



# BEST

Business Enterprises for Sustainable Travel

## Business Profile

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### The Punta Cana Resort and Club

Category	Resort
Ownership	Grupo Punta Cana (a Dominican corporation)
Location	Punta Cana, Dominican Republic
Practice Keywords	tourism development; resource conservation; educational and research affiliations; biodiversity

### The Punta Cana Resort and Club

A Sustainability Model in the Caribbean

Sustainability—development that enables local residents to achieve higher standard of living and preserves communities cultural and environmental assets—is a continuing journey, not a destination. The Punta Cana Resort and Club, located on the east coast of the Dominican Republic, demonstrates what can be accomplished when private business, the government, educational institutions, and the local community collaborate on such a journey.

While sustainability continues to be a work in progress (as should be true for all tourism operations), the Punta Cana Resort and Club has greatly contributed to the revitalization and relative improvement of the economic health of an area once considered marginal. It has accomplished this through a variety of business initiatives, including adapting technologies, training personnel, and creating environmental and education programs.

### Investors with a Vision

In the late 1960s, three investors—labor lawyer Ted Kheel, fashion designer Oscar de la Renta, and international singing idol Julio Iglesias—purchased property in an isolated area of the Dominican Republic. Joining them was Frank Rainieri, a budding Dominican entrepreneur who would eventually become the president of Grupo Punta Cana (GPC), the parent company of the Punta Cana Resort and Club.

Despite being an attractive area for tourism development—white sand beaches, groves of coconut trees, coral reefs, and vegetation—no supporting infrastructure was in place. There was little electricity, no waste treatment facilities, not enough potable water to support a growing population, and no local education facilities. The area had no nearby airport, and access highways didn't exist. The region had only a marginal economic base consisting of some commercial fishing, subsistence agriculture, and charcoal production, which can lead to long-term environmental devastation of a community. (It takes 30 large trees to produce one 80-pound sack of charcoal.) Illiteracy rates ran as high as 70 percent, and job opportunities were limited.



To see Punta Cana as a future tourism destination required great vision and determination. It also required a commitment to the notion of sustainable tourism. Access roads and an airport had to be built, a supply chain for food and other amenities was needed, schools had to be built, and access to clean water and a reliable power supply had to be developed.

## Getting Started

The first project undertaken, apart from the construction of eight beach villas, was building a highway from Higüey to Punta Cana. The project presented a unique opportunity for cross-sector collaboration. The Colgate-Palmolive Company, which was required to repatriate export earnings generated by its local entities, became an active partner in the construction. The next major project was building the international airport.

But improving the infrastructure to support a quality international resort was only one piece of the development puzzle. It became immediately evident to GPC that to attract and maintain a staff of qualified personnel, the creation of a livable environment for employees was essential. Employee housing was built, and the area's first school, a two-room open structure for 200 children, was inaugurated. The Group paid the salary of one teacher, while the government paid the other. GPC president Frank Rainieri remembers, "It was necessary to obligate the line staff to send their children to school; for every day a child missed, we docked the employee."

## A Success Story

Today, Punta Cana is home to the Punta Cana Resort and Club, as well as more than 18,000 guestrooms operated by other international hospitality companies. The Punta Cana International Airport, which handled over one million visitors in 2002, receives up to 30 international charter flights daily during high season from such destinations as the United States, Europe, and the Caribbean. The regional tourism industry employs more than 15,000 Dominican citizens.

For GPC employees, the quality of life has improved dramatically. Those living on site are furnished with modern housing, including electricity, potable water, and sewers—all provided by GPC. Also, healthcare facilities have been built and the local transportation infrastructure improved.

And one of the key elements of a sustainable tourism program is being achieved—Dominicans occupy almost all positions at GPC.



## Protecting the Environment

Since the early stages of its development, Punta Cana Resort and Club incorporated environmental concerns and it continues to demonstrate keen sensitivity to these issues. The resort's facilities are set back from the beach and existing trees were preserved in the construction phase. Development is low density, boasting 525 square meters of area per guest at full occupancy.

The overall design and architecture of the resort, created by Dominican architect Oscar Imbert, incorporates Dominican, Spanish, and Arawak-Indian themes, using local materials when appropriate. On a regional basis, guidelines have been established for clearing land and maintaining green areas, and all residential as well as commercial developments are required to comply with these environmental standards.

At the recently developed Punta Cana Golf Club, the use of seashore paspalum hybrid grass permits the environmentally sound practice of combining seawater and recycled fresh water to irrigate the grounds. Recycled water also is used to irrigate the hotel's gardens.

Located immediately adjacent to the resort is the 2,000-acre Punta Cana Nature Reserve. The Punta Cana Ecological Foundation was established by the resort to oversee this reserve as well as to fund the Punta Cana/Cornell Biodiversity Center.

In collaboration with the local technical university INTEC-Instituto Nacional Tecnológico de Santo Domingo and the Cornell College of Agriculture and Life Sciences, the foundation launched a program to identify and inventory the region's flora and fauna. It also conducts environmental education programs for both staff and visitors, including activities to celebrate international environmental days, tree-planting campaigns, beach cleanup operations, and bird observation outings. And a guided tour of the reserve is now offered to hotel visitors.

