

SDG 11: Sustainable Cities and Communities

KEY POINTS

- Tourism can contribute to revenue generation and economic growth for cities. However, it is crucial to address the negative impacts of tourism, such as overcrowding, pollution and cultural commodification. Therefore, sustainable tourism practices that prioritize the well-being of residents and the environment are necessary.
- Trade can help to make cities and communities inclusive, resilient and sustainable by increasing access to environmental goods and services.
- As cities around the world innovate to lower greenhouse gas emissions, address resource depletion and waste generation, and adapt to climate change, international trade in sustainable goods and environmental services will be essential in addressing these problems. More open trade also allows domestic producers of green goods and services to tap into a rapidly growing global market.
- The WTO, as a forum for the reduction of tariffs and non-tariff import barriers, provides opportunities for economies to pursue these objectives.

The role of tourism and services in supporting the development of sustainable cities

Tourism is considered a tradable service within the context of international trade. It involves the movement of people, often across borders, for the purposes of visiting and experiencing various destinations and engaging in tourism-related activities.

Cities are important destinations for both domestic and international tourism for several reasons. Many cities possess iconic landmarks and are centres of culture, art, history and entertainment, which can attract visitors from around the world, and cities often offer a wide range of tourism services to visitors, such as hotels, restaurants, transportation and tour guides.

In addition, tourism can be an important source of revenue and economic growth for cities. By attracting visitors from around the world, cities can generate income from taxes, fees and spending on local goods and services. This can help to support local businesses and create jobs for residents.

However, tourism can also have negative impacts on cities and communities, such as leading to overcrowding (“over-tourism”), pollution and cultural commodification (i.e., transforming certain aspects of a culture into a product for commercial purposes). The need to promote sustainable tourism practices, which prioritize the well-being of residents and the environment, is growing as the tourism market becomes increasingly conscious of its negative impact on the environment, as visitors become concerned about environmental issues, and as environmental groups exert pressure on public opinion regarding the effects of tourism activities.

In addition, as noted by the OECD (OECD, 2021), the pandemic has exposed long-standing structural weaknesses in the tourism economy, such as fragmentation in the sector, the fact that it is largely made up of MSMEs, its seasonality, problems caused by overdependence on this single sector, as well as gaps in government and industry preparedness for the pandemic and in response capacity. As such, many countries viewed the tourism crisis caused by the pandemic as an opportunity to move to greener and more sustainable models of tourism development by ensuring that recovery plans were aligned with sustainability principles and the

SDGs, which can act as an effective compass for both industry and policymakers.

According to the World Tourism Organization (UNWTO, 2022), sustainable tourism must:

- Conserve environmental resources and protect biodiversity;
- Respect and preserve the cultures of host communities while benefiting them;
- Address the needs of the visitors and industry while providing socio-economic benefit to all.

Measuring the sustainability of tourism

Measuring sustainable tourism can contribute to balancing the economic, environmental and social impacts of tourism.

By measuring the sustainability of tourism, cities can identify areas where improvements can be made to minimize negative environmental and social impacts, which can be helpful in designing mitigation strategies.

In addition, as tourism provides jobs and income to local economies, by measuring sustainability, tourism can benefit these communities in a way that is economically, socially and environmentally viable over the long term. Also, as travellers become interested in sustainable tourism, measuring and promoting sustainability can provide a competitive advantage for destinations and businesses that prioritize sustainability (UNWTO, 2022).

UNWTO has launched a Statistical Framework for Measuring the Sustainability of Tourism²⁸ with the objective of developing an international statistical framework for measuring the economic, environmental, and social dimensions of sustainable tourism.

The role of investment facilitation for development in the tourism sector

As an important and fast-growing industry, the tourism services sector is becoming a critical area for foreign investment, for example in hotels, restaurants, transportation services, travel agencies, tour guide services and recreational services (Peric and Niksic Radic, 2011).

Foreign investment helps to develop tourism infrastructure in the host country by bringing in global technology and expertise, and it leads to the socioeconomic, cultural and economic growth of cities. At the same time, unplanned and unmanaged

investment in the tourism sector can have negative impacts, such as environment degradation, over-tourism and a loss of cultural heritage and can render cities less resilient to social, economic and natural shocks. The only viable solution is sustainable investment in tourism, which involves two aspects.

First, investment in the sector should not harm or deteriorate the existing environmental and cultural status of the city. For instance, new investment projects that may displace either individuals who are already productively employed or local businesses, that may affect the cultural or natural heritage of the city or the environment, or that may make the city more vulnerable to natural disasters, should be undesirable.

Second, green investment should be promoted. Green investment refers to investments which reduce or remove greenhouse gases or those which help build “adaptive capacity and resilience” for climate change (Golub et al, 2011), i.e., investment in green infrastructure or in sustainability-building projects, such as pollution reduction, waste management, energy efficiency and recycling, which can help to build sustainable cities.

