The Sustainable Development Department in the World Bank’s Latin American and Caribbean Region (LCSDN) has elected a multi-sector approach to tourism. Rather than follow a single model for supporting tourism, LCSSD strives to include components which facilitate and/or stimulate responsible and sustainable tourism development within the context of its traditional projects focused on local development (rural and urban development), on indigenous and vulnerable peoples (social development), on income and investments (private sector development) on environmental sustainability, and on infrastructure (water, sanitation, energy and transportation.)

This practice of customized projects has led to a variety of projects, designed to fit particular country situations. The following examples of recent World Bank tourism related projects denote the notable lack of “cookie-cutter experiences.”

Overview

Urban and Rural Local Development projects share common goals with tourism insofar as they aim to improve the quality of life, the attractiveness of locales and to increase economic opportunities and incomes for residents. In Santa Rosa de Copan a World Bank financed Project has reinforced links between the city and the nearby archeological site of Copan in Honduras, building pathways, reception areas, and providing signage and guides to the ruins and to the city as well. The Santa Rosa project has also reinforced local governance, by developing a meaningful role for the municipality with the Archeological Institute of Honduras and the Ministry of Tourism. Finally, it has established a special program to offer locally-owned tourism products with marketing, certification and access to credits and small grants.

Projects in Lake Titicaca, Bolivia, Puerto Limon, Costa Rica and Vilcanota Valley, Peru have also invested in the cities’ rich cultural history, while projects in Mexico and the Peruvian lowlands have developed tourist destinations in rural communities, improving local quality of life, and local incomes.

Social Development projects aim to empower indigenous and vulnerable communities. In certain cases, where projects develop local capacity to manage protected areas, the link to tourism is forecast. In the Forestry projects of Guatemala and Mexico for example, indigenous communities have become guides for area visitors and have profited additionally by developing craft sales, hostels and restaurants, or by working in park facilities. Who better to guard the forests than the natives whose traditions teach respect and understanding?
In other social development projects, tourism appears not as a preconceived component, but has evolved spontaneously as a strategy proposed by indigenous communities to bring both income and respect. In Colombia, for example, a project to encourage silvo-pastoral farming methods developed a rural eco-tourism circuit, helping small and indigenous farm holders to create tourism destinations, with bed and breakfast accommodations, horse trails, farm visits and special barbecues. In Argentina, a project supported forty-five indigenous communities to elect local development projects, from aqueducts to schools, and then financed materials for construction. Remarkably some seventy projects were tourism endeavors, including crafts shops, guide services in national parks, reception centers and hostels.

The Peru Rural Roads Projects of LCSTR has opened up a new tourism destination in Choquequirao.

The Private Sector Development sector of the World Bank supports both direct micro-finance programs as well as programs to stimulate private investments, either through credit enhancement mechanisms or through investment climate assessments and regulatory reform.

Tourism has become a major beneficiary of several micro-credit programs as small and micro-entrepreneurs have responded to expanding opportunities in Latin America. Programs in Bolivia, Nicaragua and Guatemala have led to explicit requests for directed credit programs, combined with technical assistance to support tourism enterprises. While World Bank policies generally eschew directed credit on the ground that the market knows best, micro-credit projects have responded to the high demand for tourism enterprises with special technical assistance programs, aimed at registering and certifying tourism establishments, for both small and micro-businesses and government, and also at giving new businesses start up training. Interesting examples are the underwater guides taking visitors to the coral reefs of the Caribbean Coast of Central America. Through a program offered to the same fishermen who used to make their living by dynamiting the coasts, these guides have been trained in diving and given loans to purchase basic equipment to establish a growing tourism business.

The World Bank’s Environment Department has led the way to a different kind of project which combines sustainable tourism development with environmental protection. Environmental Development Policy Loans -DPLs- to Mexico, now in their third phase, have financed the establishment of Strategy 21, a long term national tourism plan, designating areas according to environmental protection standards and action requirements. Each phase of the DPL has included programs to assure that tourism is not only environmentally neutral, but also environmentally pro-active. In a similar way the carbon finance for silvo-pastoral agriculture support in Nicaragua and Costa Rica is following the pattern set in the Colombian agro-eco-tourism program mentioned earlier, whereby tourism helps to make environmentally healthy agricultural practices financially lucrative.

The World Bank’s Latin American Environment Sector has supported eco-tourism destinations directly through projects to create and sustain protected areas including Amazon Region Protected Areas Program “ARPA” in the Brazilian Amazon, a national forest project in Mexico and a national parks project in Argentina. The Eco-Markets program in Costa Rica fosters eco-tourism sustainability by establishing fiscal incentives for conservation and development of natural regions.

Infrastructure makes tourism possible – and when tourism works well – services become available to low income communities, and to the general population. World Bank investments in rural roads and in urban ports, for example in Peru and Costa Rica, have been combined with other investments to attract tourism to new destinations and to stimulate local economies. A rural energy project in Bolivia proved a boon to agro-tourism as families opened bed and breakfast services and a rural destinations circuit as a first measure after receiving electrical power.

