AFRICA REGION TOURISM STRATEGY:
Transformation through Tourism
Africa is on the move

Africa is poised for a growth takeoff, much as India was 20 years ago and China was 30 years ago.
Africa has experienced *unprecedented economic growth* over the last five years.

Real GDP rose **4.9% each year** from 2000 to 2008, faster than the 3% global average.

At **US$1.6 trillion**, the collective GDP of Africa is almost equal to that of Brazil or Russia.

**Intra-regional cooperation** is increasing.

**Armed conflicts have declined, democracy is on the rise, macroeconomic conditions have improved**, and **microeconomic reform is underway** across the region.
There are currently **more than 200 million unemployed** young people in Sub Saharan Africa and **10 million more job seekers every year**.

The Africa Finance and Private Sector Development unit aims to create **130 million jobs by 2020**, increase productivity, involve young people, and lay the foundations for **BRIC-style development**.

*Tourism is a catalyst for this positive change.*
Tourism is an *effective tool* for job creation, development, and economic growth.
Tourism is one of the largest and fastest growing sectors of the world economy.

The share of international tourist arrivals received by emerging and developing regions has increased from 32% in 1990 to 47% in 2009.

In 2007, tourists spent US$295 billion in developing countries, almost three times the total of international development assistance.
The Transformational Effect of Tourism: Thailand (1960–2005)

1969: Tourism Organization of Thailand set up by the Thai government

1977-1981: Support for tourism to increase foreign exchange earnings and reduce trade deficit

1982: Tax breaks to stimulate hotel construction

1989-1997: Surge in foreign direct investment and in public investment in infrastructure

Tourism in Thailand:
- 6% of GDP
- 15%–20% of the workforce
Demand for Africa’s tourism products *keeps growing*. 

Arrivals to Sub Saharan Africa have *grown over 300%* since 1990. 

From a small base of just 6.7 million visitors in 1990, Sub Saharan Africa (SSA) attracted *28.1 million visitors* in 2009. 

For the past three years, tourism to SSA has been *growing faster* than to any other region in the world. 

*Africa was the only region whose tourism arrivals grew during the global economic crisis.*
Tourism is complex. It needs to be managed.

When **tourism growth goes unmanaged** the result can be:

- unsustainable use of natural, cultural, and social asset base
- increased crime, income inequality, and the mistreatment of women and children
- increased reliance on imported goods and services

*There are risks involved in tourism development, but the risks of not being involved are greater.*
Vast tourism resources can become economically productive assets.
This is the Opportunity: Why Tourism

Managed sustainably, tourism is an effective development tool.

ADVANTAGE

- Biodiversity Conservation
- Poverty Alleviation
- Foreign Exchange Earnings
- Direct and Indirect Employment
- Social Inclusion and Other Social Benefits
- Cultural Heritage Benefits
- Technology and Skills Transfer
- SME Growth
- Cross-sector Linkages
- Diversification of Exports
- Poverty Alleviation

TOURISM GROWTH
One in twenty of all jobs in SSA are in travel and tourism.

**Women manage more than 50%** of hospitality businesses in SSA.

In Mali, Ethiopia, Lesotho, Tanzania, and Uganda women make up more than **70%** of hotel and restaurant employees.

Experience shows tourism creates productive employment for young people; **43%** of tourism employees in the EU are under 35 years old.
The vision is *Transformation through Tourism*: Harnessing tourism for growth and improved livelihoods.
The Africa Region Tourism Strategy provides a **framework** to address persistent constraints.
**POLICY REFORMS**

**Goal:**
To achieve a positive business enabling environment through policy reforms.

**What we will offer:**
Policy and regulatory framework assistance, tourism monitoring assistance, public/private dialogue, advanced research, sector diagnostics, rapid tourism assessments, crisis response and recovery.
CAPACITY BUILDING

Goal:
To empower client country tourism ministries, boards, associations, and stakeholders to provide quality service and make better use of tourism knowledge and information.

What we will offer:
Technical assistance, south-south exchanges, MSME training, technical/vocational education, institutional capacity assessments, and entrepreneurship initiatives.
**Goal:**
To create forward and backward linkages between tourism and other sectors of the economy to stimulate enterprise development.

**What we will offer:**
Value-chain mapping and analysis, partnership development (PPPs), matching grants for MSMEs, support to professional associations, and access to finance.
PRODUCT COMPETITIVENESS

**Goal:**
To improve access, upgrade infrastructure, and improve destination positioning.

**What we will offer:**
Growth poles and cluster development, product innovation and competitiveness, infrastructure planning and upgrading, marketing assessment and assistance, and partnership development (PPPs).
Tourism destinations are *dynamic* and their needs change over time.

Some countries have been involved in tourism for **more than five decades**.

Other countries are **just emerging** as tourism destinations.

Fragile states and transition economies have **distinct travel and tourism needs**.

Different solutions are needed for different destinations.
<table>
<thead>
<tr>
<th><strong>Indonesia: Bali Tourism Project</strong></th>
<th><strong>Tunisia: Tourism Project</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated beach and cultural</td>
<td>Developed tourism infrastructure in six zones (US$24 million)</td>
</tr>
<tr>
<td>tourism (US$16 million)</td>
<td>Focused on developing</td>
</tr>
<tr>
<td></td>
<td>entrepreneurial skills</td>
</tr>
<tr>
<td>Utilized vacant scrub land</td>
<td>Generated US$276 million of annual foreign exchange earnings</td>
</tr>
<tr>
<td>Planned and regulated ‘green’</td>
<td>Created 8,700 direct and 8,000 indirect jobs</td>
</tr>
<tr>
<td>land use</td>
<td></td>
</tr>
<tr>
<td>Generated 6,000 direct and 3,000</td>
<td></td>
</tr>
<tr>
<td>indirect jobs</td>
<td></td>
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</tbody>
</table>
How Will the Strategy Be Delivered?

