

NEPCon Sustainable Tourism Services - Derogation policy for tourism audits in response to COVID-19 pandemic impacts over the travel sector

Overview of the Tourism and Travel sector situation amidst the COVID-19 pandemic

(Updated as of 25 May 2020 with data from the United Nations World Tourism Organization, the World Travel and Tourism Council and other sources)

According to the [latest data](#) from the World Tourism Organization (UNWTO), the COVID-19 pandemic has caused a 22% global fall in international tourist arrivals during the first quarter of 2020. Growth expectations for 2020 have been downgraded several times since the outbreak and uncertainty continues to dominate globally for this sector which is probably the one being hit harder by the pandemic.

Current scenarios point to possible declines in global international arrivals of 58% to 78% when data is compared with 2019 figures of this sector. These scenarios, however, still depend on the speed of containment and the duration of travel restrictions and shutdown of borders.

The scenarios for 2020 (not to be considered forecasts) are based on three possible dates for the gradual opening of international borders:

- Scenario 1 (-58%) based on the gradual opening of international borders and easing of travel restrictions in early July.
- Scenario 2 (-70%) based on the gradual opening of international borders and easing of travel restrictions in early September.
- Scenario 3 (-78%) based on the gradual opening of international borders and easing of travel restrictions only in early December.

Under these scenarios, the impact of the loss of demand in international travel could turn into:

- Loss of 850 million to 1.1 billion international tourists
- Loss of USD910 billion to USD1.2 trillion in export revenues from tourism
- 100 to 120 million direct tourism jobs at risk

This is by far the worst crisis that international tourism has faced since records began (1950), and the impact will be felt to varying degrees in different global regions and at overlapping times.

However, the sector is also known for its great capacity to recover and this time, according to most experts, won't be the exception. Some key considerations for the recovery process are:

- Domestic demand is expected to recover faster than international demand according to UNWTO Panel of Experts survey.
- The majority expects to see signs of recovery by the final quarter of 2020 but mostly in 2021.
- Based on previous crises, leisure travel is expected to recover quicker, particularly travel for visiting friends and relatives, than business travel.
- The estimates regarding the recovery of international travel is more positive in Africa and the Middle East with most experts foreseeing recovery still in 2020.
- In Europe and Asia, the outlook is mixed, with half of the experts expecting to see recovery within 2020.
- In the Americas, experts are the least optimistic and least likely to believe in recovery in 2020. ([Source: UNWTO – May 2020](#)).

COVID-19 impacts on NEPCon tourism clients

As of 25 May 2020, all NEPCon tourism client operations are either fully or partially closed since mid March or early April 2020. In most cases, reopening dates for the countries where our certified operations are based, are still not clear. In few cases where destinations are preparing to reopen or where companies still run partial operations, tourism businesses are likely to focus on essential tasks and activities that directly support the recovery or that can't be interrupted given their nature, such as maintaining promotion, client communication or security watches for attractions or properties.

Currently all of NEPCon certified tourism clients are located in Latin America. This is the region that will have the slowest recovery process according to recovery scenarios and the opinion of travel experts worldwide, particularly in South American countries where most travel restrictions are not expected to be lifted before September 2020.

In such a scenario, just as how it was back in March 2020, our tourism programme is still unable to schedule and/or complete audits that were originally planned to happen in the months of March through June 2020. Implementing a remote audit procedure is not an option since all companies are now unable to prepare and participate in the audits due to lack of technical and financial resources.

The information we have from the overall tourism sector and the direct feedback from NEPCon clients in Latin America suggest that the limitation to plan, schedule and complete most (if not all) 2020 audits will continue to be the case for the remaining of 2020 and even early 2021.

Considering the forementioned conditions, which go beyond NEPCon's or its tourism clients' control, and in an effort to support the recovery efforts of our clients and their destinations, NEPCon is issuing this public Derogation Policy. The Policy includes guidelines to transparently manage any necessary derogations that will be required to formally address the operational

limitation that currently affect our sustainable tourism certificate holders. This Policy will allow NEPCon Sustainable Tourism team to evaluate cases where the regular audit schedule has been or is currently impacted by the COVID-19 pandemic and to decide to postpone or even waive the 2020 tourism audits. Audits under this scope are those that are currently planned until 15 March 2021.

Derogation Policy for tourism audits due to COVID-19 pandemic and its effects

Validity: This Policy and all its related procedures and exceptions are applicable -retroactively- from 16 March 2020 until 15 March 2021.

Scope: The Policy is intended to be a resource applicable to any annual audit, reassessment audit and/or Corrective Action Verification Audits (CVAs) where Fieldwork Target Date (FWTD) was set to happen, or is supposed to happen, within the Policy validity timeframe.

Evaluation to confirm application: The application of this Policy must be evaluated and confirmed on a case by case basis. It should not be used as a general rule for all audits happening within its validity timeframe and under no circumstance, should allow a certificate holder or certification candidate to elude the requirement of its mandatory 2020 or 2021 audit, unless a valid justification, from those considered herein, is confirmed at the organisation and/or the destination level.

