

## African Natural Resources Center

### MAXIMISING BENEFITS FROM WATER FOR TOURISM IN AFRICA



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## Acronyms

ADB	Asian Development Bank	MDG	Millennium Development Goal
ACSS	African Centre for Strategic Studies	NBA	Niger Basin Authority
AfDB	African Development Bank	NBI	Nile Basin Initiative
AMCOW	African Ministers' Council on Water	NYU	New York University
ANBO	African Network of Basin Organisations	ODI	Overseas Development Institute
ANRC	African Natural Resources Center	OMVG	<i>Organisation pour la Mise en Valeur du Fleuve Gambie</i> (The Gambia River Basin Development Organization)
ATA	Africa Travel Association	OMVS	<i>Organisation pour la Mise en Valeur du Fleuve Senegal</i> (Senegal River Basin Development Authority)
CICOS	International Commission of Congo-Oubangui-Sangha Basin	PDR	People's Democratic Republic
CBT	Community-based tourism	REDD	Reducing Emissions from Deforestation and Forest Degradation
CSR	Corporate social responsibility	RETOSA	Regional Tourism Organisation of Southern Africa
DFID	Department for International Development (United Kingdom)	RMC	Regional member country of the African Development Bank
DIE	<i>Deutsches Institut für Entwicklungspolitik</i>	SADC	Southern African Development Community
DMA	Destination Management Area	SECO	Swiss State Secretariat for Economic Affairs
EAC	East Africa Community	SME	Small and medium-sized enterprise
EARC	East Africa Regional Resource Center	STCAA	Sustainable Tourism Certification Alliance Africa
ECOWAS	Economic Community of West African States	UNCSD	United Nations Conference on Sustainable Development
ESG	Environmental, social and governance	UNDP	United Nations Development Programme
ESIA	Environmental and Social Impact Assessment	UNEP	United Nations Environment Programme
ESCWA	Economic and Social Commission for Western Asia	UNESCO	United Nations Educational, Scientific and Cultural Organisation
EU	European Union	UNWTO	United Nations World Tourism Organisation
GEF	Global Environment Facility	USAID	United States Agency for International Development
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German International Development Cooperation)	USD	United States dollars
GMS	Greater Mekong Subregion	VBA	Volta Basin Authority
ICRT	International Centre for Responsible Tourism	VFR	Visiting friends and relations
IDB	Inter-American Development Bank	WEF	World Economic Forum
IGAD	Intergovernmental Authority on Development	WTM	World Travel Market
ILEC	International Lake Environment Committee Foundation	WTTC	World Travel & Tourism Council
ITB	<i>Internationale Tourismus Börse</i>	WWF	Worldwide Fund for Nature
IUCN	International Union for the Conservation of Nature	YTEP	Youth and Tourism Enhancement Project (Zimbabwe)
JICA	Japan International Cooperation Agency	ZAMCOM	Zambezi Watercourse Commission
KAZA	Kavango Zambezi Transfrontier Conservation Area		
LEED	Leadership in Energy & Environmental Design		
LDC	Least Developed Country		
LVBC	Lake Victoria Basin Commission		

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## Foreword

The African Natural Resources Center works to assist Regional Member Countries to increase economic deliverables from natural resources. It offers strategic guidance on investment choices and technical assistance on regulatory matters. It also seeks to develop Bank expertise on policy. It is in these contexts that the Centre is examining the potential of adding economic value to water through tourism, and the sustainability issues which arise through this basic and innovative combination.

Natural resources are at the heart of Africa's opportunity and also the very root of its challenges: Only by ensuring responsible governance, equity and fair benefit-sharing can sustainability and security be ensured. The study examines these opportunities and challenges in the context of the most basic natural resource of all: water. It uses tourism to show how value can be added, but also how benefits need to be shared if economic development is to be sustainable. Building on the Bank's *Tourism Data for Africa* initiative it highlights how tourism can be an effective means of delivering growth based on a renewable natural resource, and the need for governments and industry to ensure this resource is managed responsibly. Tourism's job creation potential is extensive, and already accounts for over 8% of total employment in Africa, as noted by the United Nations World Tourism Organisation. The report also highlights that market needs must be taken into account and resource management strengthened if sustainable benefits are to be delivered.

