

INVESTMENTS READINESS FOR **GREEN FINANCE** MECHANISMS

GLOBAL OVERVIEW INVESTMENTS

TOURISM FDI GLOBALLY, 2014-2018

Year	Capital investment (\$m)*
2014	11,181
2015	20,749
2016	19,997
2017	21,586
2018	57,411
Total	130,924

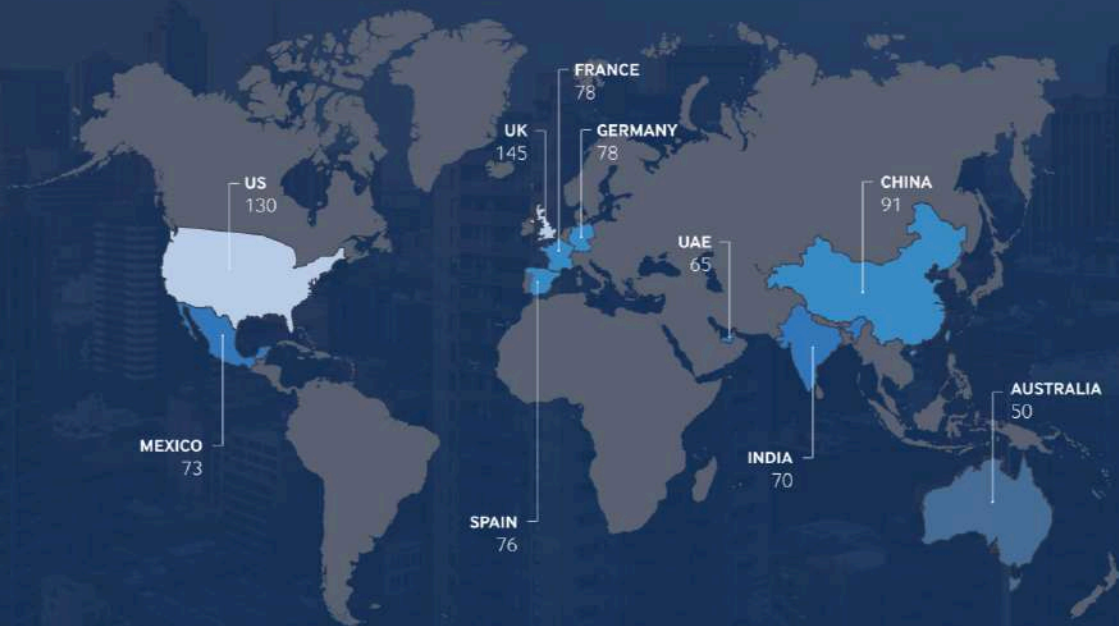
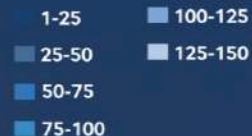
Source: fDi Markets (www.fdimarkets.com)
* Includes estimates

TOURISM FDI, Q1 2018 VS Q1 2019

	Projects	Capex (\$m)*	Jobs
Q1 2018	146	16,445	34,379
Q1 2019	147	18,911	30,451

Source: fDi Markets (www.fdimarkets.com)

TOP 10 COUNTRIES FOR TOURISM FDI PROJECTS, 2014 - 2018



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

THE **OPPORTUNITY** from growth to sustainability



PROGRAM PURPOSE



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.



IF - Sustainable Investments

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.⁶

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trillion

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



⁶ UN (2019), United Nations Secretary-General Roadmap for financing the 2030 Agenda for Sustainable Development 2019 - 2021.

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).



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



PROGRAM COMPONENTS



Green Investments Training [Promoters]

- **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).



Green Investments Certifications [Aggregators]

- **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)




Green Investments Mechanisms [Finance]

- **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)

PROGRAM STRUCTURE



PROGRAM STRUCTURE

	 <p>Tourism Investments Overview</p>	 <p>Access to Green Finance Mechanisms (Sustainable Hotels)</p>	 <p>Government Green Incentives (Case studies)</p>	 <p>Green Investment Strategies (Boost profitability)</p>	 <p>EDGE Experts Training (Accreditation)</p>
<p><i>Training Format</i></p>	<p>▼</p> <p>Webinar UNWTO Investment Forums</p>	<p>▼</p> <p>Webinar Personalized Session</p>	<p>▼</p> <p>Webinar UNWTO Investment Forums</p>	<p>▼</p> <p>Webinar</p>	<p>▼</p> <p>IFC Platform Personalized Session</p>
<p><i>Target Audience</i></p>	<ul style="list-style-type: none"> • Governmental Authorities 	<ul style="list-style-type: none"> • Governmental Authorities. • Hospitality Investors and C-Level Executives. • Project Managers, Consultants, Promoters 	<ul style="list-style-type: none"> • Governmental Authorities • Hospitality Investors and C-Level Executives 	<ul style="list-style-type: none"> • Hospitality Investors and C-Level Executives • Project Managers, Consultants, Promoters 	<ul style="list-style-type: none"> • Project Managers, Consultants, Promoters

