

World Bank Responsible Tourism Days



Investment and Financing for Sustainable Tourism

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Presentation Overview

- UNEP tourism programme
- Investment and financing sector and tourism
- The SIFT initiative



UNEP tourism programme Mission

- Support sustainable forms of economically efficient tourism development, while safeguarding the environment and promoting social and cultural progress



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UNEP tourism programme Main objectives

- Support the integration of sustainability in tourism development policies.
 - Governments and other public stakeholders
- Promote sustainable production and consumption patterns in the tourism industry.
 - Industry and the private sector
- Encourage demand for “sustainable tourism services”.
 - Consumers



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UNEP tourism programme Main intervention areas

- Improve the capacity and knowledge basis of stakeholders.
- Demonstrate the value that sustainability can add to the tourism value chain.
Analysis and pilot projects.
- Enable and promote innovation throughout the tourism value chain.



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Sustainability going mainstream in financial markets...

- Capital markets worldwide worth US\$47 trillion. Pensions funds hold 25% of these markets.
- UN Principles for Responsible Investment
– Backed by more than 14 trillion US\$ assets under management, including more than 270 institutional investors.

<http://www.unpri.org/files/pri.pdf>



Principles
for Responsible
Investment



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Sustainability going mainstream in financial markets...



The Equator Principles

A benchmark for the financial industry to manage social and environmental issues in project financing

- Equator Principles see more than 50 banks representing more than 85% of global project finance volume integrating environmental and other qualitative issues into project lending criteria.

<http://www.equator-principles.com/>



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Messages from the financing sector

- Addressing environmental and social issues:
 - Portfolio management
 - Reputation risk
 - Project management
- Priorities
 - Responsible investment
 - Guidelines, standards and best practices for financing institutions
 - Life cycle approach



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Is tourism development important?

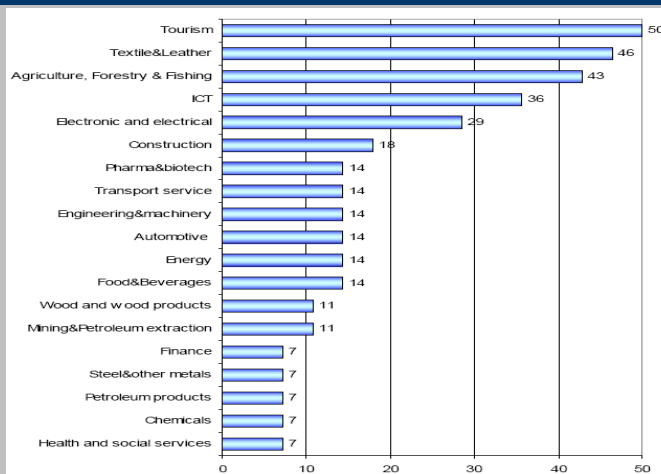
- 1 US\$ trillion industry employing about 230 mn
- Important source of investment in developing countries
 - Namibia 13% of total investments
 - India (Kerala) 8%
 - China 9.9%
 - Malaysia 12%
 - The Caribbean 15%-76%
- **9.5% of global total investments.** More than 1.15 trillion US\$.

source for all figures: WTTC



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Tourism: Top priority for IPA in DC



Source: UNCTAD



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Impact on growth

- GDP: up to 40% in DC and LDCs. With statistical extremes going up to 66% (UNWTO)
- 33% of global “trade in services” (WTO)
- Can employ unskilled or semi-skilled labour and in outlying areas (OECD)
- Virtually all LDCs are tourism net exporters (UNWTO, WTO, WTTC)
- “Mass leisure tourism” unlikely to considerably alleviate poverty (UNWTO)



Messages from the tourism sector

- One of the biggest industries worldwide
- Crucial source of foreign exchange
- Major export for developing countries
- Main part of global investments (particularly in developing countries)
- Increasing environmental and social impacts
- Need to focus on niche markets for the developing countries
 - Ecotourism, heritage-based tourism, etc.



Combining the messages

- How multi-lateral and bilateral donors and financing institutions could address the sustainability aspects of the tourism development activities they support (directly or in-directly)?
- What substantive standards could apply?
- How to implement them?
- How to assure compliance?



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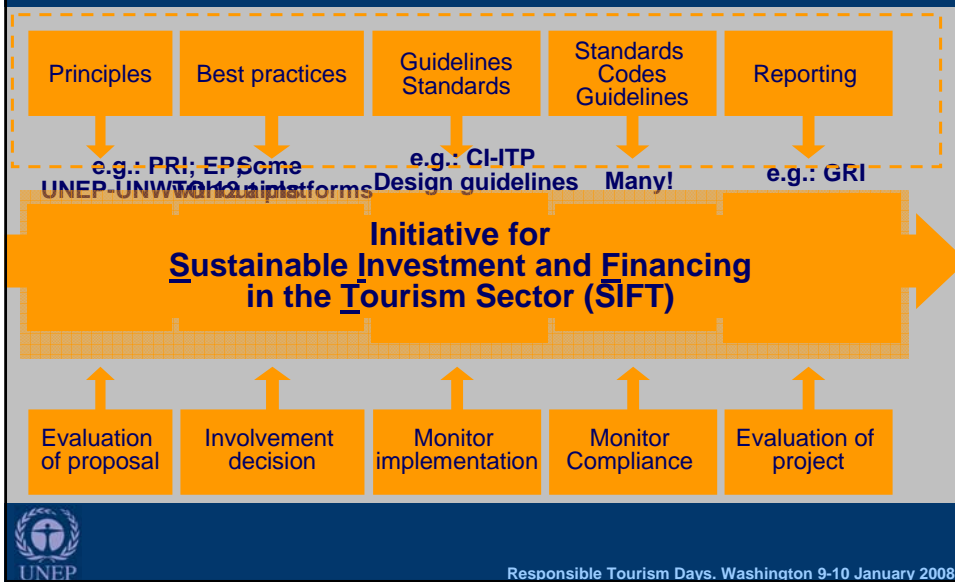
The Marrakech Task Force on Sustainable Tourism Development

- Review the current challenges on financing sustainable tourism development
- Share the experiences of financing institutions, development agencies and countries
- Evaluate the feasibility and usefulness of an initiative to consolidate and further strengthen a framework for sustainable investment and financing in the tourism sector



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The puzzle



SIFT

- Review existing tools that can support more sustainable investments and financing in the tourism sector
 - Desk work; expert meetings; networking;
- Develop a platform and tools on “Sustainable Investment and Financing in the Tourism Sector”. *What, when, how and with whom* to do
- Create a network.
- Capacity building and training
- Virtual market space

Investment and Financing for Sustainable Tourism

Thank you very much!

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