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CONFERENCE ON THE
LEAST DEVELOPED COUNTRIES



PRIVATE
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Concept Note

SESSION 5: SUSTAINABLE TOURISM

“Achieving universal access to clean and affordable energy through partnerships”



Tuesday, 7 March 2023 (11:00 – 12:45)

Al Mayassa Theatre, Qatar National Convention Centre (QNCC)

Co-organisers

- The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS)
- Microsoft
- World Tourism Organization (UNWTO)

Introduction

Tourism has the potential to be a key agent for sustainable development in LDCs with the sector accounting for 7 per cent of total exports, a figure that stands at 10 per cent for non-oil exporting LDCs. Tourism was among the main contributors enabling the graduation of LDCs which are also Small Island Developing States including Cabo Verde, Samoa, Maldives and most recently Vanuatu. The crosscutting and labour-intensive nature of tourism creates links to many other economic sectors and positions it as a valuable contributor to national development strategies.

COVID-19 pandemic has severely impacted the tourism sector throughout the = value chain, notably vulnerable, marginalized groups, with tourism workers potentially displaced into seasonal agricultural work.

The tourism standstill during the COVID-19 pandemic, has led to a direct GDP loss of \$3.2 trillion for the years 2020 and 2021 combined.[1] Capital investment in travel and tourism dropped significantly, almost by 30% from 2019 to 2020 (World Travel and Tourism Council, 2021).

[1] UNWTO World Tourism Barometer (English version): Vol 20, No 6 (e-unwto.org)

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As the sector looks to the recovery of international travellers and investments, there is an opportunity for rethinking tourism post-Covid and to build back better, putting LDC's tourism assets and unique selling points such as nature, cultural heritage and pristine environment at the core. Maximizing the momentum to engage in a positive dialogue between policy makers and private sector is key for a sustainable recovery, shape better policies and fiscal incentives for the private sector to rebound – including tourism in the financial support.

Challenges and opportunities for enhanced private sector engagement

Challenges:

- To restore tourists' confidence in terms of health, safety and security, failure of which could affect private sector stakeholders throughout the whole tourism value chain.
- No clear understanding at the policymaker level (national, regional and local) on the potential role of tourism for economic development, economic diversification and on creating a more inclusive economy for youth and women.
- Lack of skilled workers in the sector resulting in moderate understanding of the sector backward and forward linkages.
- A lack of tourism-friendly regulatory environment that would attract private sector engagement. Weak synergies and communication mechanisms between various ministries and private sector associations (public-private dialogue).
- Limited access to investment and finance to develop tourism sustainably. The halt in tourism has had further potentially catastrophic consequences for eco-tourism and wildlife resources, particularly in African LDCs, as environmental crimes have compromised conservation and biodiversity efforts, with knock-on effects for vulnerable communities reliant on this income.

Opportunities:

- Opportunity to transform tourism in LDCs based on digitalization and green growth policies and innovative business models, based on unique selling-points for LDCs in tourism (young and vibrant workforce; pristine environment; culture and arts; low-cost of living among others). The opportunity exists for LDCs to follow the example of many SIDS, to launch innovative business models to attract remote-workers and digital nomads by prioritizing investment in digital infrastructure.
- Opportunity for governments to take on coordinated recovery plans fostering the business and investment environment and to better align private sector engagement in tourism recovery with the Sustainable Development Goals (SDGs). Greater private sector engagement when designing and implementing tourism sector interventions, offers a better chance for long-term market system change, because the interventions will be responsive to the needs of the private sector.
- COVID-19 recovery plans offer a rare opportunity and incentive to fully integrate sustainability in aid for trade initiatives in LDCs and to support sustainable models of tourism development.

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- Strengthen the human capital and bring new opportunities for informal workers which represent up to 70% of the tourism workforce and to implement decent work guidelines and frameworks along the tourism value chain. Integrate since the beginning cooperation with Technical and Vocational Education and Training institutions (TVET) to develop relevant training, facilitate knowledge transfer and retention, access to a trained pool of students.
- Integrate sustainable consumption and production in tourism models supported by adapted policies to boost competitiveness and innovative financing. With an increasing number of tourists looking for sustainable options for transportation and accommodation, tourism businesses will need to invest in sustainable products and practices. Examples include transport providers investing in sustainable fuels and accommodation providers investing in eco-friendly design, small and large-scale renewable and low carbon technologies (WTTC, 2021).

Potential areas for new partnerships

This session will explore opportunities to position the tourism sector as a significant driver of sustainable development in LDCs through leveraging partnerships to promote entrepreneurship and implement scalable solutions for recovery with the strong support of the private sector over the next 10-years.

Areas for discussion

- Support to SMEs and partnerships simplifying complex requirements for SMES and informal business to access to the finance, digitalization, and social protection.
- Cross-border partnerships between national and regional tourism and tourism-related associations for joint implementation of activities and destination promotion.
- Partnerships to promote green finance schemes, incentives and policy frameworks to accelerate sustainable transitions in the tourism sector.
- Partnerships to encourage facilitation mechanisms to access upskilling and reskilling programmes,
- Partnerships focused on open innovation to identify and implement scalable solutions for recovery with the strong support of the private sector, including support for start-ups by working closely with industrial partners and Corporate Venture Capital (CVC).