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Green Tourism Destinations – The case for strategic information gathering and baselining to kick-start a green transformation

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Becoming a Green Tourism Destination is increasingly becoming a prerequisite for tourism growth & economic success

- There is an increasing **environmental awareness among tourists**, especially in key source markets like Western Europe
- **International distribution partners (tour operators, OLTPs, VCs)** are discovering green benefits as a key factor of buying decisions, and are giving preferential positioning to green destinations
- **Global climate summit in Copenhagen will stimulate** “carbon neutrality” regulations as a key dimension of being green and sustainable
- Leading tourism Destinations are realizing that **becoming “Green” is a key core element of their Branding and Marketing policy** (e.g. Maldives, cities in Middle-East)

Zero-carbon resorts have now become a reality and are increasing being developed

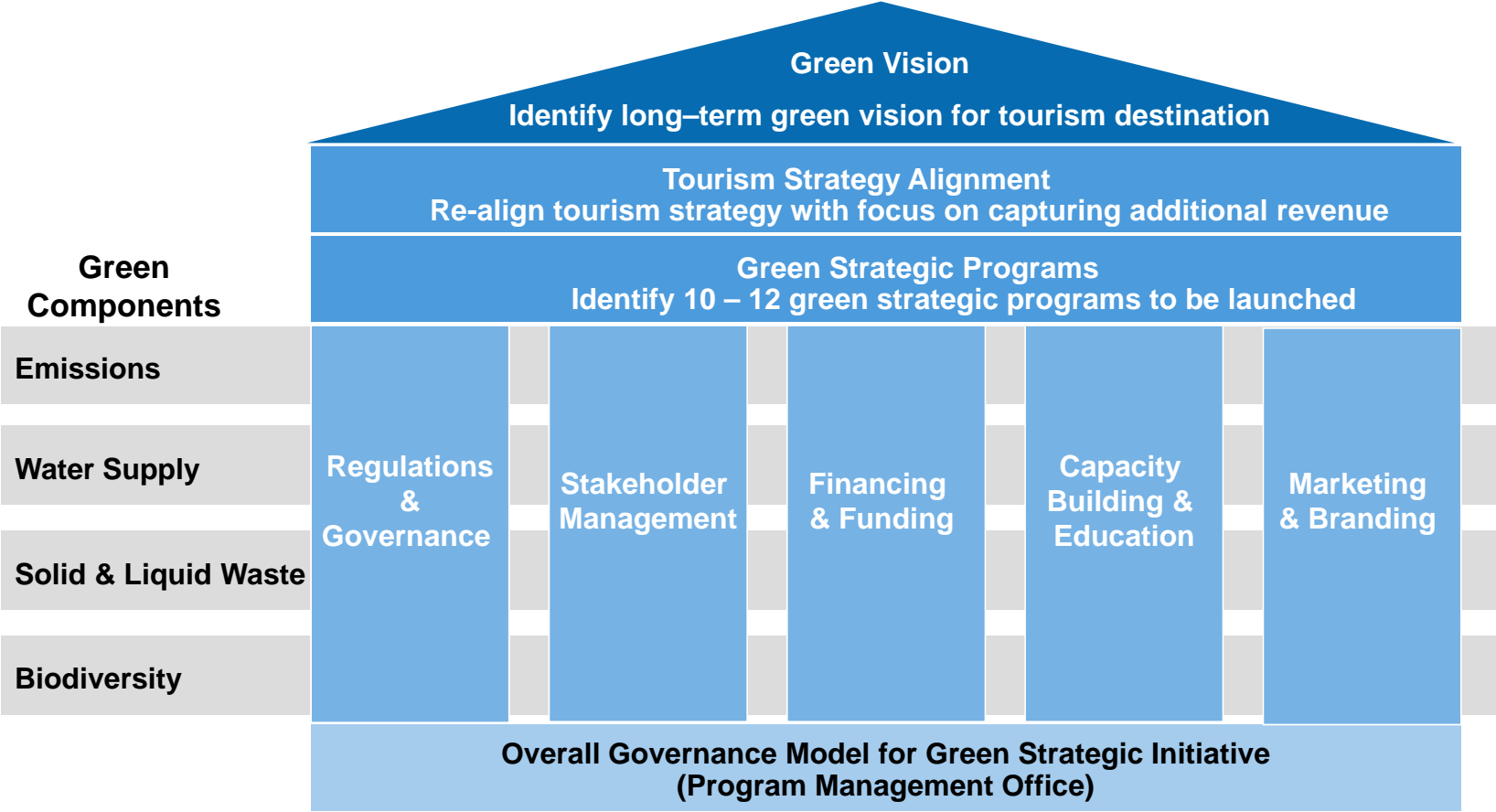
Soneva Fushi Resort



- The development of “Zero-Carbon” resorts is practical even today
- Comprehensive perspective is needed
 - Design and building of property
 - Energy and water supply
 - Sourcing of tourist consummables
 - Conservation of bio-diversoty
 - Waste management and recycling
 - Green air access to the destination
- Case study: The group Soneva Fushi Resort develops in Male, Maledives, the Soneva Fushi Resort to be ready in 2010

A Green Destination Strategy needs to take a holistic and comprehensive approach to transformation...

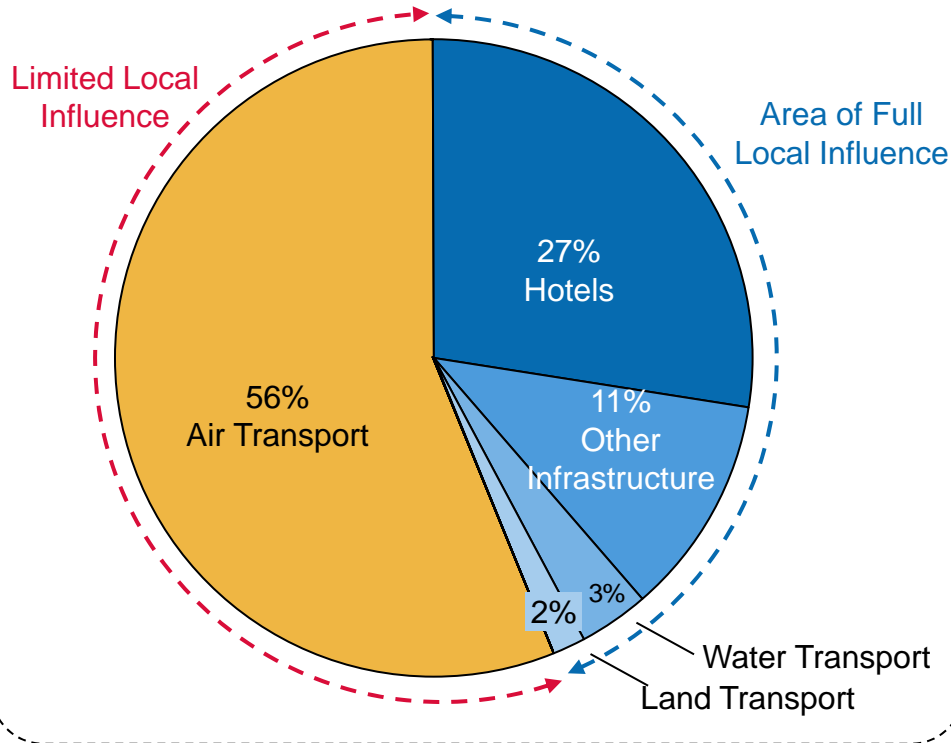
Building Blocks of Green Destination Strategy



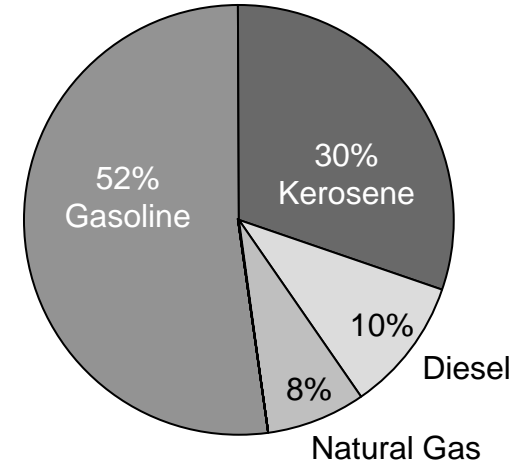
In a recent case-study, a thorough baseline of the destination's carbon footprint was conducted...

