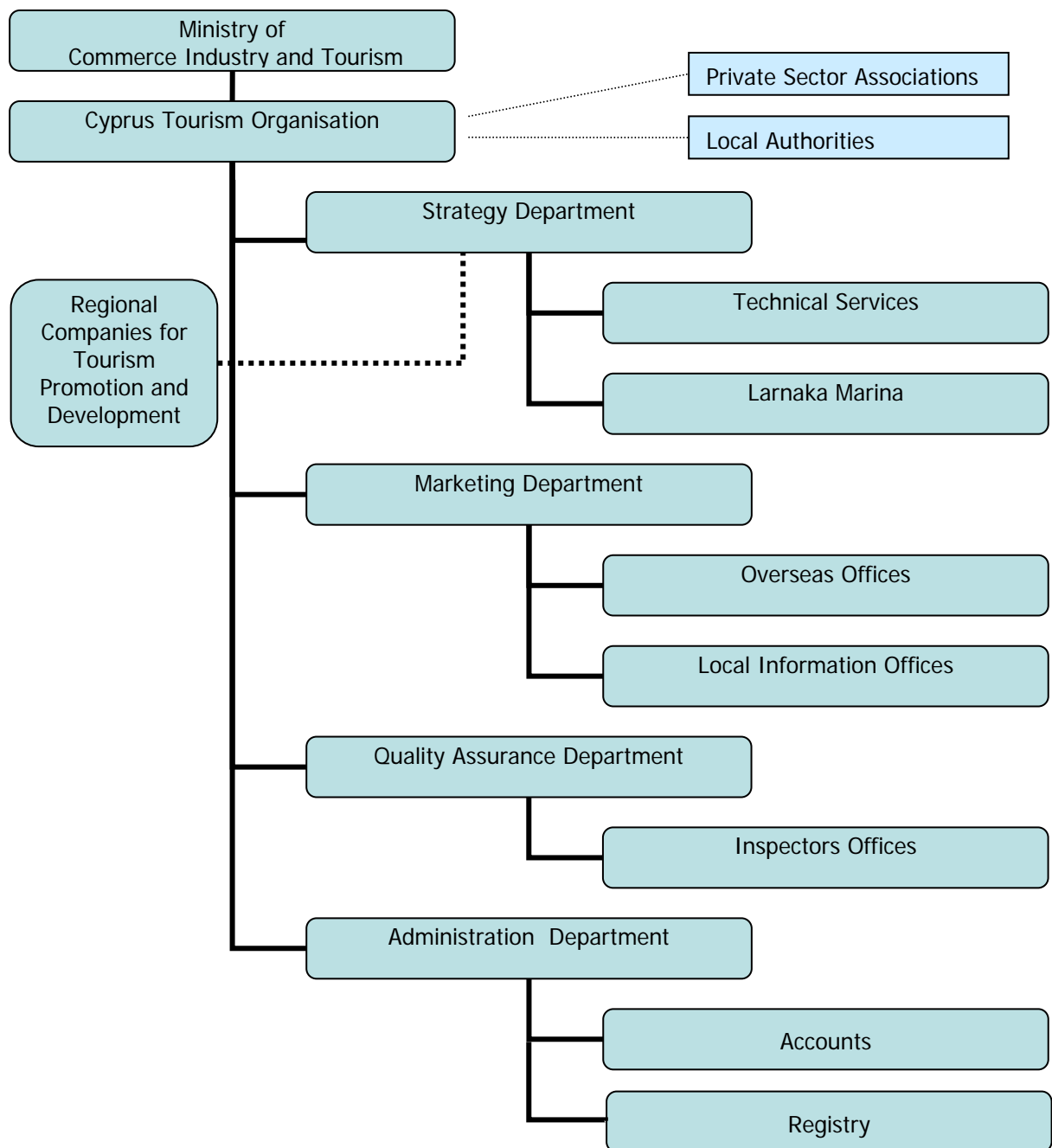
Other stakeholders, which are, local authorities, hoteliers, restaurateurs, regional chambers of commerce, and others, from each of the regions of Lefkosia, Lemesos, Larnaka, Pafos, Ammochostos and the Mountain Resorts, have joined forces and formed Regional Tourism Development and Promotion Companies, which are non profit making bodies. These Companies are responsible for the drafting, promotion and implementation and monitoring of regional tourism strategies under the directions of the National Tourism Strategy. They are being supported, administratively and financially, by CTO, until they are able to become self-funded.