In addition to these analyses, twelve case studies are presented that illustrate the wide variety of issues that arise in considering water and tourism in different parts of the continent. These cover economic, social and environmental considerations. The study also presents guidelines on benefit-sharing, a key challenge for tourism and water resource management in Africa; and suggests possible intervention areas for the African Development Bank to consider.

**Sheila Khama**  
**Director**

October 2015

## Executive summary

*The objective of this Study is to highlight the opportunity of adding value to water resources, and to assist Regional Member Countries in the better management of water in tourism.*

*Chapter 1 sets the context in which the African Natural Resources Center is undertaking this study.* The African Development Bank Group's strategic focus is on growing a green economy and fostering inclusive growth. Tourism and water are both important aspects of the green economy and benefits from these sectors need to be expanded and made more inclusive. The study's objective is to highlight the opportunity of adding value to water resources, and to assist Regional Member Countries in the better management of water in tourism.

*Chapter 2 examines the potential of water-based tourism across Africa.* Tourism has been identified as a powerful development path for the continent. In many African countries global and regional hotel chains are showing strong interest in expansion, both to capture international demand and to service the continent's growing middle class. As African disposable incomes increase, domestic travel for leisure purposes will rise. The continent is predicted to be the world's fastest growing tourism market over the next ten years. Already more than 10 million people are traveling across international borders every year within Africa for tourism purposes: primarily for business, visiting friends and relatives, and leisure purposes. Major African economies are growing and in turn driving tourism growth. Job creation potential is extensive and at present employment in tourism accounts for 8.1% of total employment. Despite this tourism is not always high on African governments' agendas: Its job and wealth creation potential is not always recognised. There is a substantial market for water-based tourism which can be built upon with investment in access, product and facilities, and diversified in terms of location.

Wildlife tourism is the dominant leisure tourism product in many African countries. It is fundamentally dependent on water and ecological integrity. Wildlife-watching by boat is particularly effective. Water-based tourism products that can be further developed in Africa include river cruising (the Nile, Chobe/Zambezi, Gambia River, Congo, Niger and others), lake cruising and tourist transport (for example Lake Kariba), sightseeing to spectacular waterfalls, bird watching in wetlands, and activity tourism including white-water rafting, sailing, windsurfing, scuba diving on some inland lakes (for example Lakes Tanganyika and Malawi), and other water-sports. Resort and second home development often takes place at water-side locations. Africa has water-based assets for tourism in abundance, but their existence does not guarantee success. Political, economic and institutional factors can and often do lead to water deprivation, even in areas where resources are generally plentiful. Africa's inland waters are coming under increasing environmental and development pressures, exacerbated in places by climate change.

*Chapter 3 deals with maximising the value of water resources through tourism.* The development of water-based tourism as a successful intervention which can provide economic benefits is dependent on many factors. These include the following:

- market interest and consumer needs;
- the construction of accommodation and visitor facilities to meet these needs;
- roads and airports;
- the training of staff;
- the careful management of the natural environment;
- the marketing of the destination; and
- the maintenance of security.

No one product development approach can guarantee success: Each water-based tourism product must be considered in its context.

Potential benefits from using water as a resource for tourism are elaborated in terms of economic benefits, social benefits and environmental benefits. In addition tourism's potential as a tool for poverty alleviation is considered. Water use by the tourism industry is also considered. It is noted that demand for water is rising through agricultural use and rapid population growth. In some African countries, on islands and in water-scarce areas, tourism can increase pressure on already challenged water resources and competes with other sectors, as well as the subsistence needs of local populations. This sometimes leads to conflict: Tourism potential cannot be realised in conflict zones. At present the majority of shared African water basins outside Southern Africa have no region-wide cooperative frameworks or agreements to guide the use of shared waters, and pay little attention to tourism use or potential.

*Chapter 4 develops guidelines for equitable resource-sharing.* Benefit-sharing is a widely used term, but it lacks a clear or consistent definition. Generally it refers to arrangements where various benefits are distributed among stakeholders at all levels. Developing equitable resource-sharing from tourism on and around Africa's rivers, lakes and wetlands means changing how prevailing structural

challenges and shared responsibility are addressed in the planning of tourism development and natural resource management. It will be necessary for governments to engage more effectively to promote justice and act to reduce elite capture through ensuring fair and transparent benefit-sharing mechanisms; and to uphold, fulfil and protect the right of their citizens to water and sanitation for personal, domestic and essential livelihood needs. This includes protection against infringements by tourism businesses. The right to water and sanitation should always come first and never be compromised by tourism development.