CARBON EMISSIONS

**Breakdown of Total Destination Emissions
– 2007 (in Kt CO₂) –**



**Breakdown of Destination's Energy Supply
– 2007 (in Mn MJ) –**



Avg. Global Energy Supply

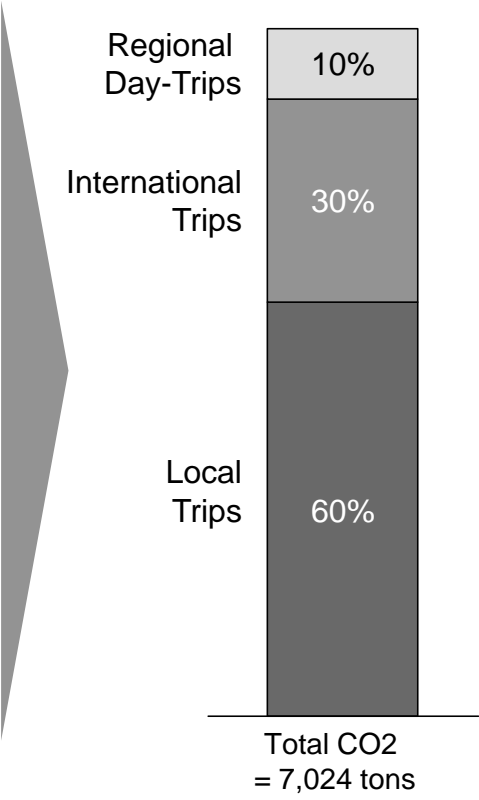
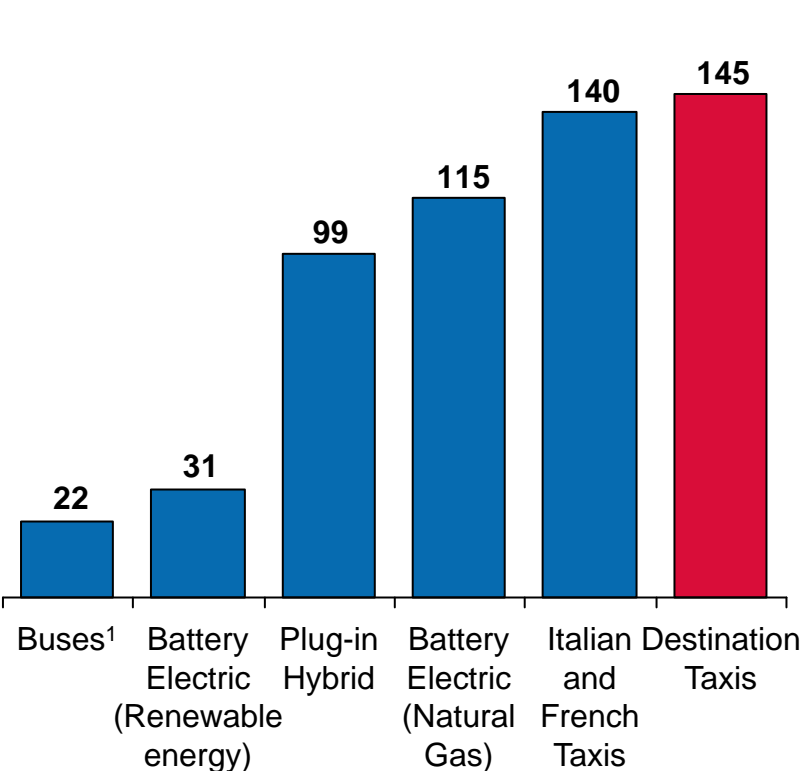
Oil	34%
Coal	25%
Gas	21%
Renewable	13%
Nuclear	7%