2.3 Please, describe which other bodies and organisations are involved at the national level and the process for involving them. (maximum 800 characters)

The Private tourism sector is mainly organised through Associations which voice their views and demands and are the contact to national authorities. The exchange of ideas and opinions on various issues which concern national tourism is achieved through regular and ad hoc meetings, between CTO and these associations/agencies, a few of which are: The Cyprus Hoteliers Association, Association of Cyprus Tourist enterprises, the Hotel Managers association, the Tourist Guides association, the Restaurant Owners, the Agrotourism company, Cyprus Health Services Promotion Board, Special Interest Tourism association and Conference, Incentives, Meetings Association. The same approach is followed for the dialogue with the Trade Unions, local authorities, NGOs etc.

Moreover CTO takes the initiative and organises Public consultation meetings both for strategic issues as well as for matters, such as changes in the legislative framework affecting tourism businesses, new product development, incentive schemes for the tourism industry etc.

2.4 Please provide a diagram/organogram of the organisational structure for tourism identifying the relationship between national, regional and local bodies. Provide also a short description of the core responsibilities and competencies of each of the organisations. Include also information regarding the direct and indirect links between other departments, stakeholder organisations and unions. Information about mechanisms of decision making process participation from outsider organisations, e.g. forums, advisory committees is also requested. (maximum of 2.000 characters)



2.5 Please provide information about financial data, including spend on tourism as a percentage of overall government spend, the level of national funding support for tourism marketing, the amount of EU funding support made available for tourism and data concerning the support to SMEs and Destinations. (500 characters)

Spent on Tourism as it is reflected by the 2009 budget of the Cyprus Tourism Organisation reached € 102.011.722. Out of this amount, €95.612.172 (94%) was covered by the national budget.

Funds allocated to EU funded projects reached €4.334.000, out of which the €3mIn was budgeted for the successful proposals of the first call of the SME's financial incentive scheme (and large enterprises scheme) for sustainable investments in tourism enrichment and upgrading of the tourist product. The rest was allocated to preparatory and main actions for projects eligible for cofunding through the European Regional Development Fund and the European Agricultural Fund for Rural Development.

In 2009, CTO submitted for cofunding, a number of proposals for sustainable tourism enrichment projects aiming at attracting special interest tourism market segments, as well as offering various experiences and opportunities to traditional segments. The decision for two projects has so far been announced and relate to the second phase of the Wine and Cycling Routes network and the Rural Tourism Marketing action plan of a budget of €0,86mIn and €3mIn respectively. The projects will be implemented in areas of rural character in need of economic and social restructuring.

Opportunities for the implementation of projects under the Territorial co-operation programmes, and more specifically the Med and cross-border ones, have been exploited. CTO in particular, together with partners from eligible countries submitted a proposal under the Med programme and relates to cycling tourism and more specifically to local opportunities for sustainable mobility and tourism development. The total budget of the project is €660.000. The projects fall under the axis 3 for the improvement of mobility and of territorial accessibility with the objective of "improvement of maritime accessibility through intermodality and multimodality".

Under the cross border programme Ellada-Kypros, CTO has submitted three proposals relating to the development of an Observatory for Tourism in Cyprus and Crete, on Maritime tourism and on the development of a cultural route on the topic of Olive. The three proposals have a total budget of app. € 1,7mIn

The design of CTO projects for the period 2007-2013 has followed the 2004-2006 approach and will be implemented mostly through public procurement calls so that EU support to be indirectly rolled down to private businesses.

Moreover, in 2009, investments from 19 SME's corresponding to investments of €3,3 mln were

approved for funding through the Incentive scheme which supports investments by SME's in the development of agrotourism establishments and related enrichment projects, with particular emphasis and priority given to investments whereby traditional buildings were to be improved and used for economic purposes. The scheme commenced in 2008, it is being co-funded by the European Regional Development Fund and runs under the programming period 2007-2013 with an overall budget of €15mIn.

