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Experience
- Director General, Bureau of Tourism and Leisure City, Ministry of Culture, Sports, and Tourism
- President, Korea Culture and Tourism Institute
- Dean, College of Hotel & Tourism Management, Kyung Hee University
- Dean, Graduate School of Tourism, Kyung Hee University
- Researcher, WTTC Tax Policy Center

Expertise
- Sustainable Tourism Development, MICE Industry, Feasibility Analysis
Sustainable Tourism and Investment

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Importance of Sustainable Tourism

Definition of Sustainable Development

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” Brundtland Report, World Commission on Environment and Development (1987)

This became the foundation for the first Rio conference (the UN Conference on Development and the Environment), that was held in Rio de Janeiro in 1992.

Definition of Sustainable Tourism

Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. (UNWTO)
Importance of Sustainable Tourism

Balancing the use of environmental resources and the economic benefits of tourism

Balancing the use of environmental resources and changes to the Social/community values of those environmental resources

Balancing economic growth and development and the impacts of development on community/social values

Dimensions of Sustainable Tourism
Importance of Sustainable Tourism

Economic
- Economic Viability
- Local Prosperity
- Employment Quality

Social
- Visitor Fulfilment
- Local Control
- Community Wellbeing
- Cultural Richness
- Social Equity

Environmental
- Physical Integrity
- Visitor Fulfilment
- Biological Diversity
- Resource Efficiency
- Environmental Purity

Framework for Sustainable Tourism
Importance of Sustainable Tourism

Stakeholders of Sustainable Tourism:

- International development assistance agencies
- NGOs – International, national and local
- Education and training bodies
- National Government
- Employees and related bodies
- Local community
- Local Government and destination bodies
- Private sector businesses
- Consumers/tourists

International, national and local Education and training bodies

Employees and related bodies
Importance of Sustainable Tourism

Key Issues for Sustainable Tourism

- Tourism policy and governance
- Economic performance, investment and competitiveness
- Employment, decent work and human capital
- Poverty reduction and social inclusion
- Sustainability of the natural and cultural environment
Importance of Sustainable Tourism

Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.

Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
Importance of Sustainable Tourism

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Main Responsibilities of Sustainable Tourism
Climate Change

**Inter-governmental Panel on Climate Change (IPCC)**

- Declared the ‘warming of the climate system is unequivocal’
  - 0.76°C ↑ 1850–1899 & 2001–2005
  - 1.8°C to 4.0°C ↑ by the end of the 21st C

**Global Warming Impacts**

- More extreme weather patterns (too hot, cold, dry or wet for some);
- Less predictability
- Melting of ice in polar regions and retreat of glaciers in alpine regions;
- Variable and unpredictable snowfall reductions in areas that have supported winter tourism activities
- Desertification (the world’s tropical forests are disappearing at the rate of 13 million hectares a year)
- Unusual flooding and increasing storms
Climate Change

Grow now, clean up later vs. Sustainable Growth

- **Current Growth pattern must change**
  - Leap-frogging is possible
  - Decoupling of economic growth and environmental pressure is doable

- **Sustainable growth**
  - Maintains or restores environmental quality and ecological integrity
  - Decouples negative environmental impact from economic growth pressures

[Diagram: Paradigm Shift from High to Low Carbon]

- Vicious Cycle
  - Poverty
  - Un sustainable Economic Growth
  - Global Warming
  - Deepening Dependency on Fossil Fuels

- Virtuous Cycle
  - Energy Security
  - Quality of Economic Growth
  - Climate Action
  - Renewable Energy
  - Energy Efficiency
Climate Change and Tourism

“Tourism is both a victim and a vector of climate change.”

Secretary-General United Nations World Tourism Organization
Tourism’s Contribution to Climate Change

- The tourism industry is a significant contributor to climate change, making up as much as 8% of all carbon emissions from human activities (Nature Climate Change, 2018)
  - 75% of this is generated by transport.
  - Up to 70% of tourism’s contribution to CO2 emissions attributable to air transport.
  - Trips by bus and rail account for 34% of all trips, but only 13% of tourism-related emissions.
  - Long-haul travel is only 2.7% of all tourist trips, but contributes 17% to global tourist emissions.