Simply making benefit-sharing a precondition of sustainable investment is insufficient: Benefit-sharing needs to be specific and should focus on enhancing community development through opportunities created by the activities, rather than only mitigating impact. Benefit-sharing should be seen in terms of the triple bottom line. It can include the following:

*Economic benefits*

- General payments, services, or other items of value provided such as a share of taxes, royalties, profit shares or fees received, or a share of revenues generated.
- Payments for services, or other items of value offered unilaterally or on what might appear to be better-than-market terms, such as preferential hiring of local persons or paying designated individuals/households or communities a share of profits obtained from the project in return for services.

*Social benefits*

- Payments, services, or other items of value offered unilaterally or on better-than-market terms to achieve a non-commercial objective of the outside partner, such as empowerment of minorities, reduction of poverty.
- Other items of value supplied *gratis* or at reduced cost, such as goods; training, electricity.
- Social services including education, health services, or community organization; shared transport, credit; access to markets; or anything else the local partner finds valuable.
- Providing physical infrastructure such as water supplies, roads, buildings, communication lines, or improvements that open land to new uses;

*Environmental benefits*

- Payments, services, or other items of value offered unilaterally or on better-than-market terms to achieve a non-commercial objective of the tourism business, such as conservation of biodiversity.

Specific examples of good practice in the areas of economic, social and environmental actions are outlined in the context of water and tourism. Responsible tourism was pioneered in South Africa and seeks to ensure that tourism is managed for local, environmental and economic benefit (the “triple bottom line”). More recently the Global Sustainable Tourism Council has developed criteria for hotels and tour operators. These criteria state that businesses and destinations should not jeopardise the provision of basic services (such as water, energy or sanitation) to neighbouring communities and need to be more widely adopted.

*Chapter 5 presents case studies* from twelve African countries relating to different aspects of water and tourism.

*Chapter 6 suggests an action plan* for the African Development Bank Group to further the green economy and foster inclusive growth through water-based tourism. It is recommended that the Bank focus on the following primary intervention areas relating to water and tourism:

- Specific water-based tourism facilities identified through country tourism master planning, where benefit-sharing systems are being put in place.
- Water-based transport linkages.
- Water-use and waste management reduction programs in major tourism economies, including “greening the tourism industry” to help deliver reduced water consumption.

*Annexes* present statistical data; give an overview of nature-based tourism and riverine institutions in Africa; elaborate on key messages to African governments; and illustrate approaches to tourism by other multilateral development banks.

# 1 Introduction

***“Our vast water resources should do more than provide us much needed drinking water: they must power our industries.”***

Inaugural speech by Dr Akinwumi Adesina,  
President, African Development Bank Group (1 September 2015)

## 1.1 Scope

This report is designed to assist the African Development Bank’s (AfDB) Regional Member Countries (RMCs) to set out policies which recognize tourism’s potential contribution to economic and social welfare in a context of multi-sectorial water resource management. Guidelines are put forward to enhance equitable resource benefits from the use of African lakes and rivers in tourism.<sup>1</sup>

The scope of the study covers major water-bodies (lakes, rivers and wetlands) in Africa. The continent has over 800 lakes, globally important wetlands and thousands of rivers,<sup>2</sup> so the focus is general rather than specific. It considers their potential role in the tourism industry, which has been identified by AfDB’s *African Tourism Monitor*<sup>3</sup> as one of the fastest-growing and most dynamic sectors, with tremendous potential to boost inclusive economic growth across the continent and reduce poverty. The guidelines have been drawn up by the African Natural Resources Center (ANRC) to provide background for possible future AfDB interventions to help realize the potential of the water resources for the good of all. Not every African country is examined as not all have significant water bodies suitable for tourism development (different countries have differing assets for tourism development). It is also recognised that tourism can only develop sustainably in secure and stable destinations. All tourism development is however dependent on potable water and at times this can lead to conflict with local communities.

## 1.2 African Natural Resources Center

The ANRC is a non-lending entity of AfDB. ANRC was established in November 2013 to bring additional expertise and services to the Bank and its regional member countries (RMCs).

