



**Low Carbon Logic: How southern businesses  
are saving money by going green.**  
Challenges & Solutions in Nepal

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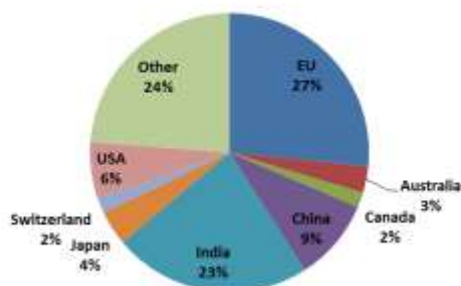
## Outline

1. Government Green & Growth Policy
2. Challenges and Opportunities
3. Climate Change & Tourism
4. Tourism sector initiatives
5. Policy Recommendations and Emerging overall story

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## Tourism in Nepal



Direct Contribution to GDP (%)	Indirect Contribution to GDP (%)	Contr. Employment (% total)	Tourist Expenditure (US\$ bn)	Capital Investment (US\$ bn)
2.8	6.7	5.8	0.443	0.151

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## Links between Growth and Environmental Policies

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- Tourism is a growth market in the NTIS
  - Improving infrastructure
  - BUT no environmental impact assessments
- TYP focused on increasing tourist numbers
  - Considers protecting trekking routes
- IAP states that Public & Private investment were low
  - Needs a Sustainable Tourism master plan
- No mention of tourism in the NAPA but 2004 NES does recognise importance of eco-tourism & conservation

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## Challenges in the tourism sector

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- Weak tourism infrastructure = tourism only in a few well served areas:
  - High dependence on air transport but only served by an old international airport
  - Geography = hard to build roads/rail, Frequent strikes
  - High energy costs
- Ecotourism vs. Mass Tourism: Construction or Preservation?
- Climate change impacts = greater disaster risks (floods) with negative impacts on infrastructure.

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## Challenges in the tourism sector

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- Small but growing (in the EU and USA) campaign to discourage long-haul tourism, potential issues if this grows.
  - Carbon taxes are a more tangible threat – the EETS could affect ¼ of tourists to Nepal BUT tourists could be highly price inelastic so the effects are unclear.
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## Opportunities in the tourism sector

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- Ecotourism can be a major attraction:
    - Fantastic natural landscapes
    - The Himalaya's
    - Abundant wildlife
  - Tourism can stimulate conservation:
    - Freemalaya initiative (banning plastic)
    - Explore Nepal Group
    - -Great Himalaya Trail
    - -Marketing Assistance to Nepal for Sustainable Tourism Products
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## Tourism Environmental Initiatives

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- Energy efficiency and renewable energy production – solar PV & solar water heating in hotels
- Waste Management – reducing/eliminating plastics in facilities and on trails = lower costs & waste management opportunities
- Water Management – reduced water use or using locally available water
- Reduced transport emissions – i.e. removing highly polluting vehicles & replacing them with electric vehicles.

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## Roads, tourism and the Environment

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The government of Nepal is currently building a series of roads aimed at connecting all the provincial 'headquarter' cities within the country. This will have an impact on tourism since it will open up regions which have been previously overlooked due to their inaccessibility.

But this could lead to:

- Trekking trails destroyed during road construction.
- Local products (such as food or locally produced handicrafts) substituted by more competitive imported products after roads are built.
- Deforestation i.e. badly managed road construction works which have resulted in losses to forest cover.

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## Opportunities & Risks

Opportunities & Risks	Implications & Responses
Growth in tourism can enhance development impacts	Infrastructure and the right investment climate can promote the industry.
Natural resource challenge	Spread tourism out through the country
Poor access to energy	Provide incentives to invest in renewable energy.
Increased access could damage natural environments	Coordinated strategy is needed to balance competing objectives
Greater demand for sustainable tourism	Establish Nepal's brand as a green destination for tourism
Carbon taxes could increase travel costs and reduce tourist numbers	Greater promotion of regional tourism
Climate change could threaten tourism activities	Needs more analysis on impacts and how to adapt infrastructure
Climate finance could support sustainable tourism	Optimise public contributions but don't rely on mechanisms such as CDM or REDD

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## Key Policy Recommendations

- Coordinated development strategies are needed – balance interest and establish regulations
- Establish/brand Nepal as a 'green tourism' destination – apply strong national/international green standards and labels
  - Target eco-conscious markets
- Support environmental initiatives with tourism companies
- Implement energy audits or green energy practices in the sector.

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## Emerging overall story

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- Growth in tourism growth benefits, but also higher risk of environmental damage (with negative knockback effects).
  - Nepal has a strong case to market itself as green destination and build a robust 'brand' but this needs more regulation and application of national/international standards.
  - Tourism enterprises are already carrying out some initiatives but they could stand to become more LCC with investment in infrastructure i.e. public transportation.
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**Thank You!**

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