SME's have also been supported through incentive schemes which were funded purely by national funds. In 2009, € 3,9mIn was allocated through the CTO budget in investments for the development, upgrading of sports facilities for the attraction of sports tourism, for catering outlets for the upgrading of sanitary facilities of catering outlets, for hotel and catering establishments for the application of quality, environmental, hygiene and other standards and for supporting the organisation for cultural and sports mega events.

Destinations, and in particular Destinations at a regional level are being supported financially and technically by CTO through subsidisation of activities mostly in the areas of marketing and promotion, organisation of thematic cultural and/or sports events, but also through the administrative support to run and implement their regional tourism strategies.

3. POLICIES AND STRATEGIES

3.1 Is there a current National Strategy for tourism? **Yes** **No**

If yes, please, provide information in bullet point format about the key aims, objectives and priorities of the strategy highlighting those that are designed to address sustainability issues in economic, environmental and social terms in particular those related in the six aims included in the Agenda. In preparing the tourism strategy, explain how consideration has been given to the 9 principles set out in the Agenda (para2.3 p5) and given in the appendix. (maximum 1.000 characters)

The Strategy for sustainable tourism development with the main axis being the respect and enhancement of the environment and culture, although drafted well before the Agenda, is in compliance with the general directions and the nine principles

The first strategic Plan was drafted in 2000 with a ten year horizon. In 2003 it was revised taking into consideration new developments, opportunities and trends in the international tourism environment. Following the monitoring and evaluation of the revised plan, a further amendment of the plan was considered necessary in 2007, in which the planned actions were re-prioritized and the quantitative targets were re-set.

The vision of the strategy is: "Cyprus, a qualitative tourist destination that will satisfy the visitor with

various interests and quests and ensure the continuous improvement of the quality of life of the locals." The achievement of this vision is being accomplished through a strategy whose central point of reference is Sustainability, with an emphasis on the pillars of Economy, Environment and Culture/Society. More specifically, through the implementation of the Strategic Plan, we strive towards:

- optimal usage of our environmental resources which constitute a key element in tourism development;
- respecting the socio-cultural authenticity of the host communities aiming at the conservation of their built and living cultural heritage and
- ensuring viable, long-term economic operations providing socio-economic benefits to all stakeholders.

The success of the directions set by the three pillars is monitored through five quantitative targets focussing on:

- (a) increasing tourists' expenditure,
- (b) reducing the problem of seasonality,
- (c) increasing the number of tourist arrivals,
- (d) increasing the length of stay and
- (e) increasing repeat tourism.

The Strategic Plan, as aforementioned, addresses the nine sustainability principles of the Agenda. . In fact, the Strategic Plan provided for a holistic and integrated approach catering for society (host communities and destinations) and the environment, as well as for long term planning by incorporating sustainable actions involving all stakeholders at all stages. Both the planning and the implementation of the strategy took into consideration recent and accurate scientific (both qualitative and quantitative) information which enabled the continuous monitoring of the progress made.

The "precautionary principle", the principle of "user and polluter pays" as well as carrying capacity limits has not as such been tackled. Consideration of them will be taken at the stage of the formulation of the new strategic plan beyond 2010.

3.2 Who was the initiator and who is responsible for its implementation? (maximum 200 characters)

Cyprus Tourism Organisation has been the initiator for the formulation of a Strategy in Tourism.

The Plan is being co-ordinated at a first level by Cyprus Tourism Organisation, which through meetings with all bodies and services involved, drafts and submits to the specially appointed Ministerial Committee relevant progress reports. The Reports are then submitted to the Council of Ministers. The Strategic Plan has been supplemented by a thorough Implementation Plan, which lays down according to policy areas of responsibility, the actions for which CTO, the Ministries and their respective Services, (eg. Ministry of Agriculture, Natural Resources and Environment, Ministry of

Labour and Social Insurance, Ministry of Communications and Works etc) must take. Moreover, the Implementation Plan lays out the actions which Local Authorities and the Private sector, are expected to take.