The vision of ANRC is to help enable African governments to manage natural resources wealth in a manner that improves the lives of citizens. The Center’s mission is to advise the RMCs on natural resource management policy formulation and implementation, in order to enable them to extract greater value from the development of natural resources. In line with its vision and mission, the long-term objective of the Center is to increase the RMCs’ capacity to improve development outcomes through the sustainable use of renewable and non-renewable resources.

To ensure that natural resources help support and sustain growth, they need to be used efficiently, equitably and sustainably. The value of natural resources can be maximised through increased use, improved quality, or through investment in human and man-made capital. Fiscal revenues arising can be channelled towards pro-poor investments, if the potential for elite groups to monopolise access to resources and exclude the poor is recognised and addressed. Political and governance dimensions therefore play a key role in natural resources management. The special characteristics of natural resources used (such as unclear access rights, multiple claims and functions, remote location and difficult access), in combination with weak institutions give rise to special challenges for African governments. ANRC wishes to help governments address these challenges.

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<sup>1</sup> United Nations World Tourism Organisation (UNWTO) definitions are being followed in this report; *i.e.* a visitor (*domestic, inbound or outbound*) is classified as a *tourist* (or *overnight visitor*), if his/her *trip* includes an overnight stay.

<sup>2</sup> This report does not cover marine tourism.

<sup>3</sup> AfDB (2014) *African Tourism Monitor*. Issue 2 Volume 1

Water has been identified as one of four key renewable resources upon which ANRC is focussing.<sup>4</sup> ANRC works to deliver solution-oriented and tailored-made tools for policy advice, technical assistance, advocacy and knowledge development. Its goal is to contribute to the Bank's ten year strategy by promoting inclusive economic growth in RMCs, as well as contributing to the Bank's objective of transition towards a green economy.

### 1.3 African Development Bank Group strategy

AfDB's Strategy for 2013-2022 highlights two overall objectives:

- inclusive growth and
- the transition to green growth.

The Bank seeks to invest in infrastructure which unlocks the potential of inclusive development in the private sector, championing gender equality and community participation. Secondly the Bank's objective is to ensure that growth is sustainable through a transformation to green growth. This means finding paths to development that ease pressure on natural assets while better managing environmental, social and economic risks. The strategy outlines five channels towards achieving these goals as follows:

- Infrastructure development;
- regional economic integration;
- private sector development;
- governance and accountability; and
- skills and technology.

To be successful, tourism is also dependent on investment in each of these five channels:

- ✓ Infrastructure development is a fundamental requirement, without good access and good quality accommodation tourism cannot thrive.
- ✓ Integration is essential for access to tourism destinations and for the management of shared resources and, at times, for marketing. Virtually all of Africa's major rivers and lakes are shared resources, increasing the challenge of managing them responsibly.
- ✓ The tourism industry is fundamentally a private sector initiative with significant job creation potential, however tourism development works best when there is strong cooperation between the public and private sectors and effective coordination within government.
- ✓ Responsible and sustainable tourism is dependent on good governance and accountability, particularly in relation to natural resources. Infrastructure provision, business-enabling, security, ensuring equity, national marketing and environmental issues all require strong government commitment.
- ✓ The tourism industry requires specific skills and is increasingly dominated by technology for marketing, management and monitoring.
- ✓ In addition the cross-cutting areas of fragile states, agriculture, food security and gender all have significant engagement with tourism.

The Bank has also developed the *Tourism Data for Africa* portal<sup>5</sup> which helps to monitor progress in tourism across the continent. The portal is part of the AfDB's "Africa Information Highway" initiative aimed at improving data collection, management, and dissemination in Africa. The portal is a direct response to a number of important global and regional initiatives to scale up the availability of quality data on Africa and so foster evidence-based decision-making, public accountability, and good governance.

### 1.4 Structure of this report

The report is structured as follows:

- The potential of water-based tourism in Africa
- Enhancing the value of water resources through tourism
- Guidelines for equitable resource benefit-sharing
- Case studies
- Program of action

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<sup>4</sup> ANRC's operational scope covers the renewables of water, forestry, land and fisheries, and the non-renewable resources of oil, gas and minerals.

