The Paris Climate Change Agreement and its implications for Tourism

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Key Outcomes of the Paris Agreement and Implications for the Tourism Sector

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Presentation Outline

• The Road to the Paris Agreement
• Key Provisions of the Paris Agreement
• Implications for the Tourism Sector
• Is Tourism Ready?
The Road to the Paris Agreement ... and Beyond

• 1992 - UN Framework Convention on Climate Change
• 1997 - Kyoto Protocol - first international agreement with binding emission reduction targets
• 2009 - inability to negotiate a successor emission reduction agreement in Copenhagen
• 2012 - Kyoto Protocol commitment period ended
• 2015 - Paris Agreement
• 2020+ - start of 5-year cycles of updating emission reduction goals and progress reporting
The Paris Agreement

• **175 countries** signed the Paris Agreement when it opened for signature on 22 April 2016

• The Paris Agreement contains a mix of **mandatory and non-mandatory** provisions relating to parties’ emission reductions, climate adaptation and finance

• The Paris Agreement has been subject to **acclaim and criticism**, variously declared a “historic breakthrough” and “climate salvation” to a “major setback” and “a triumph of hope over facts”

• Is the Paris Agreement the beginning of the end of the fossil fuel era or does it ensure that established climate change safeguard thresholds are unlikely to be achieved?
Key Provisions of the Agreement Most Relevant to the Tourism Sector

1. much strengthened climate policy goals
2. world-wide participation in greenhouse gas emission reduction ambitions
3. an enduring framework for increased ambitions and progress reporting
4. improved transparency in emissions reporting
5. a greater emphasis on climate risk management through adaptation
Strengthened Climate Policy Goal and Emission Reduction Ambitions

Limit global warming to “well below 2°C and pursue 1.5°C”

-50% Net-zero

Source: Climate Action Tracker
The First Global Climate Agreement
With Obligations for all Nations

• Kyoto Protocol – binding emission reduction targets for 34 developed countries

• Paris Agreement – self defined, non-binding Intended Nationally Determined Contributions (INDC) for 187 countries
An Enduring Framework for Progress: ‘We Will Always Have Paris’

• The lack of clarity on the longer term process of reducing emissions posed a barrier to investments by governments and business.

• New “global stocktaking” mechanism (5 year cycles)

Source: World Resources Institute
An Emphasis on Transparency

- An “enhanced transparency framework”
  - committed to harmonized GHG accounting procedures for national emission inventory reporting
  - to be developed by an expert panel of the IPCC
Increasing Parity of Climate Adaptation

• Recognized that preparing and responding to climate impacts is **as important** as reducing GHG emissions.

• Established a “... global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change...”

• Focuses on the needs of countries that are the **most vulnerable** and face the greatest challenges.

• Countries report on the implementation and evaluation of adaptation actions as part of the 5-year stocktaking cycle.
What was Not Accomplished?

- Gap between emission reduction pledges and the goal of the agreement
- Non-binding status of the emission reduction pledges

Many analysts are skeptical of relying on diplomatic and civil society pressure to influence progress.
Specific Actions Omitted from the Agreement

- inability to establish a global price on carbon emissions

- no commitment to terminate the US$490 billion in subsidies to the fossil fuel industry

- no moratorium / ban on 1200 proposed coal power plants

- lack of an emission reduction strategy/target for international aviation and shipping

Nordic countries joint statement on the removal of international transport from the Paris Agreement:

“If international transport emissions are not addressed ... this will undermine efforts in other sectors to stay well below 2°C. The Nordic countries stress the importance of limiting and reducing emissions from international transport”.

“Stabilizing emissions at 2020 levels is clearly not enough”.

Implications for Tourism: Comparing Emissions Reduction Ambitions

Tourism represented ~5% of global CO2 emissions in 2005

Business As Usual Emission Pathway (UNWTO, UNEP, WMO 2008)

Gap between Business As Usual and Sectoral Targets

WTTC 2015: “Moving forward, we will align these targets with the realities of the scale of efforts needed, and base them on the science of the IPCC Report”.
Tourism Emission Ambitions vs Trends

“Member companies are 20% less carbon-intensive now than they were in 2005, closely approaching our interim target of 25% intensity reduction in 2020.” (page 5)

Are Tourism Emissions in Decline?

Review of WTTC Members (76 companies)
- 76% did not report emissions
- 40% reported an increase in emissions

Global Reporting Initiative (126 tourism companies)
- 61% provide data on CO2 emissions
- 46% report an increase in emissions
Measurement Capacity to Meet Future Transparency Requirements

• Transparent and credible disclosure requirements will increase for financial and regulatory bodies, as well as by civil society.

• The lack of systematic monitoring and reporting in tourism will become increasingly problematic in an era evidence-based emission reduction plans for all industry sectors.
  – Hotel Carbon Measurement Initiative is important progress at the enterprise scale, evidence-based sector emission estimates is required
Understanding and Managing Climate Change and Climate Policy Risks

- Assessing and responding to the risks posed by climate change and climate policy is firmly understood to be a **fiduciary responsibility** of Boards of Directors/Trustees and senior management of corporations, investment and pension funds and government organizations.

“Much remains to be done to understand how tourism and the destinations can prosper in the changing climate of the twenty-first century.”
Is Tourism Ready? Moving Forward Collaboratively …

“The Davos Declaration is our commitment that tourism will be at the leading edge of the global response to climate change.”

