INVESTMENTS READINESS FOR GREEN FINANCE MECHANISMS
GLOBAL OVERVIEW INVESTMENTS

TOURISM FDI GLOBALLY, 2014-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Investment ($m)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11,181</td>
</tr>
<tr>
<td>2015</td>
<td>20,749</td>
</tr>
<tr>
<td>2016</td>
<td>19,997</td>
</tr>
<tr>
<td>2017</td>
<td>21,586</td>
</tr>
<tr>
<td>2018</td>
<td>57,411</td>
</tr>
<tr>
<td>Total</td>
<td>130,924</td>
</tr>
</tbody>
</table>

Source: FDI Markets (www.fdimarkets.com)
* Includes estimates

TOURISM FDI, Q1 2018 VS Q1 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Projects</th>
<th>Capex ($m)*</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2018</td>
<td>146</td>
<td>16,445</td>
<td>34,379</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>147</td>
<td>18,911</td>
<td>30,451</td>
</tr>
</tbody>
</table>

Source: FDI Markets (www.fdimarkets.com)

TOP 10 COUNTRIES FOR TOURISM FDI PROJECTS, 2014-2018

- **US**: 130
- **UK**: 145
- **FRANCE**: 78
- **GERMANY**: 79
- **CHINA**: 91
- **MEXICO**: 73
- **INDIA**: 70
- **SPAIN**: 76
- **AUSTRALIA**: 50
- **UAE**: 65

Source: FDI Markets (www.fdimarkets.com)
* Includes estimates
WHY IS IT IMPORTANT?
Tourism and Travel Impact

- **4% Growth**: 10 consecutive years of growth
- **1.5 billion people**: international arrivals 2019
- **US$ 1.7 trillion**: economic growth about 4% of the world’s GDP
- **1/10 people**: work in tourism

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COVID-19 PROJECTED IMPACT ON TOURISM IN 2020

100 TO 120 MILLION JOBS AT RISK

910 US$ BILLION TO 1.2 US$ TRILLION LOST IN EXPORTS

850 MILLION TO 1.1 BILLION INTERNATIONAL TOURISTS LESS
INTERNATIONAL TOURIST ARRIVALS COULD DROP BY **60% TO 80% IN 2020**

International tourist arrival scenarios for 2020 based on the dates of gradual re-opening of borders.

Note: These scenarios are not forecasts. They represent alternative monthly % change in arrivals based on the gradual opening of national borders and lifting of travel restrictions on different dates, still subject to high uncertainty. (as of 7 May 2020)

* Actual data through March includes estimates for countries which have not yet reported results.
THE OPPORTUNITY from growth to sustainability
UNWTO is collaborating with the IFC to provide Technical Training programs for the tourism industry in order to promote green finance to stimulate tourism recovery and ensure the development of a competitive and sustainable economic growth.
Therefore, policy makers and private investors have to collaborate to manage tourism growth in a sustainable way. It’s estimated that additional funding of USD 2.5 trillion is needed annually to achieve the Sustainable Development Goals (SDGs). Traditional overseas development assistance (ODA) alone cannot cover this gap. Sustainable investments are critical to set the path to co-create innovative initiatives.

USD 2.5 trillion

is needed annually to achieve the Sustainable Development Goals (SDGs).

OBJECTIVES:

OE1
Identify aggregators across the hotel value chain in order to promote and implement sustainability measures (Performance and Efficiency).

OE2
Provide skills training on green building adoption and transitions to enable sustainable investments (Accreditations and Certifications).

OE3
Facilitate sustainable investment mechanisms to access green finance opportunities (Compliance and Brand Reputation).
R1. Access to Technical Training programs on green building adoption and transitions

R2. Access to the EDGE Experts accreditation program [UNWTO and IFC platforms and software].