<sup>5</sup> < <http://tourismdataforafrica.org/> >

## 2 The potential of water-based tourism in Africa

***“Tourism, as one of the fastest-growing and most dynamic sectors, has tremendous potential to boost inclusive economic growth across the continent and reduce poverty.”***

AfDB (2014) *African Tourism Monitor*. Vol. 2 Issue 1

### 2.1 Africa’s water resources for tourism

Africa, the world's second-largest and second-most-populous continent, is one of enormous contrasts. The continent's climate is characterized by extremes, from a humid equatorial climate at the equator, through tropical and semi-arid in the middle of the region, to an arid climate towards the northern and southern fringes. Sub-Saharan Africa has a relatively plentiful supply of rainwater but this is highly seasonal, unevenly distributed across the region, and there are frequent floods and droughts. The greatest amount of rainfall occurs along the equator, especially in the area from the Niger Delta to the Congo River basin. The Sahara Desert has virtually no rainfall. In western and central Africa, rainfall is exceptionally variable and unpredictable. About 66% of Africa is arid or semi-arid and more than 300 of the 800 million people in sub-Saharan Africa live in a water-scarce environment.<sup>6</sup> Water is a precious resource. Governments need to value water in order to:

- advocate its protection from harmful and potentially polluting activity, including development of an inappropriate nature;
- contribute in an informed way to river basin management;
- help to identify opportunities for the sustainable development of tourism in the medium term;
- help to identify characteristics that contribute to the tourism value of a waterbody and enable the development of knowledge of good practice in this respect; and
- work to ensure equitable resource benefit-sharing.

According to the World Lake Database<sup>7</sup> there are 677 lakes in Africa, with 88 of them listed as principal lakes. There are thirteen major river basins<sup>8</sup> and hundreds of individual rivers. There are more than 58 fully designated Ramsar sites in Africa and 500 potential ones. The continent has over 1,000 locations which have been identified as Important Bird Areas.<sup>9</sup> In addition Africa has more than 1,812 national parks covering a total 3,112,027 km<sup>2</sup> of the continent. In Sub-Saharan Africa alone, over 1 million km<sup>2</sup> of land out of 23 million km<sup>2</sup> (constituting approximately 4 per cent) has been set aside as national park lands.<sup>10</sup> Offshore islands provide unique environments around Africa’s coastline, and, although often challenged for potable water, some have developed substantial tourism-dependent economies.

The Sahara, the world’s largest non-polar desert, stretches right across the north of the continent from the Atlantic Ocean to the Red Sea. The northwest coast is not waterless however: The Ichkeul National Park in Tunisia for example is part of an estuarine wetland system on the Mediterranean coast and Lake Ichkeul in Tunisia is one of only four major wetlands in Africa that have been declared a World Heritage Site. Morocco has also identified lakes in the Atlas Mountains as tourism assets and the country has an extensive river system.

South of the Sahara lies the Sahil. This belt covers parts of (from west to east) Senegal, southern Mauritania, central Mali, northern Burkina Faso, the extreme south of Algeria, Niger, the extreme north of Nigeria, central Chad, central and southern Sudan, northern South Sudan and northern Eritrea. It has a water-scarce, semi-arid climate. Once it was an area of culturally rich African kingdoms managing trans-Saharan traffic: Today political instability and the effects of drought due to changing climatic conditions undermine its tourism potential. In the east the coast and lowlands of the Horn of Africa are generally arid in spite of

<sup>6</sup> meaning that they have less than 1,000 m<sup>3</sup> per capita. Source: UN Water (2012) *Managing Water under Uncertainty and Risk*. Vol. 4.

<sup>7</sup> International Lake Environment Committee Foundation (ILEC) < <http://wldb.ilec.or.jp/>>

<sup>8</sup> UNEP (2008) *Vital Water Graphics*. Available at: <<http://www.unep.org/dewa/vitalwater/article36.html>>

<sup>9</sup> BirdLife International (2002) *Important Bird Areas and potential Ramsar Sites in Africa*.

<sup>10</sup> Colchester, M. (2003) *Salvaging nature: indigenous peoples, protected areas and biodiversity conservation*. In: WORLD RAINFOREST MOVEMENT, 2nd edition.

their proximity to the equator. This is because the winds of the tropical monsoons that give seasonal rains to the Sahel and the Sudan blow from the west. Consequently, they lose their moisture before reaching Djibouti and Somalia, with the result that most of the Horn receives little rainfall during the monsoon season. Roughly 80 percent of the Horn of Africa's landmass can be described as dryland, significantly surpassing the continental average of 65 percent dryland.

