



*Creating Markets,  
Creating Opportunities*

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### **The Business Case for Sustainable Hotels – New Report Launched by International Tourism Partnership and IFC**

**London, United Kingdom, embargo until 2 March 2020, 9.00 GMT** – International Tourism Partnership (ITP), in collaboration with the International Finance Corporation (IFC), a member of the World Bank Group, has produced a new report demonstrating the business benefits of sustainable hotels. The report aims to improve cross-collaboration between owners, investors and operators by detailing the shared benefits for all partners.

The report provides a thorough analysis of the business case for sustainability, including how to boost profit margins through utility savings, future-proof investment strategies, meet consumer preferences, and benefit from regulatory incentives. The report includes tangible recommendations tailored for each participant in the hotel property value chain – investors, owners and developers, operators, and franchisees.

This complex and varied value chain is often one of the challenges to operating more sustainable hotels. For example, hotels are often built, financed and owned by businesses that are separate from the brands or individuals that run them. The report lays out the business benefits for each of the different market participants, highlighting that the best financial benefits are reached when everyone works together to integrate sustainability into the development decisions for new builds and retrofits.

“We can see that sustainability is becoming more important for investors, their clients and the public,” says ITP Director, Madhu Rajesh. “Sustainable measures will ensure that properties retain their long-term value, and the cost of implementing these practices can be quickly covered by the resultant savings – often with a payback period for new builds of less than one year and in some cases only a few months.”

“This research fills a major knowledge gap with focused and quantitative analysis,” says Shamsah Fatima Dhala, IFC’s Global Sector Lead for Tourism. “It shows that the costs are lower than previously thought, while the benefits are high, with actionable recommendations for each stakeholder group. The collaboration between IFC and International Tourism Partnership has the capacity to move the entire hospitality industry onto a greener path.”

International Tourism Partnership brings together engaged hospitality companies and uses the collective power of the industry to deliver impact locally and on a global scale. They have collaborated with IFC, which invests directly from its own portfolio, mobilises financing from banking partners, and provides advisory services for resource-efficient buildings, including in the hotel sector. IFC also offers its EDGE green buildings certification program in more than 160 countries, setting a global standard that aligns all stakeholders on a common definition of resource efficiency.

Climate change is already impacting the hospitality sector. Extreme weather events increase the cost of operations and reduce the number of tourists visiting certain destinations, while local and national

environmental policies and penalties are being introduced in cities and countries around the world. With a global pipeline of 2.4 million new hotel rooms forecast, if all new hotels built in the next ten years integrated simple sustainable upgrades in design and operations, the industry would save 42 million tonnes of CO<sub>2</sub> each year by 2030 – the equivalent to the yearly greenhouse gas emissions of 9 million cars.

The business case was launched during the International Hospitality Investment Forum (IHIF) in Berlin – a global conference for hotel investors, owners and brands. It is available free from the International Tourism Partnership website.

“We call on all areas of the industry to use this business case to support conversations with their business partners, and to create a more coordinated approach to building, refurbishing and operating sustainable hotels,” says Rajesh. “As the UN Sustainable Development Goals have shown, the risks of not acting are too big to overlook, but so too are the opportunities to reduce costs, increase revenue, and future proof hotel properties and investments.”

Download a copy of the business case from [tourismpartnership.org.uk/businesscase](https://tourismpartnership.org.uk/businesscase). International Tourism Partnership and IFC will also be hosting free webinars on 17 April 2020 to support the business case. Please register your interest for either session:

11.00 (BST) <https://attendee.gotowebinar.com/register/9002268350242108940>  
16.00 (BST) <https://attendee.gotowebinar.com/register/5502445873217181452>

An innovation of IFC, EDGE helps property developers to build and brand green in a fast, easy and affordable way. EDGE is supported by free software that encourages solutions to reduce energy, water and the energy used to make building materials by at least 20 percent, which is the standard for EDGE certification. The EDGE program has been generously supported by the following donors: Austria, Canada, Denmark, ESMAP, EU, Finland, GEF, Hungary, Japan, Switzerland and the UK. For more information, visit [www.edgebuildings.com](http://www.edgebuildings.com).

### **About International Tourism Partnership**

International Tourism Partnership brings together engaged hospitality companies and uses the collective power of the industry to deliver impact locally and on a global scale. They work with the leading hospitality companies to address environmental and social challenges, share expertise and develop practical resources and programmes to enable the wider industry to operate responsibly and grow sustainably. They are a non-profit organisation with members represented by senior executives from the leading hospitality groups with a global reach of over 30,000 hotels and 4.5 million rooms. For more information, visit [www.tourismpartnership.org](http://www.tourismpartnership.org).

### **About IFC**

IFC – a sister organization of the World Bank and member of the World Bank Group – is the largest global development institution focused on the private sector in emerging markets. They work with more than 2,000 businesses worldwide, using their capital, expertise, and influence to create markets and opportunities where they are needed most. In fiscal year 2019, they delivered more than \$19 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org).

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