R3. Mapping of potential aggregators across the hotel value chain [Investors, owners, operators, franchisees]

R4. Promote the value of certification across the hotel value chain [incentives and brand reputation]

R5. Prioritization of potential projects and investment strategies [Benchmark and Evaluation]

R6. Access to green financing vehicles to leverage green finance opportunities [Compliance and Competitiveness]
<table>
<thead>
<tr>
<th>Target Audience</th>
<th>Role (Green Investments)</th>
<th>Training Focus</th>
<th>Training Offer</th>
<th>Training Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Authorities</td>
<td>Investment Policies (Vision &amp; Incentives)</td>
<td>Strategic</td>
<td>Round Tables</td>
<td></td>
</tr>
<tr>
<td>Hospitality Investors and C-Level Executives</td>
<td>Investment Opportunities (Finance &amp; Pipeline)</td>
<td>Strategic/Tactical</td>
<td>Investment Forums/ Specialised Training</td>
<td></td>
</tr>
<tr>
<td>Project Managers, Consultants</td>
<td>Investment Performance Efficiency &amp; Certifications</td>
<td>Operational</td>
<td>Conference /Specialised Training</td>
<td></td>
</tr>
</tbody>
</table>
**UNWTO | INVESTMENTS**

**PROGRAM STRUCTURE**

1. **Access to Green Finance Mechanisms (Sustainable Hotels)**
2. **Tourism Investments Overview**
3. **Government Green Incentives (Case studies)**
4. **Green Investment Strategies (Boost profitability)**
5. **EDGE Experts Training (Accreditation)**

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UNWTO | INVESTMENTS
<table>
<thead>
<tr>
<th>Training Format</th>
<th>Webinar</th>
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<th>Webinar</th>
<th>Webinar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Investments Overview</td>
<td>UNWTO Investment Forums</td>
<td>Personalized Session</td>
<td>UNWTO Investment Forums</td>
<td></td>
<td></td>
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<tr>
<td>Access to Green Finance Mechanisms (Sustainable Hotels)</td>
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</tr>
</tbody>
</table>

| Target Audience | • Governmental Authorities | • Governmental Authorities. Hospitality Investors and C-Level Executives. Project Managers, Consultants, Promoters | • Governmental Authorities Hospitality Investors and C-Level Executives Project Managers, Consultants, Promoters | • Hospitality Investors and C-Level Executives Project Managers, Consultants, Promoters | • Project Managers, Consultants, Promoters |
From 2014 to 2019, about 70 percent of global hotel investments were made by general investors with diverse portfolios.  

Private equity investments and real estate investment trusts (REITs) constituted the majority of 2018 transactions, with a notable increase in portfolio acquisitions instead of single-asset purchases.

Among the largest hotel chains less than 10 per cent are owner-operated.

Foreign investment is strong in the hotel sector, with cross-border investment increasing 18 per cent to USD 4.5 billion from 2017 to 2018.

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4. ULI-Greenprint (2019), Sustainability in Hotels, Opportunities and trends shaping the future of hospitality.
5. Ibid.
SIMPLIFIED HOTEL OWNERSHIP
STAKEHOLDER MAPPING

Source: Business Case for Sustainable Hotels, International Tourism Partnership in collaboration with IFC
BUSINESS CASE FOR SUSTAINABLE HOTELS

1. Boost profit margins through utility savings
2. Increase revenue through satisfying consumer preference and reducing reputational risk
3. Future proof investment strategies
4. Safeguard against regulatory risk and benefit from incentives
5. Increase value and validation through certification
6. Ensure a long-term energy supply

Source: Business Case for Sustainable Hotels, International Tourism Partnership in collaboration with IFC
GREEN FINANCING AND SUSTAINABILITY

**Investment**
Long-term loans, warehousing facilities, guarantees and risk-sharing facilities, structured finance, green bonds

**Advice**
Support in identifying or developing your investment pipeline, market intelligence, technical advice, training for loan officers

**Market creation**
Global and local marketing campaigns, stakeholder education, capacity building, technical guidance, promotion of incentives
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