The world's longest river, the Nile, cuts through the North African desert flowing north from Lake Victoria and the Ethiopian Highlands. It supports over 350 million people and is a developed tourism resource in Egypt. The Sudd wetland is rich in wildlife. The Sudd is the largest wetland in Africa, which regulates the flow of the Nile and results in protection of endemic species and support of local livelihoods. In addition Southern Sudan contains one of the largest untouched savannah and woodland ecosystems remaining in Africa, including one of the largest intact antelope migrations in the world (1.2 million White-eared kob, Mongalla gazelle and tiang) which rivals Africa's more famous Serengeti wildebeest migration.<sup>11</sup> Ethiopia with its heavy monsoon rainfall has a rich water-based resource, changing with dam construction and the effects of climate change, already evident in Lake Abbe shared by Ethiopia and Djibouti

The Congo-Nile Watershed, now becoming known as a tourist route in its Rwanda section, divides the centre of the continent east and west.

The Congo flows westwards with input from the Chambeshi, Uele and Ubangi Rivers. The Congo Basin is home to some of the largest undisturbed stands of tropical rainforest on the planet, in addition to large wetlands. The Okapi Wildlife Reserve in the Democratic Republic of Congo covers a fifth of the Ituri Rainforest in the Congo River basin, the reserve contains many threatened species of primates and birds. It is considered endangered.

West Africa includes numerous different environments. It covers a fifth of the land area of Africa.<sup>12</sup> It also hosts almost half of the continent's population. West Africa's hydrology is dominated by the Niger River, which drains most of the area, from Algeria in the north to Guinea and Sierra Leone in the west. The Niger is the third longest river in Africa and rises in the Fouta Djallon Massif in Guinea. Its inland delta is a vast floodplain in Mali. The W Regional Park is formed around a meander in the River Niger shaped like a "W". The park includes areas of the three countries Niger, Benin and Burkina Faso, and is governed by the three governments. Many other rivers flow into the Atlantic and riverine states like The Gambia follow their courses. Cote d'Ivoire's Comoé National Park is one of the largest in West Africa and follows the Comoé River. It is listed as an endangered World Heritage site. The Senegal River delta wetland area consists of streams, lakes, ponds and backwaters. It is the home to 1.5 million birds.

Lake Chad is shared by Cameroon, Chad, Nigeria and Niger. Climate change, the demand for irrigation water upstream, and poor water management in the basin have reduced the size of the lake by 90 per cent over the past 40 years. The net effect on the 20 million people, who rely directly on the lake, is rising levels of malnutrition. This in turn leads to a much increased vulnerability to disease, and to unrest as some state systems become increasingly fragile.

The Great Rift Valley of East Africa is the birthplace of humanity and has served as a crucial refuge of animals, birds and human societies for thousands of years. The numerous lakes of the rift valley floor from Ethiopia southwards are extraordinarily rich in biodiversity, and support the livelihoods of various farming and fishing communities. The African Great Lakes are divided among three different catchments (river basins); and some, such as Lake Turkana, also have internal drainage systems. Lake Victoria (Lake Ukerewe) is the second largest fresh water lake in the world. Lake Tanganyika is the world's second largest lake in volume as well as the second deepest. Lake Tanganyika's only outlet is the Lukuga River, which flows into the Congo River. Ten percent of the world's fish species are found in these ancient water bodies.

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<sup>11</sup> UNDP Protected Area Network Management and Building Capacity in Post-conflict Southern Sudan project [Internet]

<sup>12</sup> The West Africa Region takes in Madagascar in AfDB's administrative division of the continent.

Lakes Victoria, Tanganyika, and Malawi hold a quarter of the planet's freshwater supply.<sup>13</sup> Lakes Bogoria, Nakuru and Elementaita in Kenya form the Great Lakes World Heritage Site. Lake Natron in Kenya is one of Africa's most important Wetlands of International Importance. Lake Turkana, is Africa's largest saline lake, is an important area for the study of fauna and flora. Lake Naivasha is an important Ramsar site. East Africa's coastline has a myriad of essential and key natural resources, forests and a variety of ecosystems which support rich biodiversity. Lake Malawi and the Lower Shire Valley is situated at the southern end of the Great Rift Valley. The Shire River is the only watercourse that leaves Lake Malawi and wanders across the upper valley before descending through the spectacular rapids and falls, known as the Murchison Cataracts, the Mpatamanga Gorge to the Kapichira Falls: Interest in the area's wildlife is growing and the Lower Shire's Elephant Marsh is filled with interest, as are the nearby national parks.