- If trends continue, emissions are projected to more than double in the next 30 years

<table>
<thead>
<tr>
<th>Category</th>
<th>CO2 (Mt)</th>
<th>% of A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>515</td>
<td>40</td>
</tr>
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<td>Car</td>
<td>420</td>
<td>32</td>
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<tr>
<td>Other</td>
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<tr>
<td>Accommodation</td>
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<td>21</td>
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<tr>
<td>Activities</td>
<td>48</td>
<td>4</td>
</tr>
<tr>
<td>Tourism Total</td>
<td>1,302</td>
<td>100</td>
</tr>
<tr>
<td>Global (B)</td>
<td>26,400</td>
<td>–</td>
</tr>
<tr>
<td>Tourism/Global (A/B) (2008 data)</td>
<td>4.95%</td>
<td>–</td>
</tr>
</tbody>
</table>

Tourism (A)
Climate Change and Tourism

Climate Change Impacts on Tourism

Heat waves, droughts, floods, tropical cyclones, changes in duration of seasons

Water availability, reduced landscape aesthetic, increased natural hazards, coastal erosion and inundation, damage to infrastructure, increased vector-borne diseases

Reduced discretionary wealth available to consumers of tourism; greater political instability and social unrest.

Increased transport costs; tourist environmental attitudes; change in travel patterns

Direct Climatic Impacts

Indirect Environmental Change Impacts

Indirect Social Impacts

Impact of Mitigation Policies on Tourist Mobility
Climate Change and Tourism

How should the tourism industry respond?

- Climate change as well as poverty alleviation will remain central issues for the world community.
- Tourism is an important element in both.
- Governments and the private sector must place increased importance on these factors in tourism development strategies and in climate and poverty strategies.
- They are interdependent and must be dealt with in a holistic fashion.
The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
Sustainable Development Goals (SDGs)

Rio+20

What is Rio+20?

"Rio+20" is the short name for the United Nations Conference on Sustainable Development which took place in Rio de Janeiro, Brazil in June 2012 – twenty years after the landmark 1992 Earth Summit in Rio.

At the Rio+20 Conference, world leaders, along with thousands of participants from the private sector, NGOs and other groups, came together to shape how we can reduce poverty, advance social equity and ensure environmental protection on an ever more crowded planet.

The official discussions focused on two main themes: how to build a green economy to achieve sustainable development and lift people out of poverty; and how to improve international coordination for sustainable development.

Sustainable development is not an option! It is the only path that allows all of humanity to share a decent life on this, one planet. Rio+20 gives our generation the opportunity to choose this path.”
- Sha Zukang, Secretary-General of the Rio+20 Conference
From Rio to SDGs

- Brundtland Commission (1987)
- Earth Summit (1992)
- Millennium Summit (2000)
- World Summit on Sustainable Development (2002)
- The Future We Want
- UN Conferences on SD (2012)
- UN SD Summit (2015)
- MDGs Achievement
- Post-2015 development agenda
- 2030 Agenda for SD
- 17 SDGs
Tourism can act as catalyst for environmental and cultural protection, and strengthen peace and reconciliation.

Tourism has the potential to contribute, directly or indirectly, to all of the goals. In particular, it has been included as targets in Goals 8, 12 and 14 on inclusive and sustainable economic growth, sustainable consumption and production (SCP) and the sustainable use of oceans and marine resources, respectively.

Sustainable tourism is firmly positioned in the post-2015 development agenda. Achieving this agenda, however, requires a clear implementation framework, adequate financing and investment in technology, infrastructure and human resources.
Investment

- Strengthen standards in public and corporate governance
- Create jobs
- Powerful development enabler
- Boost economies
- Build skills
- Provide infrastructure and services
- Spur innovation
Investment

Investment & Sustainable Development

- Investment an essential of economic and human development
  - creates jobs and boosts the activity of local firms, suppliers and distributors
  - improve access to and the quality of infrastructure and services

- Investment bring benefits
  - encourage innovation and spur productivity growth by bringing in or generating new information and technologies
  - help to spread new technologies and expertise
  - improve the human resource base by fuelling the development of skills in the host economy through educational and training programmes to meet market needs
  - companies are also increasingly driving the efforts to improve the sustainability of their operations and contribute to sustainable development.
  - Responsible investors that respect international standards of responsible business conduct can help to identify and respond to risks of adverse impacts associated with particular products, regions, sectors or industries.
Investment