3.3 How is the strategy monitored and how often? (maximum 500 characters)

The Strategy for Tourism Development Plan, the Implementation Plan as well as the monitoring mechanism have been approved through a series of decisions taken by the Council of Ministers. Regarding the monitoring mechanism the Council of Ministers with its Decision no. 59.218 of 7.1.2004 decided:

To set up a Ministerial Committee chaired by the Minister of Commerce, Industry and consisting of the Minister of the Interior, the Minister of Communications and Works, the Minister of Education and Culture, the Minister of Finance and the Minister for Agriculture, Natural Resources and Environment. The Committee has the obligation to report to the Council on the progress made on the implementation of the Plan as well as on any problems that might arise, every four months. With the same Decision the Council decided that each of the involved Ministries is to appoint a coordinator, who will have the responsibility of monitoring and coordinating the actions undertaken by the respective Ministry according to the Implementation Plan.

Regular meetings of CTO with the Ministries involved in the implementation of the Strategy for Tourism Development are being held, in order to monitor the progress made and to discuss ways of expediting actions in areas of importance. Additionally, the CTO Board of Directors monitors on a regular basis the progress made in actions to be undertaken by the Organisation, within the framework of the implementation of the Strategy for Tourism Development. Pursuant the aforementioned Council Decision, CTO in cooperation with all the Ministries involved, drafts at various intervals, reports on the progress made on the implementation of the strategy.

3.4 What tourism specific legislation exists? (maximum 500 characters)

Tourism in Cyprus has evolved into one of the most important socioeconomic activities and the undisputed most important industry for the country's economy. The legal framework that coacts the operation of the tourism establishments and services aims to safeguard the value and quality of these services. All the relevant laws and regulations have been congregated in order to enable easy access to the legal information to everyone that is involved or interested in the tourism industry.

CTO legislation, which governs the hotel and tourist accommodation establishments, catering establishments, travel agencies etc include: The Hotels and Tourist Establishments Laws 1969 to 2000, The Hotels and Tourist Establishments (General) Regulations 1985 to 2002, The Tourism and Travel Offices and Tourist Guides Laws 1995-2004, The Tourist Occupations and Associations Regulations 1980 and 1992, The Catering and Entertainment Establishments Laws 1985 to 2000. A new legislative framework for the rationalization of the classification of catering establishments has

been prepared and the draft law is under study. Similar work was carried out for the Hotel establishments.

In addition a set of qualitative criteria concerning the accommodation sector was approved by the CTO Board of Directors and has been implemented since 2008.

4. MEASURES AND INITIATIVES

This section provides Member States with an opportunity to outline specific initiatives and policies that are or are going to be adopted to manage and develop tourism activity in ways which respond to the key challenges of the Agenda and which fall within the six main aims of the Agenda itself.

1 Economic prosperity

- a. To ensure the long term competitiveness, viability and prosperity of tourism enterprises and destinations.
- b. To provide quality employment opportunities, offering fair pay and conditions for all employees and avoiding all forms of discrimination.

2 Social equity and cohesion

- a. To enhance the quality of life of local communities through tourism, and engage them in its planning and management
- b. To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, religion, disability or in other ways.

3 Environmental and cultural protection

- a. To minimise pollution and degradation of the global and local environment and the use of scarce resources by tourism activities.
- b. To maintain and strengthen cultural richness and biodiversity and contribute to their appreciation and conservation.

4.1 Please set out, briefly, the steps which have been or will be taken, if any, to address the 7 key challenges for the delivery of sustainable and competitive tourism, covered in the TSG report and referred to in the 'Agenda'.

4.1.1 Reducing the seasonality of demand. (maximum 200 characters)

- The call of Air Route Development Support Scheme for the encouraging and financial supporting of the opening of new, and enhancement of existing, air routes, and giving bonus to year-long services, was announced. However no interest was shown, and so other approaches are being studied.
- A Programme "Short Escapes – Great Experiences" was launched in 2009 encouraging

domestic tourism. Package offers for short term stays were provided to the wider public.

- Development and operation of special interest tourist products (e.g. sports, cultural, religious, medical and well-being tourism) attracting visitors with specific interests beyond the Sun and Sea segment who travel during the shoulder and winter seasons.
- Promotional and marketing activities aiming at attracting segments of non-seasonality affected age groups e.g seniors and young couples.
- Winter tourism package 2008-2010: the actions included promotional activities abroad and involved the contribution of local authorities and the industry.
- CTO financially supported/sponsored local authorities and entrepreneurs for the organisation of cultural and sports events.