**DELIVERY platforms**

- **Knowledge**
  - Tourism database
  - Sector diagnostics
  - Benchmarking
  - Economic analysis
  - Case studies

- **Advisory Services**
  - Institutional reforms
  - Reimbursable technical assistance
  - Policy notes
  - Regional forums
  - South-south exchanges
  - Cluster planning

- **Lending**
  - Growth poles
  - Business enabling environment
  - PPPs
  - Capacity building
  - Tourism product development
  - Access to finance
## How We Will Work: Tourism Stages and Interventions

<table>
<thead>
<tr>
<th>Stage of Tourism Development</th>
<th>Pillar 1</th>
<th>Pillar 2</th>
<th>Pillar 3</th>
<th>Pillar 4</th>
</tr>
</thead>
</table>
| CONSOLIDATING                | Tourism monitoring assistance  
|                              | Land reform  
|                              | Business enabling policy reform  
|                              | Public/private dialogue  
|                              | Advanced research  
|                              | Joint research projects  
|                              | South-south exchanges  
|                              | Technical/vocational education  
|                              | MSME training  
|                              | Entrepreneurship initiatives  
|                              | Integrated value-chain strengthening  
|                              | Partnership development (PPPs)  
|                              | Matching grants for MSMEs  
|                              | Access to finance  
| EMERGING                     | Sector diagnostics  
|                              | Investment policy  
|                              | PPP policy  
|                              | Business enabling policy  
|                              | Implementation research  
|                              | Institutional capacity reviews  
|                              | Tourism awareness, innovation, and entrepreneurship programs  
|                              | Technical/vocational education  
|                              | Research and analysis  
|                              | MSME training  
|                              | Value-chain analysis  
|                              | Partnership development (PPPs)  
|                              | Sourcing finance  
| POTENTIAL                    | Rapid tourism assessments  
|                              | Legislation and regulations  
|                              | Investment policy  
|                              | Crisis response and recovery  
|                              | Institutional capacity assessments  
|                              | Tourism awareness, innovation, and entrepreneurship programs  
|                              | Skill training  
|                              | Workforce planning  
|                              | Value-chain mapping  
|                              | Partnership development (PPPs)  
|                              | Matching grants for MSMEs  
|                              | Support to professional associations  
|                              | Product inventory  
|                              | Product development  
|                              | Infrastructure assessment and planning  
| PRE-EMERGENT                 | Response to specific requests  
|                              | Response to specific requests  
|                              | Response to specific requests  
|                              | Response to specific requests  


Operationalizing Tourism: A Project Profile

Product Competitiveness
US$10 million

Tourism Business Enabling Environment
US$2 million
- PPPs
- Infrastructure upgrading

Access to Finance
US$6 million
- Business reforms
- Access to land

Capacity/Skills Development
US$4 million
- Technical / vocational education
- Entrepreneurship

Institutional Support
US$3 million
- Public/private dialogue
- Policy reform
- Data collection and analysis
Operationalizing Tourism: *Scaling Up Our Impact*

## Tourism Project (US$25 million)

<table>
<thead>
<tr>
<th>Amount (US$)</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10m</td>
<td>Product Competitiveness</td>
</tr>
<tr>
<td>$2m</td>
<td>Business Enabling Environment</td>
</tr>
<tr>
<td>$6m</td>
<td>Access to Finance</td>
</tr>
<tr>
<td>$4m</td>
<td>Capacity/Skills Development</td>
</tr>
<tr>
<td>$3m</td>
<td>Institutional Support</td>
</tr>
</tbody>
</table>

## Tourism Portfolio (2005-2015)

<table>
<thead>
<tr>
<th>Year</th>
<th>Projects</th>
<th>Investment (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1</td>
<td>US$10m</td>
</tr>
<tr>
<td>2010</td>
<td>10</td>
<td>US$120m</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
<td>US$500m</td>
</tr>
</tbody>
</table>

= number of tourism projects
The Strategy in Context

STRATEGY FRAMEWORK

FOUR PILLARS

SUCCESSFUL TOURISM SECTORS

POLICY REFORMS
CAPACITY BUILDING
PRIVATE SECTOR LINKAGES
PRODUCT COMPETITIVENESS

ASSISTANCE PLATFORMS

Knowledge
Advisory Services
Lending

ACHIEVING IMPLEMENTATION

STRONG FOUNDATION
Health, Safety, Security, Political Support

ACTIONS

Development of Strategic Client Country Relationships
Internal and External Partnerships
Prioritizing and Implementing Interventions
Research, Monitoring and Evaluation
## Making it *Happen*

### People and Resources:
- Team of multi-disciplinary experts and analysts focused on tourism
- Knowledge base dedicated to policy dialogue
- Thematic hub encouraging internal learning
- Foundation team for upcoming Global Practice: Industry Competitiveness

### Partnerships:

#### Internal Partners:
- Sustainable Development,
- Poverty Reduction and Economic Management,
- Education,
- Environment,
- Transport,
- Human Development

#### Across The World Bank Group:
- IC, IFC, and MIGA

#### External Partners:
- UNWTO, UNCTAD, WEF, WTTC, SNV, USAID, DFID, WWF, AWF, and others
To harness tourism for growth and improved livelihoods, 

Africa can utilize:

**Strategic public investment.** This attracts private sector activity and underpins efficient and equitable distribution of tourism’s benefits.

**Effective public and private organizations.** These catalyze long-term investment and build the trust needed for productive public/private collaboration.

**Strong partnerships, continuous commitment, and ongoing monitoring.** These are critical to economically productive and sustainable tourism.
Journey with us!

Be a part of *Transformation through Tourism.*