} 20%
CO₂ neutral Energy

... where comparison of transport emissions relative to benchmarks helped identify clear opportunities

CARBON EMISSIONS

Average Vehicle Emissions
 – gm of CO₂ per passenger km –

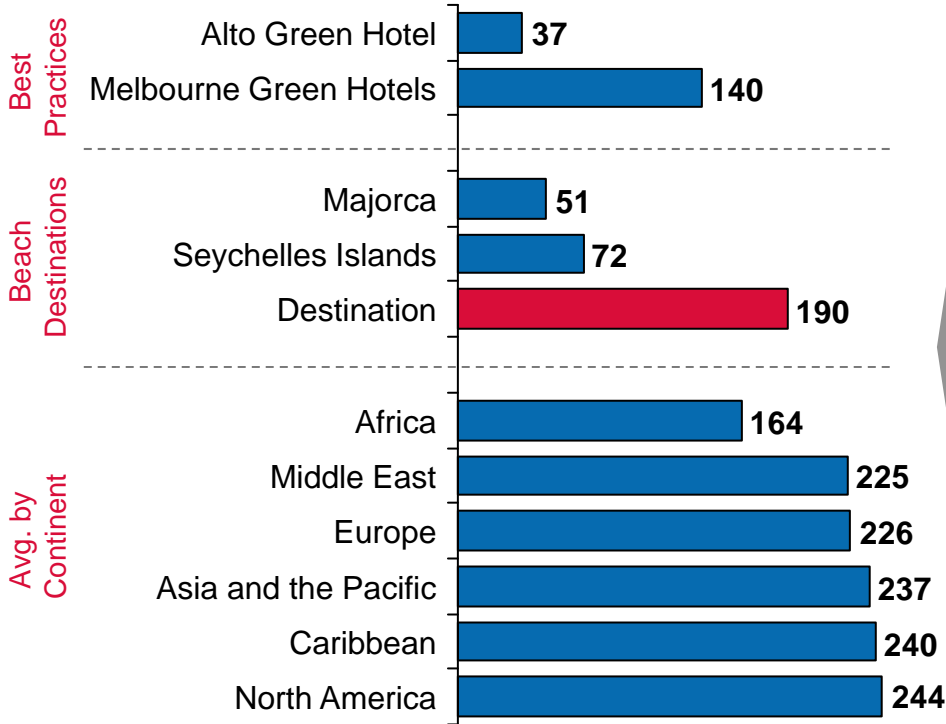


Note 1) Passenger load factor for buses is assumed at 60%
 Source: "How green is your diving?" - divernet.com; On the road in 2035 MIT; Booz & Company interviews; Booz & Company analysis

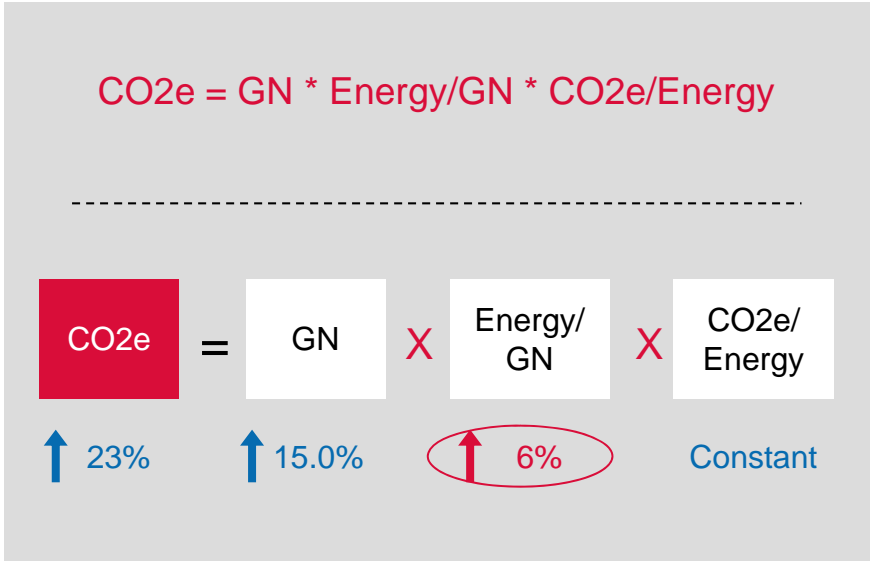
Similarly hotel emission benchmarking indicated further significant opportunities