Investment & Tourism

Tourism ecosystem

- Land and real estate: availability and accessibility
- Complementary service: (creative industries, leisure and tourist attractions and activities)
- Information services: (bookings, catering, Internet companies, online operators)
- Accommodation: (traditional and non-traditional lodging capacity)
- Transportation: (air, land, sea, river, urban mobility capacity)
- Financial services: (banking, insurance, trade)
- Food and beverage: (traditional and non-traditional service capacity)
- Support services: (tour operators, travel agencies, retail, laundry, supply chain capacity)
- Environmental impact; permits/incentives

Institutional cooperation agreements:
- Public-private
- Public-public
- Private-private

Domestic potential partners, investor and local sources of funding

External perception of country/region

Regulatory framework

Market domestic and international

Local supply of intermediate goods
Sustainable investing is the investment practice that takes an individual's ethical and moral values towards environment, social and corporate governance into account and combines it with traditional investment strategies to determine investment choices.

This form of investing is perfect for investors who want their money to make a positive impact on the world at large and avoid the companies that contribute negatively to the environment and society in the form of massive carbon footprints, low worker wages, etc.

“US Sustainable and Impact Investing Trends,” which is a report by The US SIF Foundation, detected $17.1 trillion in total assets under management at the end of 2019 using sustainable investing strategies. This is a massive 42 percent increase from the $12.0 trillion identified in 2017.

Thus, out of the $51.4 trillion of total US assets under professional management, about 33% of the entire financial distribution involves sustainable investing strategies. This piece of research shows the steadily growing popularity of sustainable investing in this economic landscape.
Sustainable Investment

Investing for sustainability impact is an approach where investors intentionally invest their money in such a way that promotes positive environmental and societal change.

Sustainable investing seeks to align investment decisions with the investor’s social and environmental values, while still generating long-term returns. Earning a profit is typically one of the top priorities for investors, but with sustainable investing, profit isn’t the only goal. Creating an impact is equally, if not more, important.

Investing for sustainability impact is an approach where investors intentionally invest their money in such a way that promotes positive environmental and societal change. Sustainable investing has become increasingly popular and has been shown to reward investors with positive financial returns.

Investing for sustainability impact refers to an investment strategy and mindset that seeks dual goals: impact and financial return. These investors seek to achieve financial returns by investing in only businesses focused on the sustainability mission, promoting sustainability goals and positive change.
**Sustainable Investment Criteria**

A company’s impact on the environment and its ability to mitigate various risks that could harm the environment. This may include a company’s carbon footprint as well as its record regarding energy efficiency, waste management, conservation of water and other natural resources, and treatment of animals.

Assesses a company’s relationships with other businesses, its standing in the local community, its commitment to diversity and inclusion among its workforce and board of directors, its charitable contributions, and whether it is noted for employee policies that foster health and safety.

Assesses a company’s internal processes, such as transparent accounting methods, executive compensation, and board composition, as well as its relationships with employees and stakeholders. It may also include internal regulations designed to prevent conflicts of interest and unethical behavior.
Investment

Sustainable Investment Index

- **Environment**: Total energy consumption, pollution, climate change, waste production, natural resource preservation, and animal welfare is taken into account.

- **Social**: Human rights, child and forced labor, community engagement, health and safety, stakeholder relations, and employee relations are taken into account.

- **Governance**: Quality of management, board independence, conflicts of interest, executive compensation, transparency and disclosure, and shareholder rights are considered.
### Sustainable Investment Issues

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<td>Customer satisfaction</td>
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<td>Employee engagement</td>
<td>Executive compensation</td>
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<tr>
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<td>Community relations</td>
<td>Lobbying</td>
</tr>
<tr>
<td>Waste management</td>
<td>Human rights</td>
<td>Political contributions</td>
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<td>Water scarcity</td>
<td>Labor standards</td>
<td>Whistleblower schemes</td>
</tr>
</tbody>
</table>
UNWTO

UNWTO is developing a series of investment guidelines to help better understand and generate sustainable investments in the tourism ecosystem.

- Series A: Enabling Frameworks for Tourism Investments
- Series B: Good Practices and Case Studies on Tourism Investment
- Series C: Policy Considerations on Tourism Investment
Thank you!

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