4.1.2 Addressing the impact of tourism transport. (maximum 200 characters)

- Development of infrastructure for environmentally friendly forms of transport e.g. cycle trails within the destinations
- Enhancement & improvement of the public transport system between urban centres & airports.

4.1.3 Improving the quality of tourism jobs. (maximum 200 characters)

- Opportunities for training and improvement of knowledge and skills: general or tailor-made courses, seminars and workshops are offered to employees and employers in the tourism and ancillary sectors of the economy. These are monitored and subsidised by the Human Resource Development Authority (semi-governmental organisation). Such programmes can be organised by private trainers.
- Continuous exchange of views which result in regular revisions of the collateral agreements between the employers and the employees' trade unions concerning job specification, working conditions, salary agreements etc.
- Development of voluntary job specifications standards (including provisions for initial qualifications, skills, career path, salary schemes, job description, etc) by the Human Resource Development Authority for waiters and receptionists.

4.1.4 Maintaining and enhancing community prosperity and the quality of life, in the face of change. (maximum 200 characters)

The first stage of the proceedings together with the public consultation for the revision of the local plans which defines the planning policy of the period 2003 and after was completed in 2009. The second phase will commence in 2010. The plans will be discussed at the Planning Board which acts on behalf of the Minister of the Interior and in which participants include: representatives of the professional organisations, of the Ministries related to development, of local authorities and others. The scale (coefficient of coverage, building coefficients etc), location and type of development

(industrial, tourism, commercial and housing) is being regulated through regularly revised policy and local plans (at destination level) which are designed and agreed upon through public participation. According to the provision of the relevant, Town and Country planning law, the plans are being revised on a five year basis. Responsibility for the preparation of the plans rests in hands of the Minister of the Interior. Moreover, development in the rural areas is being regulated by a Statement of Policy.

Opportunities for alternative sources of income are being given to the rural community, with the support of the European Funds - Regional Development and Agricultural – for the period 2007-2013. In particular support is being given to private sector investments in the development of agrotourism establishments and to public interventions for the development of thematic and special interest tourist products (thematic museums, interpretation centres etc) in the rural and mountain areas during the period 2007-2013. (Related Section - 2.5 above)

These activities are in line with recent trends and market demand for specialized holidays and environmentally friendly activities. A rural Marketing Plan, which is also co funded by the European Regional Development Fund has also been approved for the period 2007-2013 and aims to support and promote the aforementioned product development activities.

4.1.5 Minimising resource use and the production of waste. (maximum 200 characters)

Initiatives both from the government sector and the private enterprises have been taken towards this end:

Waste water tertiary treatment operates in all tourist areas of the island.

Tourist businesses and in particular hotel establishments, have applied water saving devices to save water in the context of the severe water shortage problem that faced the island particularly in 2008.

Green Dot Cyprus has been appointed and has the responsibility for the collection of recycling of packaging materials including a number of tourist areas such as Limassol and Larnaka as well as Nicosia which mostly attracts day visitors.

Incentive schemes for the implementation of environmental standards (ISO 14001 and the Green Key) in the accommodation and the catering sectors have been successfully employed by the Cyprus Tourism Organisation. By 2009, 115 hotel enterprises in the tourism sector have benefited from the scheme. Out of these four have applied the Green Key scheme which was launched for the first time in 2009. One hundred restaurants have so far been supported and adopted the HACCP certification. Voluntary Environmental Management tools such as Environmental management system and eco – label standards are being supported through incentive ad other actions. The EMAS standard is being supported through a specially designed financial scheme.

4.1.6 Conserving and giving value to natural and cultural heritage. (maximum 200 characters)

Natural Environment and Culture constitute the two axis of the Tourism Strategic Plan around which tourism development and special interest products evolve.

Cyprus Tourism Organisation directly and indirectly invests in the development of environmentally and culturally friendly tourist products such as Routes of a religious, cultural and historic character a few of which are the Wine Routes, Religious Routes, Aphrodite Route etc. Nature trails such as E4, Cycling routes etc.

Local communities are being supported for projects promoting their tangible and intangible cultural and natural heritage.