Derogation procedures and exceptions for sustainable tourism audits

1. Annual surveillance audits

In all annual surveillance audits, the first premise should always be to schedule and plan the corresponding audit within the regular timeframe of each certification cycle.

In those cases where scheduling and completing the annual surveillance audit within the regular timeframe of each certification cycle is not possible due to local, national or regional travel restrictions and/or business partial or total closure, the following procedures must be followed:

- As a first measure, fieldwork deadline shall be extended - with the proper justification directly linked to the COVID-19 pandemic impacts - for up to 90 days. This extension should allow the possibility for the annual surveillance audit to still be planned and completed within that new (extended) period.
- If after the granted extension period to the fieldwork deadline, the conditions that inhibit the completion of the annual surveillance audit remain, tourism certificate holders are eligible for a full annual audit waive, as long as they can demonstrate that any or a combination of all, or some of the following criteria are met and directly affecting their ability to undergo a regular audit:

- Destination/country where the operations under the scope of the certificate happen, have experienced travel restrictions that ban non-essential and/or international travel for at least 50% of the time between original fieldwork target date and extended fieldwork deadline of the certificate holder certification cycle.
- Operations of the certificate holder are fully closed to guests and/or visitors due to the COVID-19 pandemic during at least 50% of the time between original fieldwork target date and extended fieldwork deadline of the certification cycle.
- Travel restrictions that ban non-essential and/or international travel due to COVID-19 pandemic are affecting the certificate holder destination, country and/or operations, in its ability to perform normal business for at least 3 consecutive months between 16 March 2020 and up to 15 March 2021.
- *Note: There may be cases that do not meet the criteria described above, but that still may have been impacted by the COVID-19 pandemic, making onsite audit impossible. The NEPCon Sustainable Tourism Certification Programme Manager may grant them special conditions, as long as this are justified by valid reasons directly linked to the pandemic effects and only during the period of validity of this Policy. Special conditions to be granted in these cases should be considered using the following hierarchy:*
 - Complete annual surveillance audit via a fully remote audit method.
 - Complete annual surveillance audit via partially remote audit method.
 - Audit waives (last resource).

2. Reassessment audits

In all reassessment audits, the first premise should always be to schedule and plan the corresponding audit within the regular timeframe of each certification cycle.

In those cases where scheduling and completing the reassessment audit within the regular timeframe of each certification cycle is not possible due to local, national or regional travel restrictions and/or business partial or total closure, the following measures must be applied:

- Certificates may be extended - with the proper justification - up to 12 months after its original expiration date and the corresponding audit must be planned and completed at the earliest possible opportunity within the extended period and in no case it should be later than the new timeframe for fieldwork target date and fieldwork deadline, which must be set following the standard rules used for any ordinary reassessment (90 to 45 days prior to new expiration date).
- Reassessments may be planned and completed through the implementation of a combined procedure of desk remote audit and onsite visit or fieldwork. Document review and

interviews may be completed through a virtual remote audit process; however, field visit is mandatory for these cases and all must be completed before the fieldwork deadline.

3. Corrective Action Verification Audits (CVAs)

Extensions for these audits will be evaluated and granted on a case by case basis and up to a maximum of 12 months from the original non conformance report due date.

These audits may be completed through a remote audit procedure, however, the specific audit method and the requirement for including an onsite visit or not, will also be determined on a case by case basis and according to the following rules:

- Corrective actions to address non-conformities issued during assessments must be demonstrated before a certificate can be issued. An onsite visit to update the certificate candidate operation profile may be required for this type of CVAs.
- Corrective actions to address non-conformities issued during annual audits can be demonstrated as part of the next ordinary audit.
- Corrective actions to address non-conformities issued during reassessment audits can be demonstrated through a desk remote audit process.

4. Assessment or certification audits

For these audits, the process continues to require a mandatory site visit and a certificate cannot be issued in those cases where the onsite inspection has not been completed.

However, assessments may also be planned and completed through the implementation of a combined procedure of desk remote audit and onsite visit or fieldwork. Documentary reviews may be completed through a desk remote audit, while interviews and site inspections must happen through an onsite visit before any certification decision can be issued.

Derogation procedures and exceptions for sustainable tourism auditors

For tourism auditors, the applicable requirement regarding the completion of a minimum number of tourism audits in a single calendar year in order to maintain tourism auditor competences, is hereby waived for 2020.

Competences will be maintained based upon 2019 auditing participation records. However, participation on a mandatory tourism auditor training to recalibrate active auditors will be required in the first quarter of 2021 at the latest.

Final policy remarks

All the derogation alternatives that this Policy offers can only be applied once to the same certificate holder or auditor.

For more information, please contact NEPCon Sustainable Tourism Services Manager at sblanco@nepcon.org.