

## IIPT Conference – February 7, 2005

### **Speech by Dr. Ohene Owusu Nyanin, World Bank Country Manager Lusaka, Zambia**

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Moderator, Hon. Patrick Kalifungwa, Minister of Tourism, Environment and Natural Resources

Hon. Fernando Sumbana Junior, Minister of Tourism of the Mozambique Government and Chairman of the NEPAD Tourism Committee

Mister Botha DeVillier, Executive Manager of the Development Bank of Southern Africa

Sir Andy Chande, Trustee of the Rotary International

Mister Erastus Mwencha, Secretary General of the Common Market of Eastern and Southern Africa

Mister Louis d'Amore, President of the International Institute for Peace through Tourism

Members of the Media

Distinguished Ladies and Gentlemen

#### **Our three mistakes**

The World Bank made three mistakes in the realm of tourism. First, in the eighties, we “dropped the ball” pulling out of the sector on the grounds it was not our business but that of the private sector. Second, we reentered tourism through the backdoor, using our Global Environment Facility mandate, with a piecemeal piggyback approach instead of “doing our homework”. Third, we did not collaborate with others more experienced or more strategically positioned in the sector.

But we know that and we are fixing it.

**Gradual reentry**

The World Bank is progressively getting back into tourism on the sector's own merits. It is slowly building internal capacity and catching up on current trends and strategies; it is actively participating in international fora, such as this one; and establishing partnerships with various countries, donor agencies and tourism institutions.

Why this sudden change?

**Rationale for reentry**

Tourism growth rates remain high worldwide. We found that there is a global recognition that tourism could contribute more to development and to poverty alleviation. Tourism has been a positive force for nature conservation and for increasing social inclusion. It generates new opportunities and choices for rural communities. More important, tourism has proven to be productive and adaptable for developing countries, with some emerging success stories in Africa.

The World Bank cannot ignore the fact that tourism is already important for 80% of our client countries. We can't ignore either the steady positive trends or success stories happening under our watch.

We are also starting to understand the linkages between our core business, pro-poor economic growth, and tourism development better. Tourism is, indeed, a valid contributor because it is a source of diversification and growth, an important source of employment, foreign exchange and tax generation, environmental stewardship, and cultural preservation.

**Our homework**

As we re enter tourism, we have carried out an internal stock taking of our tourism related activities. Over 3% of the World Bank lending portfolio already involves tourism at some level, in more than 100 projects and 56 countries. This amounts to about US\$ 3.6 billion. We are involved in tourism through a variety of sectors, mainly Infrastructure, Private Sector Development and Environment.

Externally, we observe that there is increased demand for

tourism related lending and analysis. After all, tourism appears as a priority sector in 85% of the Poverty Reduction Strategy Papers.

Still, from where we stand, tourism is a challenging and complex domain. Its success rests on a number of linkages and factors that are both multi-sectoral and multi-thematic: **private sector development, infrastructure, conservation, food supply chain, transport, security, to name just a few.**

## The future

For the future, we are working on analyzing our approaches and harmonizing them. We are looking towards an improved methodology and framework for approaching tourism investments more holistically, something that utilizes more of the skill sets and products already in the World Bank. We are moving towards developing the business case for tourism along with new indicators such as: What barriers face rural communities when they want to own and develop tourism facilities? How many licenses does the average tour operator need? How long does it take to clear imports through customs? What kind of human resource skills are required? What infrastructural deficiencies must be rectified?

When compared across borders, these are practical tools that will allow governments to prioritize reforms and improve the productivity and efficiency of not just tourism businesses.

Externally, there is a need for a participatory approach and improved coordination and information sharing across the board and to recognize the need for forging lasting partnerships with complementary organizations.

## Our vision

Our vision for tourism in 21<sup>st</sup> century-Africa is of a vibrant sector that very significantly contributes to inclusive and equitable economic growth, building on demand for tourism services. Our vision is of African countries with much-improved investment climates and security as well as stewardship over cultural and environmental assets. It is

also one of countries that share knowledge and experience as well as harmonize processes.

Under that vision, tourism remains a private sector activity, but it requires appropriate government policy to catalyze investment and regulate the sector effectively; it also requires some public investment. However we find—and this is acutely true in Sub Saharan Africa—that tourism reforms are still slow in coming, governments have not committed resources, accurate tourism statistics and indicators of growth and employment are elusive.

There is much that could be done to improve the performance of tourism in African economies.

## **Our actions**

In Southern Africa, the World Bank is already beginning to implement the vision.

In addition to contributing to tourism in a number of conservation projects funded by the Global Environment Facility, we have already registered two operations principally focusing on tourism development: (1) the Support for Economic Expansion and Diversification project in Zambia, better known here as SEED, (2) the Transfrontier Conservation Area and Tourism Development Project in Mozambique.

In both cases, the projects support the tourism regulatory and business frameworks as well as the development of transfrontier parks, also called “Peace Parks”, as they foster collaboration and sharing between countries that at some point may have been at war. Also, linking tourism attractions an assets, such as protected areas, they help establish synergy and more attractive tourism products that neither country could do by itself.

## **Zambia**

SEED concentrates about 80% of its financing on tourism development. It supports the Zambia program for promoting and creating a constructive environment for private sector investment for tourism development in the greater Livingstone area. Livingstone, as a leading tourism hub of

Zambia, will see some of its infrastructure renewed, its services improved and business/investment processes improved. To provide an incentive for tourists to extend their stay in Livingstone, we will support the rehabilitation and expansion of the Mosi-oa-Tunya National Park. The Kafue Park will also begin a long process of rehabilitation to create a world-class wildlife tourism attraction in Zambia and the vicinity of the Victoria Fall. We also expect an accelerated expansion of tourism in the greater Livingstone area, that will stimulate the creation of “quality” jobs and small businesses with positive impacts on poverty reduction.

## **Mozambique**

In Mozambique, the World Bank intends to contribute to the development of tourism in the southern provinces. The idea is to support the recently-adopted tourism policy and exploit the comparative advantage of that country by developing bush-beach linkages. World Bank support will cover the Lubombo and the Limpopo transfrontier conservation areas, both in coordination with adjacent South African protected areas. Tourism centers, with minimal infrastructure platforms, would be developed in Punto do Oro and Vilankulo town. Through a process of Integrated Development Planning, the conservation area territory will be organized to strongly register their tourism and conservation vocations in development strategies. Several national parks will continue, or start, rehabilitation, including the Maputo Special Reserve, the Bahine and Zinave National Park. A new marine park will be created and community-private partnerships will be stimulated to take advantage of these enhanced opportunities.

## **Conclusion**

As you see, we are the new kids on the tourism block, but we are progressing fast. We wish you success with this important conference.

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