CARBON EMISSIONS

Average Hotel Energy Consumption per Guest Night – 2007 (in MJ/GN) –



Hotel Emissions vs. Guest Nights Growth



Source: UNWTO; Green Globe; Booz & Company analysis

As a result, a set of green initiatives were indentified to address the destination's specific needs...

Overview of Green Programs

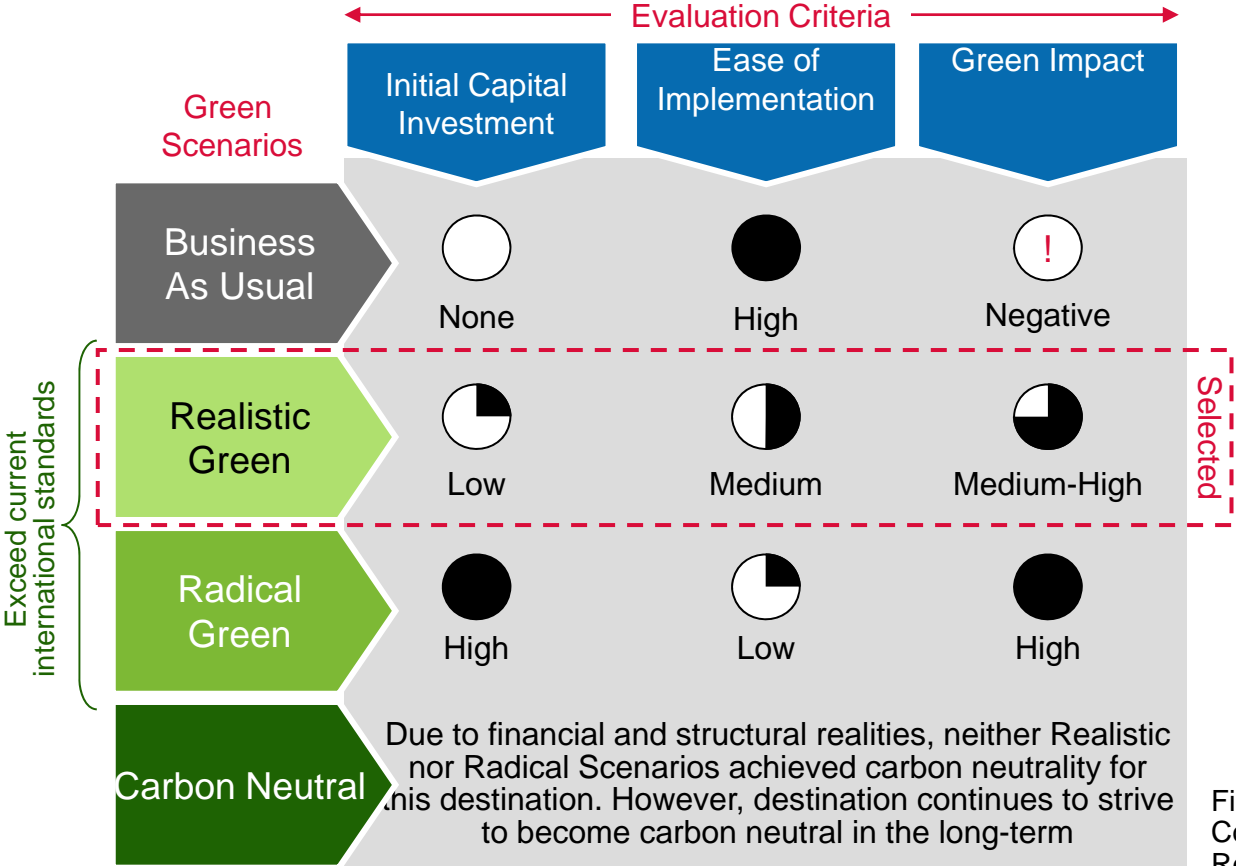
Each of the below programs are further detailed into a set of 33 closely interlinked projects