“The next 20 years will be characterized by fully integrating climate change into business strategy, supporting the transition to a low carbon economy, at a local and global level, and strengthening resilience at a local level against climate risks ….”

Marrakech
7 au 18 novembre 2016
Conference of the Parties (COP 22)
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A report on the Paris Climate Change Agreement and its implications for tourism: why we will always have Paris

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The Paris Climate Change Agreement and its implications for the Tourism Value Chain

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Status Quo

- To achieve 2°C objective, contributions needed by all economic sectors
- Tourism cannot be an exception to mitigation efforts
- Yet, tourism is characterized by rapid emission growth, doubling of emissions by 2035 expected (compared to 2010)
- Main problem rapid growth in air travel, car travel, accommodation capacity
Tourism: CO$_2$ emissions 1900-2050

Understanding technology: relative vs absolute emission growth

What is needed?

• Monitoring of emissions from tourism on global, national, and business levels
• Agreement on absolute emission reduction levels, for various timelines (2020, 2035, 2050)
• Sector specific targets for aviation and cruises
• National targets for all other sub-sectors
• Translation of targets into business-specific action plans
• Incentives and disincentives to ensure meeting of targets
• Increase in cost of energy
Low-carbon futures

• No climate politics in place to systematically address tourism
• If Paris Agreement taken seriously, significant increase in the cost of energy and abolishment of energy subsidies likely

⇒ Cost of energy will increase
⇒ Company stance on CC potentially affecting consumer relationships
Businesses

• Be prepared for energy futures that are more costly (energy and water production are interlinked, i.e. the cost of water will also increase)

• For tourism businesses, energy savings of at least 20% and up to 70% possible at negative or moderate cost (pay-back time: 0.5-10 years)

⇒ Saving energy is easy and economical, and should thus be a management priority

⇒ Leading companies should publish data on emissions annually, and seek to offset these in UN certified Gold Standard projects (GS CER units)
Destinations

• Target closer markets, offer incentives to increase length of stay
• Introduce low-carbon mobility offers
• Initiate systemic change in the accommodation sector (energy, water, food)
Destinations: low carbon markets based on per capita emission intensities

For further reference: “Carbon management in tourism” provides overview and presents 33 case studies throughout tourism value chain (see next two slides).
Case studies along the value chain

1. Evason Phuket & Six Senses Spa, Thailand: Comprehensive carbon management
2. Coral Lodge 15.41, Mozambique: Reducing energy for air conditioning
3. Pacific Beachcomber S.C., French Polynesia: Sea Water Air Conditioning to minimize energy use
4. Scandic Hotels, Sweden: Phasing out bottled water
5. Chumbe Island, Zanzibar, Tanzania: Low-energy solar-powered small-scale accommodation
6. Hotel Victoria, Freiburg, Germany: Achieving zero-carbon accommodation
7. Aspen, Colorado, USA: Achieving CO2 reductions and building pressure on supply chains
8. SBB (Swiss Railways), Switzerland: Punctuality and customer service to initiate models shift
9. Avanti Bus Travel, Germany: Modal shift from aircraft to bus
10. 9292, Netherlands: Facilitating public transport through information technology
11. Star Clippers, Monaco: Low-carbon cruise experiences
12. Hotel Tørvis, Marifjøra, Norway and Naturhotel Baltrum, Germany: Reducing electrical appliances
13. German Hotel and Restaurant Association: Involving businesses in mitigation
14. Max Hamburgare, Sweden: Informing customer decisions through food carbon-labelling
15. Scandic Hotels, Sweden: Choice-editing food – the case of prawns
16. Maritim pro Arte Hotel, Berlin, Germany: Reducing wastage from buffets involving social marketing
17. Cheaptickets, the Netherlands: Customer-friendly carbon-labelling for online booking services
Continued

18. Forumandersreisen, Germany: CO2-benchmarking of tour operators
19. Ecotourism Norway: Attracting visitors from close markets, involving de-marketing
20. Fritidsresor, Sweden: Modal shift from air to train
21. Alpine Pearls, Europe: Creating networks for sustainable mobility
22. OV-Fiets, the Netherlands: Facilitating low-carbon transport through bicycle rentals at train stations
23. Werfenweng, Austria: Modal shift from car to train based on mobility guarantees and pleasure mobility offers
24. Euregio Bodensee, Switzerland, Germany, Austria: Facilitating trans-border mobility
25. Konus-Gästekarte Baden-Württemberg, Germany: Mandatory public transport support from tourists 219
26. Energielandschaft Morbach, Germany: Renewable energy as a tourist attraction
27. South West England: Implementing low-carbon destinations
28. Best Food Forward, UK: Avoiding emissions from festivals
29. Atmosfair, Germany: Offsetting emissions from air travel that cannot be avoided
30. Zoo Zürich, Switzerland and Zoo Münster, Germany: Visitor information to raise awareness
31. Klimahaus® Bremerhaven 8° Ost: Building awareness and interest in climate change
32. Forumandersreisen, Germany: Carbon-labelling and offsetting
33. Hilton Worldwide, USA: Building staff knowledge and creating awareness
Conclusions

• Policy change can be anticipated: mitigation pledges will result in rising cost of energy
• Businesses need to prepare for such changes, making it in their own interest to reduce energy requirements
• Cost-neutral/economically beneficial opportunities to save energy exist throughout the tourism sector
• Carbon management should be key priority of businesses and destinations
Questions & Answers
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Thank you!