Infrastructure projects in the Organization of Eastern Caribbean States (OECS) and Dominican Republic have financed water, sanitation and solid waste management programs for tourist areas and their environs with the double objective of providing services for the community and also allowing for the construction of new tourism accommodations. In Saint Lucia a fast track project increased water supply and sewage capacity in time to expand hotel capacity for the International Cricket Championships. In financing infrastructure programs for tourist destinations World Bank projects analyze and assure that services can be maintained through appropriate tariff regimes, which provide a cross subsidy to benefit the neediest locals. The environmental protection measures enforced in World Bank infrastructure projects serve in tourist areas like the Caribbean to maintain the crystalline beaches not only for the islanders, but for their visitors also, insuring long term income and sustainability.
The World Bank’s Latin American Tourism Beam and The Responsible Tourism En Breve Series

In 2007 the World Bank’s Department of Sustainable Development for Latin America created a “beam” to reach across its sectors, to share experiences and to coordinate efforts related to tourism. Besides documenting and promoting the multi-sector approach, the Tourism Beam has also secured financing for collaborative research and compiled the lessons learned by the different sectors in their various tourism-related projects. The papers presented in this series represent the findings of such queries. The Responsible Tourism Papers Series began after a workshop held in April 2008 in Washington D.C. to reflect on persistent issues in socially responsible and environmentally sustainable tourism. Each sector included in the Tourism Beam identified a key issue and organized a panel of experts to present experiences and positions.

The Urban Development Sector pinpointed crime and violence as key obstacles to increasing international tourism demand. Countries like Jamaica, Colombia and Panama, have seen tourism threatened by a reputation for insecurity and street crime. At the same time, as Lorena Cohan of LCSUW shows in her paper entitled, “Crime, Violence, At-Risk Youth and Tourism”, tourism also offers opportunities for at-risk youth and others who might turn to crime to find an alternative livelihood. And tourism has inspired pro-active partnerships between hoteliers and poor communities and street gangs or between communities and guerilla fighters, to provide a secure climate for tourism, for the benefit of all.

The lessons from working with indigenous peoples, presented by Dorte Verner of LCSSO, in a paper titled “Indigenous Peoples and Responsible Tourism”, stress the importance of empowerment. While tourism can offer indigenous groups opportunities to generate income while taking pride in their cultural heritage and maintaining their traditions and communities, it can also open the door to humiliations and to loss of identities. When indigenous communities plan a tourism strategy, their priorities differ greatly from those which the tourism experts propose.

Tatsuji Hayakawa’s (LCSPF) paper on Tourism and Economic Development draws on experiences in micro-credit and rural development to argue that tourism offers growing opportunities for increasing local incomes in a sustainable way. The many cases presented suggest that the demand for tourism financing among SMEs is growing. While human capital development must be a partner, the key appears to be open access to finance.

From the Environmental Development Cluster (LCSEN), Irina Klytchnakova describes the findings of her research and application of economic modeling to Panama’s ecotourism industry in a paper titled “How Tourism Can (and Does) Benefit the Poor and the Environment - A Case Study from Panama”. In Panama tourism has the highest multiplier effects on the Panamanian economy and promises large potential benefits to the poor and to the
environment. But tourism’s poverty benefits are neither automatic nor ubiquitous. They depend on where and how supply chains are structured and on the way tourists spend their money.

The number of international tourist arrivals to Latin America has been growing at over 10% per year for the past decade. But the increase in fuel costs and the impact of carbon emissions are taking a double toll, both on tourists’ wallets and on the environments they come to visit. Endeida Fernandes and Zayra Romo’s article “Innovative Approaches for Tourisms’ Energy Challenge” looks at carbon footprints from another viewpoint – and the double-edged sword of energy costs. Next papers to be published in this series will include reviews of specific project experiences such as the impact of rural roads on Choquequirao, and the impact of the Bank tourism project on Copan Valley. Additional papers in the pipeline discuss protected areas and tourism, and the findings of a study of backward linkages to agriculture and tourism in the Caribbean.

Bank support to protected areas such as the Amazon has also opened up doors to eco-tourism.

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About En Breve...

“En breve” is a regular series of notes highlighting recent lessons emerging from the operational and analytical program of the World Bank’s Latin America and the Caribbean Region.

In this special series on Responsible Tourism, we present the lessons learned by the different sectors in their various tourism-related projects regarding socially responsible and environmentally sustainable tourism. Forthcoming notes in this series will include: (I) An overview on tourism; (II) Crime, violence, at-risk youth and tourism; (III) tourism and indigenous peoples; (IV) local economic development and tourism, (V) Macro-Economic Impacts of Tourism – A Case Study from Panama, and (VI) Tourism’s Energy Challenge.