In an effort to promote and sustain the rich cultural and natural heritage of the island, CTO organises and financially supports Cultural and local thematic (historic, nature, local and so on) events and festivals which enhance and enrich the overall tourist experience.

Integrated promotion of these values is carried out through the Rural Marketing Plan which was mentioned above (Section 4.1.4 above)

4.1.7 Making holidays available to all. (maximum 200 characters)

In 2009 €3,3 mln were spent on the subsidisation of Summer Holidays of low income families through a specific for the purpose annual scheme .

Legislation on Hotel and Tourist Establishments and Catering outlets provides for a number of obligatory actions and facilities that should be provided to facilitate access and stay of people with disabilities and special needs. Moreover, the provision of these facilities is one out of five optional works that the hoteliers can choose to do under the tourism investments scheme mentioned in above sections.

4.2 As key challenges may change over time, please identify any other areas that are becoming a new challenge. (maximum 600 characters)

Demographic changes and in particular the ageing of European population will affect the demand patterns (period of travel, length of stay etc) with a consequence on tourist destinations and especially of Member States which rely on intra-european tourism traffic. Therefore proactive actions need to be taken so as the supply side to adapt to these changes.

Climatic changes are also a challenge to be addressed. It will affect both the demand and the supply side especially of Mediterranean tourism destinations.

4.3 Please identify and describe a specific initiative, which is related to the 7 key challenges, that is innovative/ successful and which would be of interest to or of help to other Member States. (maximum 2.000 characters)

WATER AND ENERGY SAVING PROJECT

The Water and Energy Saving project (project) was a partnership of the Cyprus Tourism Organisation,

the Travel Foundation and the Cyprus Sustainable Tourism Initiative (CSTI). Travel Foundation and CSTI which are non-profit organisations. The goal of the project was to contribute to the saving of water and energy consumption of the Cyprus tourism industry and in particular the hotel industry. Also, to assist the industry take a collective action that will help the destination begin to address the impact of Cyprus tourism industry on climate change. At the same time the project aimed at raising tourism concern and responsibility to destinations like Cyprus, which face water shortages. Usually tourists are ignorant of the fact that the local population lacks water both for personal use and irrigation.

The project distributed information on water and energy saving instructions, tools and methods to appr 100 hotels and assisted their managers in developing and implementing an individual plan for reducing water and energy consumption in their establishments. The project had a time frame of May to November 2008.

The Objectives of the Project included: Raising of Awareness in the industry, Distribution of educational/training tools, compilation of information on existing water and energy saving measures and practices in the hotel industry, identification and promotion of water and energy saving best practices, monitoring consumption, calculation of savings, working with Tour Operators to sensitize visitors about water shortage in Cyprus and promoting Cyprus as a responsible destination.

Participation, was subject to complying to the following selection criteria: Total amount of water and energy saved, Average consumption at outset, use of Travel Foundation pack in staff training, adoption of water and energy saving aids and practices, cooperation in submitting monthly data.

The project sampled 106 hotels all over Cyprus. The Full replies reached 67 units i.e. 63%, 15% were incomplete replies and no response reached 22%. Tour operators and the hotel associations supported the project through letters and circulars which encouraged their associates to participate in the project.

For the implementation of the project four different types of tools were used: The Travel Foundation provided an information kit on "Sustainable Tourism is Good for Business", the Cyprus Hotel Managers Association with the sponsorship of Cyprus Tourism Organisation produced 20 000 stickers "Water is Precious" which were distributed to these amongst establishments, a questionnaire, and, a fiche for recording data.

The results of the project were very promising. The Water and Energy Consumption results showed overall savings of a 10% and 11% respectively. The same pattern was observed in the per guestnight parameter where water savings reached 11% and energy savings 2%. It is important to highlight that

these savings were achieved at a time that the guest nights reported a 1% increase.

The Winner hotel achieved water savings of 15.4% (from 260 litres in 2007 to 220 litres in 2008) and Energy savings of 9,2% (from 16,96 KWH to 15.40 KWH in 2008).

5. MECHANISMS FOR IMPLEMENTATION

Three mechanisms for implementing the Agenda were identified in the "Agenda": sustainable destinations, sustainable businesses and responsible tourists.