The Rufiji drains most of the southern part of Tanzania and navigable for about 100 km. It is formed by the confluence of the Kilombero and the Luwegu rivers and its principal tributary is the Great Ruaha.

Madagascar divides hydrologically and biologically east and west. Rainfall in Madagascar also varies from that of tropical rain forest to near desert conditions. Smaller islands off Africa's coast are often water challenged as populations, including tourist populations, rise.

Southern Africa is famous for its cultures, wildlife and spectacularly varied landscapes: all of these converge on, and are fed by, its magnificent rivers. These include the 1000 km long Kwanza River of Angola. In South Africa the Tugula, which includes the world's second tallest waterfall. Hiking trails lead to the height of the falls at the top of the Drakensberg escarpment, offering magnificent views of the river's five-tier drop into the Tugela Gorge. The Orange River is a favourite for rafting and kayaking, with numerous companies offering organised trips. The Limpopo flows to the sea in Mozambique and forms the northern border of the Kruger National Park. The Zambezi is the fourth longest river in Africa. Springing from the earth between the roots of a tree in a corner of North West Zambia, it flows through Angola, along Namibia, Botswana, Zimbabwe and Mozambique, where it joins the Indian Ocean; the Victoria Falls/Mosi-oa-Tunya attract hundreds of thousands of visitors each year. The Mana Pools on the Zambezi are part of a World Heritage Site. The Fish River in Namibia includes the Fish River Canyon: said to be the second largest canyon in the world, with a length of 161km and depths of up to 550m. The inland Okavango Delta is shared between Angola, Namibia and Botswana and covers 1% of the continent. It was declared the world's 1,000th World Heritage Site in 2014. The 332 000ha iSimangaliso Wetland Park was declared South Africa's first World Heritage Site in December 1999. South Africa's largest freshwater lake, Lake Sibaya, also forms part of the park, formed against thickly forested coastal dunes.

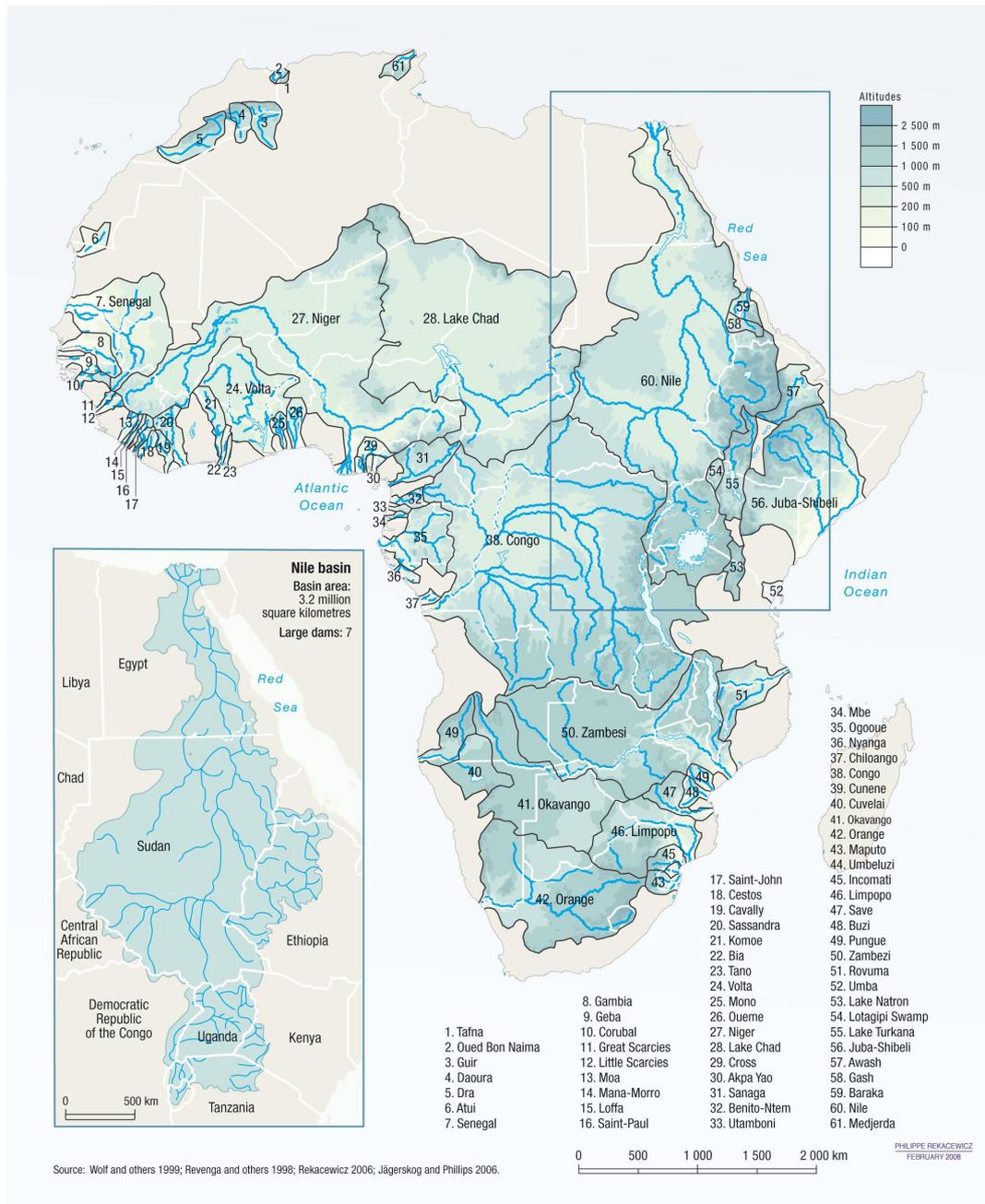
Wildlife tourism is the dominant leisure tourism product in many African countries. It is fundamentally dependent on water and ecological integrity. Wildlife-watching by boat is particularly effective. Bird watching (birding) is an increasingly important sub sector of wildlife tourism. Other (inland) water-based tourism that has been developed in Africa includes river cruising (the Nile, Chobe/Zambezi, Gambia River and others), lake cruising and tourist transport (for example Lake Kariba), sightseeing to spectacular waterfalls, bird watching in wetlands, and activity tourism including white-water rafting, sailing, windsurfing, scuba diving on some inland lakes (for example Lakes Tanganyika and Malawi), and other water-sports. Resort development also often takes place at water-side locations. Each of these tourism products has differing social and environmental implications, in addition to economic impacts.