Green Investments Mechanisms

[Finance]

- From 2014 to 2019, about 70 percent of global hotel investments were made by general investors with diverse portfolios.⁴
- 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 purchases⁵
- Among the largest hotel chains less than 10 per cent are owner-operated.⁶
- Foreign investment is strong in the hotel sector, with cross-border investment increasing 18 per cent to USD 4.5 billion from 2017 to 2018.⁷

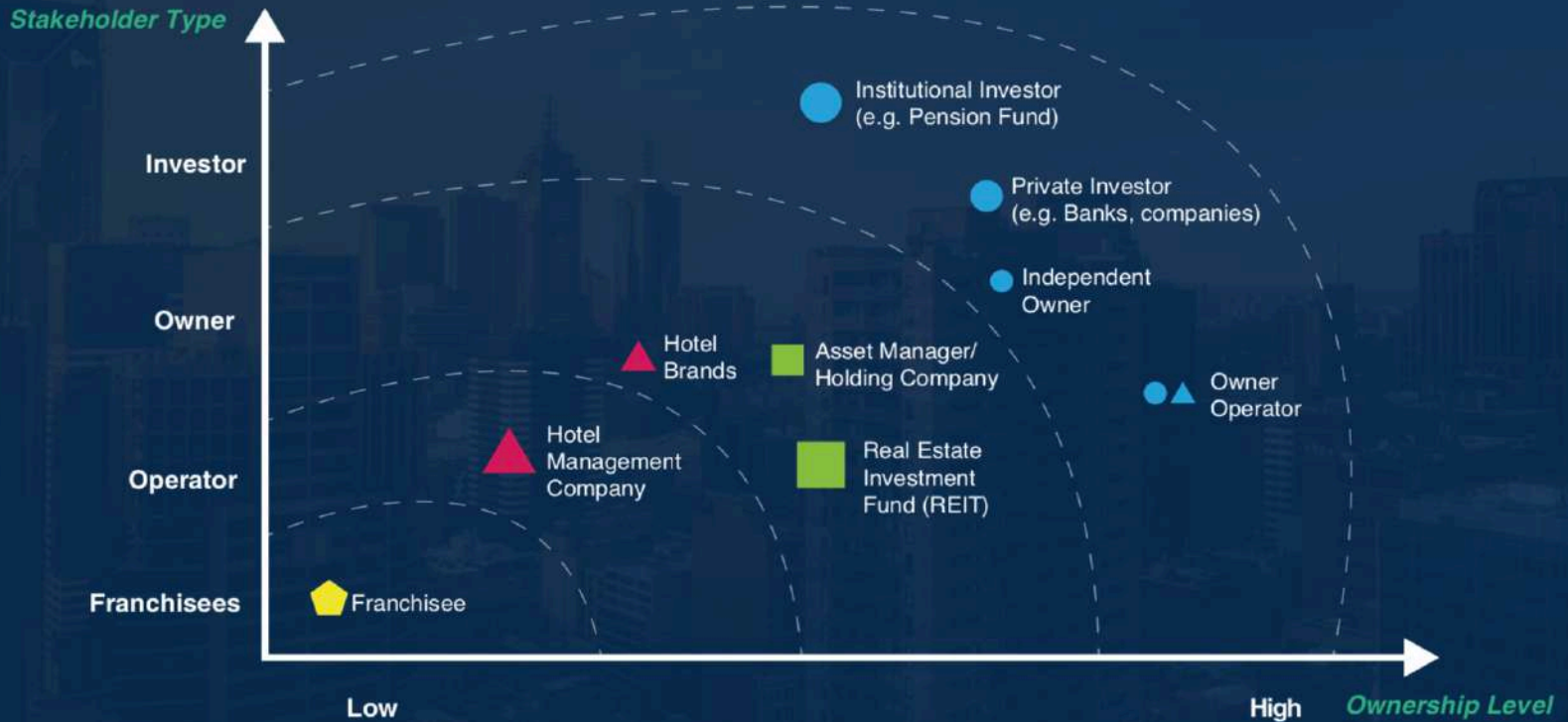
4. ULI-Greenprint (2019), Sustainability in Hotels, Opportunities and trends shaping the future of hospitality.

5. Ibid.

6. JLL (2018), US Hotels Investment Outlook.

7. ILO (2015), Sectoral Studies on Decent Work in Global Supply Chains: Comparative Analysis of Good Practices by Multinational Enterprises in Promoting Decent Work in Global Supply Chains.

SIMPLIFIED HOTEL OWNERSHIP STAKEHOLDER MAPPING



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

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