5.1 Sustainable destinations: What support is given to strengthen destination management at the regional/ destination level (supportive policy environment, knowledge networks, training programmes, establishment of measures/indicators for benchmarking, etc.)? (maximum 600 characters)

Following an initiative of the CTO, in 2008 six Regional Companies for Tourism Promotion and Development (RCTPD) were established. The companies have the responsibility of promotion and development of their region based on Regional Tourism Strategic Plans. The Regional Strategic Plans are in line with the National Strategic tourism Plan and as such they address the issues of product development, marketing and quality assurance.

The Board of Directors of the RCTPD is chaired by the Regional Chamber of Commerce and Industry and its members are the local authorities (municipalities and communities), representatives of the regional private sector associations e.g. hoteliers, restaurants, local action groups (the Leader groups) and CTO. In 2010, the Companies were mostly active in marketing activities.

Basic tourism indicators including satisfaction indicators are collected and analysed on a regional level which enables better monitoring of the progress of the regional actions.

Tourism actions such as the organisation of cultural events, local scale infrastructure development supporting the tourist industry etc are being carried out by the local authorities through their annual budgets.

5.2 Sustainable businesses: What support is given to strengthen the sustainability and competitiveness of businesses (supportive policy environment, orientation of business support services to sustainability, training, financial incentives, etc.)? (maximum 600 characters)

A series of policy measures, programmes and approaches are being used to support businesses in tourism, ancillary and other related sectors. CTO

runs three

different incentive schemes for supporting tourism businesses, and in particular for the following:

Sustainable investments in the enrichment and upgrading of the tourist product:

The scheme aims at supporting private investment initiatives, based on the orientations of the 2003-2010 Strategic Plan for Tourism, through the provision for financial incentives designed for:

- (a) enriching and diversifying the tourism product with the development of special interest products, and
- (b) the comprehensive upgrading and modernization of existing tourism accommodation.

The first call of the scheme was launched in December 2008 and ended in March 2009. Seventeen applications of a total investment of app. € 9,7 mln were submitted and are under evaluation which is

expected to finish mid 2010. The scheme is eligible for co funding through the European Regional Development Plan for the programming period 2007-2013.

Improvement of the sanitary areas of Catering outlets:

An amount of €1mIn has so far been given to 350 restaurants and catering establishments through a specially designed incentive scheme for this purpose.

Adoption and Implementation of ISO9000, ISO14001, OHSAS18001 & HACCP by hotel and tourist establishments and in catering outlets which supports businesses to obtain these certifications.

Vocational training in hotel professionals:

Training is provided by both public and private educational institutions. The Ministry of Education and culture operates hotel training department in the Technical Schools which run in all the regions of the country and offer basic training for cooks and waiters. The Ministry of Labour and Social Insurance operates the Cyprus Higher Institute which offers hotel management course with specialisation in various skills. Private hotel schools and colleges also offer courses of study in hotel occupations and in the field of hotel and tourism management. In addition to the above, the Cyprus Tourism Organisation offers either on its own or in cooperation of other institutions or even subsidises, a series of specialised courses aiming to improve the professional skills of employees in the tourist industry and not only. The seminars have been designed for employees of hotel and catering businesses, for water sports businesses, taxi drivers, local authorities' employees and other people involved in the tourism industry. Members of regional police forces have attended lectures in tourism problems and the role of the police form.

Business Support of SMEs:

Moreover, business support, especially the SME's and support of entrepreneurship, is one of the priority axis of the strategy of the Ministry of Commerce and Industry. The Ministry runs with the support of Structural funds three Incentive schemes, namely for young entrepreneurs, women entrepreneurs and for the industrial sector.

5.3 Responsible tourists: What support is given to promote responsible choices by tourists (e.g. sustainability in education, national marketing and media campaigns, promotion of certification schemes)? (maximum 600 characters)

A series of visits and lectures have been given by employees of the Cyprus Tourism Organisation, to students of a number of primary and secondary schools. Through these lectures and presentations the students had the chance to listen, ask questions and learn about tourism, tourism sustainability, the environment and culture and other related issues. Further cleaning campaigns have also been

organised or initiatives taken from a number of schools all around the Country for such campaigns have been supported by CTO.

