USAID’s Approach to Sustainable Tourism

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Tourism and International Cooperation for Development Course
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Why Tourism?

- Global business
- Tool to achieve multiple USAID objectives
- Useful for equitable economic diversification & growth
- Incentive for biodiversity & natural resources conservation
- Requires careful planning & management to be successful
Number of USAID Projects with a Tourism Component by Major Development Objective, 2000-2010:

<table>
<thead>
<tr>
<th>USAID REGIONAL BUREAU</th>
<th>MAJOR DEVELOPMENT OBJECTIVE</th>
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<th>TOTALS</th>
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<tr>
<td></td>
<td>Natural Resources Management</td>
<td>14</td>
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<td>6</td>
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<td>Africa</td>
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<td>4</td>
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<td>3</td>
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<td>14</td>
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<tr>
<td>Latin America &amp; Caribbean</td>
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<td>9</td>
<td>22</td>
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<td>40</td>
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<td><strong>TOTALS</strong></td>
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<td>36</td>
<td>25</td>
<td>18</td>
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<td>108</td>
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</table>
Now totalling over 150 tourism projects since 2000, in 75 countries.

In FY’12, ~50 projects active in 35 countries, providing over $100M in development assistance.
Africa: 8 country & 6 regional programs, $45M – inc. Tanzania, Mozambique, Rwanda, Kenya, Uganda

LAC: 8 country & 1 regional, $35M – inc. El Salvador, Honduras, Dominican Republic, Barbados, Brazil

Asia: 5 countries, $27M – Tibet, Philippines, East Timor, Bangladesh, Kyrgyz Republic

Mideast: $15M, Jordan & Lebanon (Egypt)

E. Europe: 5 countries, $2.5M – inc. Albania, Bosnia-Herzegovina, Georgia, Montenegro
What types of tourism development are right for you?
“...management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.” (UN World Tourism Organization)
Global Sustainable Tourism Alliance, 2006-11

- Public-Private Partnership ($6.4M private match to $4.9M USG, + $30M leveraged)
- Core program combining *Systems + Value Chain* approaches
- Compiling lessons & best practices into 9 online courses >>
- 6 Country programs in Uganda, Ecuador, Montenegro, Mali, Ethiopia, Dominican Republic
- [http://rmportal.net/library/gsta](http://rmportal.net/library/gsta) or [http://www.gstalliance.net/](http://www.gstalliance.net/)

- Conservation International
- Citizen Development Corps
- Counterpart International
- EplerWood International
- Nathan Associates
- National Geographic Society
- Rainforest Alliance
- RARE
- University of Hawaii, School of Travel Industry Management
- UNESCO World Heritage Center
- U.S.D.A./US Forest Service – Heritage Design
Send a login request to learn@rmportal.net or go to http://lms.rmportal.net/course/category.php?id=51 and login as a guest.
A Systems Perspective

Economic
Tourism Leaders
CSR Business Leaders
Financing Institutions

Social
Community Development NGOs
Media Representatives
Cultural Stewards
Universities

Environment
Land Mgmt. Agencies
Environmental NGOs

Governance
Ministry of Tourism
Ministry of Environment
Ministry of Tourism
Ministry of Planning
WEF Travel and Tourism Competitiveness Index

- Policy rules and regulations
- Environmental sustainability
- Safety and security
- Health and hygiene
- Prioritization of Travel & Tourism
- Air transport infrastructure
- Ground transport infrastructure

+ World Bank’s Doing Business Report

- Tourism infrastructure
- ICT infrastructure
- Price competitiveness in the T&T industry
- Human resources
- Affinity for Travel & Tourism
- Natural resources
- Cultural resources
Tourism Stakeholders

- Small businesses: Gift shops, dive shops, bike rentals, etc
- Local Communities
- In-bound and Outbound Tour Operators
- Service Providers: Hotels, Restaurants, etc
- Transportation Providers
- Tourists
- NGOs
- Development Organizations and Institutions
- Government: Ministries, Municipalities
- Protected Area Staff
- Media

Tourism Stakeholders Map
TOURISM INDUSTRY VALUE CHAIN

Internet

- Tourists
- Travel Agents
- Outbound Tour Operators
- Inbound Tour Operators
- Hub Hotels
- Transport Providers
- Local Accommodation
- Food Service Providers
- Communities

Global Enabling Environment
National Market
National Enabling Environment
Destination
International Market
Capitalizing on Rural communities’ comparative advantages
Lodging services

Transportation
Guides
Handicrafts
Entertainment

Food
We approach Entrepreneurship at 2 levels:

1. **Enabling environment**
   - Economic **policy** strengthening: fiscal, trade, legal, customs, regulations
   - **Infrastructure**: communications, utilities, roads
   - **Financing/capital**
   - **Social issues**: workforce, health, safety and security
2. Enterprise-level Activities

Training & Capacity Building

Product Development

Marketing & Promotion

Differentiation

Service

Quality

Convenience

Reliability

Price

Financing

“Sizzle”

Consistency
Destination Management Organizations

- **National Tourism Authorities** or Organizations responsible for management and marketing of tourism at a national level.

- **Regional**, provincial, state, or other **DMOs** responsible for the management and/or marketing of tourism in specific geographic regions.

- **Local DMOs**, responsible for the management and/or marketing of tourism based on a smaller geographic area or city/town – often operated as a small business or a membership-based NGO.
What makes a destination truly competitive?

“the ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations”

• Economic growth can be achieved through interventions at the enabling environment level and at the enterprise level.

• Enterprise level interventions must be demand driven partnerships with the private sector.

• Rural communities need training and capacity-building.

• Marketing is a valuable tool to entice private sector participation and cooperation.

• Tourism clustering needs to plan for long-term sustainability.
Work *cross-sectorally* with all the stakeholders

- **Governance**: difficulty of starting a business, land & resource access/tenure
- **Social**: workforce, health, safety and security, culture
- **Environment**: park management, trails and other facilities for tourism
- **Economic**: access to capital, business mgmt. skills, access to markets
Assistance to Rural Enterprises & Communities

- Feasibility Studies
- Business Plans
- Marketing Strategies
- Linkages to Markets
- Small Business Administration
- Languages
- Guide training
- Hospitality Training
- Access to Capital
Training Guides

- Environmental knowledge
- Cultural knowledge
- Hospitality
- Group handling
- Emergency services
Workforce Development as a Holistic Concept/ System

- Workforce analysis & planning
- Human resource mgmt.
- Capacity building
- Aligning current & future demands
- Employers, Trainers, Workers
- Market Conditions, Policy Environment