

Sustainable Investment and Finance in Tourism (SIFT) Network

What is the SIFT Network about?

The SIFT network is a knowledge and investment network meant to mainstream sustainability into tourism development investments and financing by:

- Stimulating the development and sharing of best practices in tourism investments by developing guidelines, benchmarking mechanisms and voluntary initiatives (including a voluntary standard) to mainstream sustainability in tourism investments and financing.
- Matching the demand for sustainable tourism products in developing country destinations with available financial resources. The network is not intended to create a new fund but to facilitate information exchange and coordination between existing funds, donors, investors, and developing country destinations.
- Provide network members with practical research, capacity building, and action-oriented publications, as well as organizing workshops and events (such as business opportunity forums, or joint venture workshops) that bring together professionals from around the globe.

These three interrelated focuses will be integrated within the programme of work of the SIFT Network and specific outputs will be developed to fit them.

Why do we need the SIFT Network?

Today, investments in the tourism sector represent almost 10% of total investment value worldwide. In developing countries, such as in the Caribbean region, this figure could be as high as 50%. At the same time, there is a growing focus on tourism as a generator of foreign direct investment in developing countries. A recent United Nations Conference on Trade and Development (UNCTAD) study indicates that tourism is the number one priority and focus of Investment Promotion Agencies in developing countries.

When done correctly, tourism investment can be an effective tool for generating sustainable economic returns, conserving environmental biodiversity, and creating employment opportunities for local communities. But many investors and developers, particularly those with a long-term perspective, are grappling with just how to integrate sustainability in tourism investment decision-making.



This is not an issue that tourism investors alone are dealing with; investors around the world are becoming more conscientious about the environmental and social sustainability of their investment choices. This is fueled, in part, by recognition of the significant impact that issues such as climate change, biodiversity conservation, and social development can have on investment value. As a result, addressing environmental and social issues are now considered critical to the proper management of projects, portfolio management, and reputation risks. The Sustainable Investment in Financing for Tourism (SIFT) network will help private investors, multi-lateral and bilateral donors, and financing institutions identify strategies to address the sustainability aspects of the tourism development activities they support: What substantive, voluntary standards should investors apply to address sustainability? How should they implement them? And how do they assure compliance?

What are the expectations from SIFT?

By bringing together the expectations of private investors, the leveraged strength of the financing and donor community, and the needs of developing destinations, SIFT will hopefully lead to better and more sustainable tourism development. Specific results from the establishment and operation of the SIFT network include:

- Establishment of a common, voluntary standard to encourage greater sustainability in tourism investments by public, private and multilateral investors;
- Intensified financing of sustainable tourism projects;
- Increase of sustainable investments in the tourism sector;
- Improved capacity of developing destinations; and
- Leveraging of the unique knowledge and reach of others.

How the network will operate?

The network will include three main groups of stakeholders:

- International Organizations, IGOs, National and Regional Development Agencies;
- Private investors, financing corporations and other donors;
- Destinations from developing countries (represented by public authorities or official industry associations)

In order to make sure it is relevant and efficient for participants, **SIFT network members will be the ones to decide how the network will be structured and operated.** The SIFT network will be an informal but active initiative that will create opportunities and value for its members. Currently, seven organizations are working together as a coordinating group to facilitate establishment of the SIFT network. These are: **UNEP, UN Foundation, the World Bank Group, GEF, UNWTO, the Global Sustainable Tourism Alliance and the French Ministry of Ecology and Sustainable Development** (as the Chair of the Marrakech Task Force on Sustainable Tourism Development).

What are the next steps for SIFT establishment?

The following activities are planned for the period February-October 2008:

Step 1: February-May, 2008 the members of the coordination group are arranging bilateral meetings with potential members of the network to explain the objectives and expected results of the project and gain support and interest.

Step 2: April - June, 2008 a working paper will be compiled to:

- Review current challenges on financing sustainable tourism development;
- Present case studies from the private sector, financial institutions, development agencies and countries;
- Evaluate the feasibility and usefulness of an initiative to consolidate and further strengthen a framework for sustainable investment and financing in the tourism sector; and
- Propose an organizational and functional structure of the network.
- The working paper will be distributed for consultation the period June-August 2008

Step 3: In September, 2008 the SIFT network will organize a meeting in Washington, D.C. to launch the SIFT Network with several partners and contribute to SIFT's programme of work and business plan

Step 4: In October, 2008, a program of work and business plan for the SIFT Network will be developed with input gained from the final version of the working paper and the Washington meeting.

How can I get involved?

If you are interested to participate in the establishment phase of the SIFT Network please send an email indicating your interest at: sift@unep.fr.