6. DATA AND INDICATORS

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators². These are mainly related to the aim of 'economic prosperity'.

Please, identify indicators that are being used or developed which could add to the range of information being provided by Eurostat, particularly in relation to social and environmental issues (other indicators from the TSG report, visitors/ residents satisfaction, etc.). (maximum 500 characters)

A number of indicators are currently estimated both on the demand and the supply-side of tourism. Estimation of these indicators is based on data collected on visitor arrivals (both same-day visitors and overnight tourists), tourist expenditure, tourist satisfaction, accommodation capacity, arrivals and overnight stays in accommodation establishments, capacity utilization rates etc whereas additional indices based on this information are calculated with respect to seasonality, the potential pressure on local communities and the environment to name a few. Depending on the indicator, the estimation is done on a monthly, quarterly or annual basis and is further analyzed by variables of interest. So for example, tourist expenditure is available by the tourist's country of usual residence, by location of stay within Cyprus, by the type of accommodation used at a more analytical level than the data etc.

An indicator which is not submitted to Eurostat is the pressure on local communities brought about by visitors is being monitored on a regional level by the ratio of number of tourists to local population.

A tourist satisfaction survey is carried out, through which data concerning satisfaction on various tourist products and services is being collected on a yearly basis.

7. COMPLEMENTARY ADDITIONAL INFORMATION

If necessary use the following box to provide additional complementary information that has not already been covered.

Actions related to the World Economic Crisis

(a) Increasing the Budget of the Cyprus Tourism Organisation:

Boosting the campaign for the promotion of the Cyprus Tourism product. The measure was implemented during the course of 2009.

² These indicators have been selected from the 50 TSG indicators on the basis of the possibility to calculate them at the European level.

(b) To improve the position of Cyprus's tourism product.

Support of Social Tourism through increasing the available budget provided to low income families for subsidising vacations at local destinations during the summer period of 2009. An extension until the 12.06.2009 was given to the applications of eligible parties. A total amount of € 3,8 mln was spent for this purpose

(c) Application of the reduced VAT rate on hotel accommodation of 5% instead of 8% for the period 1.5.2009 -30.04.2010.

(d) Reduction of landing fees at airports levied on airline companies for the period 1.4.2009-31.12.2009. Cancellation of overnight stay fees levied by local authorities on hoteliers for the period 1.5.2009-31.12.2009, and,

(e) The establishment of a Crisis Committee, under the chairmanship of the Ministry of Commerce, Industry and Tourism, which meets at ad hoc and regular intervals, and studies progress, results, performance and any current issues in order to mitigate the impacts of the world economic crisis.

APPENDIX

Principles of sustainable tourism:

- **Taking a holistic and integrated approach**

All the various impacts of tourism should be taken into account in its planning and development. Furthermore, tourism should be well balanced and integrated with a whole range of activities that affect society and the environment.

- **Planning for the long term**

Sustainable development is about taking care of the needs of future generations as well as our own. Long term planning requires the ability to sustain actions over time.

- **Achieving an appropriate pace and rhythm of development**

The level, pace and shape of development should reflect and respect the character, resources and needs of host communities and destinations.

- **Involving all stakeholders**

A sustainable approach requires widespread and committed participation in decision making and practical implementation by all those implicated in the outcome.

- **Using best available knowledge**

Policies and actions should be informed by the latest and best knowledge available. Information on tourism trends and impacts, and skills and experience, should be shared across Europe.

- **Minimising and managing risk – the precautionary principle**

Where there is uncertainty about outcomes, there should be full evaluation and preventative action should be taken to avoid damage to the environment or society.

- **Reflecting impacts in costs – user and polluter pays**

Prices should reflect the real costs to society of consumption and production activities. This has implications not simply for pollution but for charging for the use of facilities that have significant management costs attached to them.

- **Setting and respecting limits, where appropriate**

The carrying capacity of individual sites and wider areas should be recognised, with a readiness and ability to limit, where and when appropriate, the amount of tourism development and volume of tourist flows.

- **Undertaking continuous monitoring**

Sustainability is all about understanding impacts and being alert to them all the time, so that the necessary changes and improvements can be made.