An efficient way to approach and encourage sustainable investment is through the WTO's Investment Facilitation for Development initiative. This initiative aims to facilitate investment flows, improving the transparency and predictability of investment measures, simplifying and speeding up investment-related administrative procedures, strengthening the dialogue between governments and investors, and promoting the uptake by companies of responsible business conduct practices. It also aims to ensure special and differential treatment, technical assistance and capacity-building for developing and least-developed economies.²⁹

The promotion of responsible business conduct practices supports economically, socially and environmentally sustainable investment. The removal of red tape reduces the likelihood of unsustainable investments seeping in due to corruption or negligent policies. Technical assistance and capacity-building supports the local economic development of cities and enables knowledge and technology transfers in areas such as environmental conservation, thereby favouring inclusive and sustainable urbanization (Peric and Niksic Radic, 2011). Predictability in investment measures, such as streamlined policies or legal frameworks and effective investment facilitation services, and the transparency of investment measures, such as the easy availability of laws and policies and the responsible disclosure of changes in laws and policies, help in attracting the desired investment.

While poorly-managed foreign investment can have negative impacts, sustainable investment, supported by investment facilitation for development, has the potential to promote the economic development of

cities through the development of the tourism sector while keeping social, environmental or cultural damage in check.

The role of trade in promoting sustainable cities

Sustainable cities are cities that are designed and managed to minimize negative impacts on the environment and maximize social and economic benefits for their residents.

Cities are responsible for a significant proportion of global greenhouse gas emissions, and unsustainable urban development leads to air and water pollution, deforestation and loss of biodiversity. Sustainable cities aim to reduce these negative impacts through the use of green technologies, renewable energy, waste reduction, and other sustainable practices.

Sustainable cities can also, promote social equity and inclusivity. By providing affordable housing, accessible transportation and public spaces for all residents, sustainable cities can ensure that residents have access to the resources they need to live healthy and fulfilling lives. They also prioritize social justice by addressing issues such as poverty, inequality and discrimination.

In addition, sustainable cities can be economically resilient and competitive. By promoting innovation, entrepreneurship and sustainability, sustainable cities can attract investment, create jobs and drive economic growth. They also benefit from reduced energy costs, improved public health and increased quality of life, which can make them more attractive to businesses and talent.

Sustainable tourism practices applied in sustainable cities can involve measures such as limiting the number of visitors to reduce over-tourism, promoting sustainable modes of transportation such as use of electric vehicles, bikes or scooters, supporting local businesses and involving local communities in tourism planning and decision-making.

Trade can play an important role in promoting sustainability in cities by increasing access to environmental goods and services. When cities engage in trade, they can access resources and expertise from other regions, which can help them to promote sustainable development and reduce their environmental impact.

For example, cities may trade in renewable energy resources such as wind or solar power, which can help to reduce their reliance on fossil fuels and lower their carbon footprint. Cities may also act as hubs in which sustainable goods such as organic food, eco-friendly products, or sustainably harvested timber are traded to promote sustainable consumption and production practices.

In addition, trade can help to promote innovation and technology transfer, which can support sustainable development. When cities engage in trade, they may be exposed to new ideas, technologies and practices that can help them to reduce their environmental impact and promote sustainability.

Trade can also help to support economic development and job creation in cities, which can be an important factor in promoting sustainable development. By creating economic opportunities and supporting local businesses, trade can help to reduce poverty and promote social sustainability.

International trade enables countries to access sustainable goods and environmental services that they may not have the capacity to produce themselves. This allows cities based in these countries to meet their environmental targets and reduce their carbon footprint by importing products, such as renewable energy technologies, organic food products and green building materials.

Furthermore, international trade can encourage the adoption of global environmental standards and regulations, such as the Paris Agreement,³⁰ which aims to strengthen the ability of economies to deal with the impacts of climate change and to promote development in a sustainable manner, and the Basel Convention,³¹ which aims to minimize the generation of hazardous waste and ensure its environmentally sound management. Adopting these standards can help to ensure that sustainable goods and environmental services are produced and traded responsibly.

International trade can also facilitate the exchange of best practices between cities. By engaging in trade with other sustainable cities, cities can learn from each other and adopt sustainable best practices to achieve their goals.

The WTO Trade Facilitation Agreement and sustainable cities

The WTO's Trade Facilitation Agreement (TFA) supports sustainable international trade, which in turn can help in building sustainable cities. In force since 22 February 2017, the TFA aims to expedite the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues, and it contains provisions for technical assistance and capacity-building in this area.³²

The TFA is a catalyst for development. Experts are of the opinion that effective implementation of the TFA has the potential to stimulate progress towards

meeting SDGs by generating employment, improving transparency and reducing the negative environmental impacts of international trade.³³ The TFA has been proven to reduce costs (Duval and Utoktham, 2022), which promotes trade competitiveness and makes trade affordable. It facilitates trade in and access to green goods and technology. It further enables development of resilient and sustainable tourism infrastructure, for instance, transport systems built with green inputs causing reduced carbon emissions. Trade facilitation ultimately results in economic resilience.³⁴ In essence, trade facilitation can be used to support sustainable tourism and the development of sustainable cities.