		1	2	3	4
		Emissions	Water Supply	Solid & Liquid Waste	Bio-diversity
Greening Programs	i Green Air Access	✓			
	ii Green Energy Infrastructure	✓			
	iii Operational Efficiency Improvement for Hotels	✓	✓	✓	
	iv Operational Efficiency Improvement for other Buildings	✓	✓	✓	
	v Green Building Design	✓	✓	✓	✓
	vi Green Land Transport	✓			
	vii Green Water Transport	✓		✓	✓
	viii Resilient Water Supply	✓	✓		
	ix Effective Waste Management			✓	✓
	x Conservation of Bio-diversity				✓
Enabling Programs	xi Legislation and Governance	Enabling programs are developed to ensure implementation and increase effectiveness of all 10 green strategic programs so that all greening components are effectively addressed			
	xii Funding and Financing				
	xiii Marketing and Branding				
	xiv Awareness and Community Education				

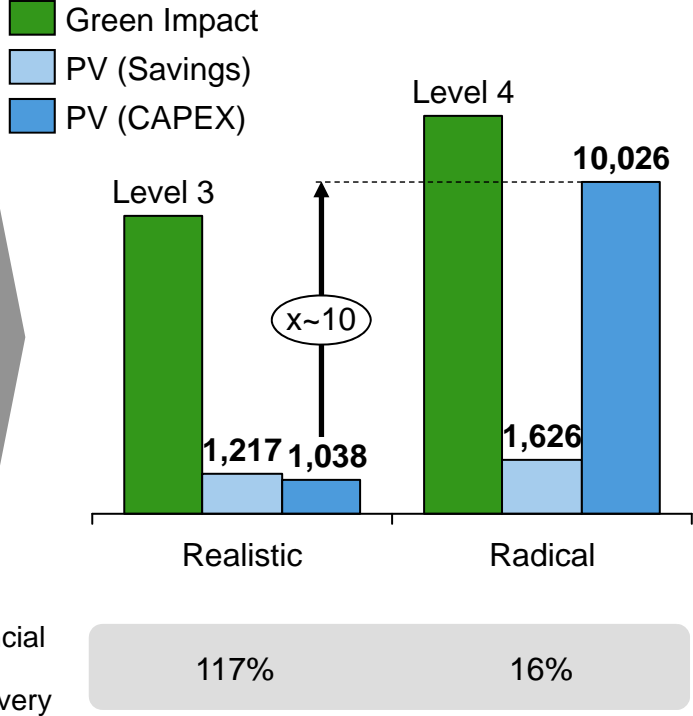
Source: Booz & Company analysis

... and several strategic scenarios were evaluated to identify the appropriate extent for 'greening' efforts

Green Scenario Evaluation Results



Green Returns ⁽¹⁾ vs. PV ⁽²⁾ of Investment by Scenario



(1) Based on Booz & Company evaluation; (2) 10 year PV @ 7% Discount Rate

Experience shows 5 golden rules for governments to ensure successful green transformation

- 1. Measure your “greenness”:** Assess the environmental performance across all green key dimensions compared to global best practices
- 2. Fix the most pressing issues fast:** launch pilots and have deeper investigation into issues that need urgently to be fixed to avoid tourism drop
- 3. Be seriously green:** Prevent unserious marketing campaigns; set up a serious effort – quality sells, customers learn fast in a world of virtual travel communities
- 4. Take a holistic long term view:** prevent ‘ad-hoc’ execution of random quick fixes and loosing the big picture
- 5. Engage the world:** Create a unified public effort to transform the destination; compliance with international guidelines and rules to capture national and international funding and support