



“Investing in People, Planet and Prosperity”

Riyadh, Kingdom of Saudi Arabia

Concept Note

The overall disruption in the tourism sector brought about by COVID-19, provides an opportunity to redefine and recalibrate the direction and narratives of tourism investments with the objective to better support the successful implementation of the Agenda 2030 and the Sustainable Development Goals. Therefore, UNWTO has identified investments as one of its key priorities for tourism’s recovery and future growth and development.

UNWTO highlights the need for more and better-targeted traditional and non-traditional investments are required for **People, for Planet and for Prosperity**, to enable tourism to deliver on its massive potential to provide opportunities for people, to build resilient, to accelerate climate action and greater sustainability for the planet and deliver inclusive prosperity around the pillars of innovation and entrepreneurship.

UNWTO has identified investments as a key priority for the sector, serving as the bridge between its Member States, destinations, businesses and investors, culminating in World Tourism Day 2023, which will be a call to action to the international community, governments, multilateral financial institutions, development partners and private sector investors to unite around a new tourism investment strategy.

The international observance day for tourism will highlight the vital need to deliver investment for projects that work for **People (by investing in education and skills), Planet (by investing in sustainable infrastructure and accelerating green transformation) and Prosperity (by investing in innovation, technology and entrepreneurship).**

Investing in People: Prioritizing Education and Upscaling Skills

“Education is a fundamental human right. It’s the bedrock of societies, economies, and every person’s potential. But without adequate investment, this potential will wither on the vine” - Secretary-General of the UN, on the occasion of the International day of Education (2023).

The crisis has revealed the need to rethink the structure of tourism economies to improve competitiveness and build resilience and accelerate the implementation of SDG 4 (quality education). To that end, the sector should invest in education and skills development, including for women, in all areas to promote added value jobs and resilience. We cannot build a more sustainable tourism without the right talent.

Tourism is one of the world’s leading employers. In 2019, the sector employed one in 10 people worldwide and has proven to be a tool for economic diversification and a major employment engine with a multiplier effect on other sectors that contribute to rural development. Furthermore, tourism in rural areas can particularly benefit traditionally disadvantaged groups such as women - who make up 54% of the workforce in the tourism sector compared to 39% for the whole economy - youth and Indigenous people. Tourism is also an easy access sector for micro and small enterprises and for the self-employed, who make up a significant part of the tourism sector and community-level entrepreneurship in general.

However, in emerging destinations, 50% of young people are unable to work in tourism due to lack of opportunity, resources or access to academic training. Furthermore, current education and training opportunities are unbalanced, with a heavy emphasis on hotel management. Looking ahead, the global tourism workforce will require millions of hospitality graduates annually between now and 2030 and a further 800,000 jobs a year will require specific vocational training¹.

For these reasons we need to invest in people as they are the foundation of tourism and this is why UNWTO is dedicated to empowering them and placing investments into the heart of our future actions.

1. ILO

Investing in Planet: Supporting Tourism's green transition

We need to ensure that the tourism sector delivers on its responsibilities as a solution to the climate emergency, as one of the most urgent and pressing risks and challenges of the next 10 years, according to the Global Risk Report 2023², prepared by the World Economic Forum.

The green transformation of the tourism sector is very much needed, not just for the planet, but also for tourism itself, for boosting competitiveness and increasing resilience, and green investments and innovation in the tourism sector must play a leading role to support this transformation and the implementation of the green goals of the Agenda 2030 and the SDGs.

Within this context, hotel investment has a crucial role to play and represents as one of the biggest parts of traditional investments, as the global hotel investments volume increased 131% year to year, totaling US\$ 66.8 billion in 2021, as the pandemic opened up various opportunities, especially related to green buildings and retrofitting³.

Looking into the future, the need to reduce emissions provides an investment opportunity of \$24.7 trillion in the green buildings sector of emerging market cities by 2030⁴, in which hotels, resorts and restaurants account for \$1.5 trillion⁵. In addition, tourism faces a lot more investment opportunities related to new solutions and technologies to decarbonize the sector as well as to ensure climate resilient infrastructure through adaptation solutions. Tackling all these opportunities will help bridge the \$4 trillion annual investment gap for achieving the Sustainable Development Goals in the developing world⁶.

Hence, it is time rethink the existing frameworks and approaches vis a vis tourism investment for accelerating the sector's green transition. We have an opportunity presented by the pandemic to develop global and regional partnerships and green investment frameworks and innovative financial initiatives for the tourism sector to support the global commitment to halve emissions by 2030 and reach Net Zero as soon as possible before 2050.

2. https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf

3. Jll, *Global-hotel-investment-outlook-2022*

4. *IFC (2018), Climate Investment Opportunities in Cities*

5. *International Finance Cooperation (2019), Green Buildings - A Finance and Policy Blueprint for Emerging Markets. World Bank Group.*

6. *UNCTAD - World Investment Report 2023*

Investing in Prosperity: Fostering Innovation and Entrepreneurship

Digitalization and innovation programs are a strategic priority to support particularly young people and women, which are critical to upskill the tourism sector's workforce. Moreover, the global need to increase the level of investments in programs which support and incentivize entrepreneurship and generate opportunities for innovations are highly need it in the tourism sector.

Furthermore, women's empowerment are fundamental components of just, equitable societies. Tourism has been proven to provide pathways to empowerment, and that the opportunity for tourism to make a difference in this area should be maximized. According to UNWTO's Global Report on Women in Tourism Second Edition , 54% of people employed in tourism are women while 39% of people employed in the broader economy are women. Therefore, we must put more emphasis on support for female entrepreneurs. World leaders need to act now and act decisively to invest in policies that promote more and better jobs for women and equal pay at work. Female entrepreneurship is on the rise globally and has proven its ability to drive economic growth and poverty reduction. However, with less than ten years left to meet the targets set out by the 2030 Agenda, the full potential of women-led businesses has yet to be unleashed. Investment in women entrepreneurs is an investment in change because they bring so much to the table: innovation, competitiveness, new values.

Therefore, investments in innovation and digitalization and its cross-sectorial impact have a multiplier potential to not only strengthen strategic large global and regional projects, but also stimulate the tourism recovery and safeguard jobs by supporting the survival of MSMEs, mitigating the economic systemic impact, sustaining employment, and creating the conditions needed for future growth, post pandemic.

Key topics to be addressed

- How can governments promote international and private investments; and how can they improve regulations and incentives concerning human capital development?
 - What steps can the private sector take to address the emerging investment needs of the tourism sector vis-a-vis education?
 - How to motivate policymakers and investors to support increased investment in greening the tourism sector
 - How to accelerate climate innovation; how to invest in new technologies, business models, and practices to facilitate the emergence of new climate solutions
 - What are the financial investment mechanisms and instruments available to support innovation, technology and entrepreneurship?
 - How to promote ease of doing business, how to better develop investment policies and how to embrace new innovative financial mechanisms and solutions to address emerging and complex challenges
 - How to close the financing gender gap and accelerate access to capital in both domestic and international markets for women entrepreneurs
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