The foundation's alliance with Cornell, culminating in the creation of the Cornell Biodiversity Laboratory in Punta Cana, is a notable achievement. The Biodiversity Center houses a 5,000 square foot laboratory, a teaching facility, and a dormitory used by students and faculty from Cornell, Harvard, Columbia, as well as Dominican universities. It conducts inventories of plants, animals, and marine and microbial organisms that may lead to new medicines one day. There is also ethno-medicine research, which involves collecting information from citizens in rural villages, who for generations have used natural compounds as "home remedies," and studying those compounds to determine their makeup.

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## Benefits

### To Punta Cana Resort and Club

An acknowledged leadership position in the tourism industry in the Dominican Republic and in the Caribbean.

Availability of protected lands around the resort providing a buffer as well as an amenity for guests to enjoy.

A sense of accountability in its operations, with sustainability as one of the core operating principles.

Reduced operating costs as a result of environmental practices.

Business for the resort from conferences and organizations interested in environmental issues.

### To the Local Community

Well-supported educational opportunities at the school constructed by the resort, as well as assistance to other schools in local communities.

Employment opportunities for many local people at the resort and at the international airport, which is also owned and operated by GPC, plus opportunities in other resorts whose development was facilitated by the opening of the airport.

Installation of an electric power generating station operated by GPC, providing plentiful and reliable electricity to the region.

Awareness and knowledge about Punta Cana's natural environment through ongoing research and programs at the Biodiversity Center.

### To Guests of Punta Cana Resort and Club

An attractive, hospitable natural environment.

Exposure to the multiple dimensions of sustainability.

Opportunities to experience and develop an understanding of the natural environment of the Dominican Republic via the ecological reserve and Biodiversity Center.



In 1995, GPC and the United Nations co-sponsored with Earth Pledge Foundation and Earthkind International the first Caribbean Conference on Sustainable Tourism. GPC has continued to be active in hosting similar events, including a conference on Caribbean biodiversity (July 2001), travelers' philanthropy (November 2002), and the conference "Making Biodiversity Work for Your Travel Business" (April 2003).

Also notable in GPC's educational outreach is the Punta Cana Resort case study that is used in the Global Seminar Project—a distance learning educational outreach program coordinated out of the College of Agriculture and Life Science at Cornell. Universities and colleges throughout the world are involved in the project.

The Punta Cana Resort and Club also endeavors to help other properties in the Caribbean. Kelly Robinson, the resort's first environmental director, left the resort in the 1990s to direct the Caribbean Alliance for Sustainable Tourism (CAST), an initiative of the Caribbean Hotel Association. GPC President Rainieri also has served as the chair of CAST. In 2002, Robinson returned to Punta Cana and is broadening its outreach via expanded education programs with more colleges and universities in the United States.

## Challenges Remain

Despite progress toward developing a sustainable tourism operation and the creation of Punta Cana as a desired vacation destination, key challenges remain. Along with the growing number of resort properties in Punta Cana have come the issues associated with such growth—sewage, solid waste, dense facilities, noise, and other developmental practices that create environmental pressures.

A check of Internet chat rooms, where guests post their vacation experiences in the region, reveals comments about the poverty they see as they journey from the airport to hotels and on various day trips. The safety precautions and environmental care of some snorkel operations also were questioned, with overcrowding, a lack of life preservers, and a lack of instructions regarding reef care being noted.

In spite of GPC's positive influence, the actions of some other operations in the region are not as environmentally or socially positive and their interest in improving these practices appears limited. Additionally, the Punta Cana and Puerto Plata regions have almost 60 percent of the country's guest-rooms, and there is criticism within the Dominican Republic concerning the fact that continued growth in these areas is not benefiting "more depressed" regions of the country.

Improving the sustainability of the tourism operations alone will only further widen the gulf between the tourist areas and those of the local people—placing "five star" environmental enclaves in the midst of "one or two star" local community environments. In the future, sustainable development actions need to extend farther into local communities at tourist destinations.

The Punta Cana Resort and Club demonstrates that profitability and sustainability can go hand in hand and that tourism development can ameliorate poverty and safeguard the environment. Sustaining these efforts and expanding them remains both an ongoing process and goal.

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### About the author

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### About The Conference Board

The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. As a global, independent, public-purpose membership organization, we conduct research, bring executives together to learn from one another, convene conferences, publish information and analyses, make forecasts, and assess trends.

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### About BEST

Business Enterprises for Sustainable Travel (BEST) is an initiative of The Conference Board, in association with the World Travel and Tourism Council. Several foundations, including the Ford and Charles Stewart Mott Foundations, provide support.

BEST serves as a leading source of knowledge on innovative travel and tourism practices that advance business, community, and travelers' interests. BEST profiles cutting-edge businesses, community organizations, and travelers in the growing field of sustainable travel and tourism.

You are invited to submit other examples for consideration for future BEST profiles.

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### About the World Travel & Tourism Council

The World Travel & Tourism Council (WTTC) is the global business leaders' forum for travel and tourism. Its 112 members are chief executives from all sectors of the industry, including accommodation, catering, entertainment, recreation, transportation, and other travel-related services. Its central goal is to work with governments to realize the full economic impact of the world's largest generator of wealth and jobs—travel and tourism.

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