Water, wildlife and natural landscapes thus provide assets upon which a tourism industry can be built; and Africa has them in abundance: but their existence does not guarantee success. In addition Africa's inland waters are coming under increasing environmental and development pressures, which may be exacerbated further by climate change.

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<sup>13</sup> Bootsma, H and Heck, R. (2003) *A Comparative Introduction to the Biology and Limnology of the African Great Lakes*. In: JOURNAL OF GREAT LAKES RESEARCH. No. 29 (Supplement 2):3-18

**MAP 1: Major river systems in Africa**



*Africa Water Vision 2025*<sup>14</sup> summarizes the key obstacles facing the continent regarding water as follows:

- High spatial and temporal variations in rainfall: Mean annual rainfall figures are comparable to those of other continents but evaporation rates are much higher in Africa and rainfall there is highly variable and unreliable.
- Growing water scarcity: 25 African countries will be water stressed by 2025 compared to 13 in 1995.

<sup>14</sup>United Nations, UN-Water/Africa, African Union, & AfDB (2009). *The Africa Water Vision for 2025: equitable and sustainable use of water for socioeconomic development*. Addis Ababa, Economic Commission for Africa.

- Inadequate institutional and financing arrangements: There is an ongoing debate about the commercialization of water management and water as an economic good versus decentralized community management and water as a human right.
- Inadequate data and human capacity: The inadequate collection, analysis and dissemination of data on water resources for developing, planning and implementing projects is problematic.
- Inadequate development of water resources: Water scarcity in Africa is not due entirely to natural phenomena but also to low levels of development and exploitation of water resources. Only 3.8% of internal renewable resources are being withdrawn for the three major water uses, namely agriculture, community water supplies and industries.
- Depletion of water resources by human actions: The pollution of streams through industrial and agricultural activities, salinization due to over-pumping, the drying out of wetlands, the eutrophication of lakes and the proliferation of invasive aquatic plants are all contributing to water shortages. In addition the settlement of nomadic populations, who used to move from place to place as water and wildlife supply dictated, has had a the effect of increasing the demand for potable water at fixed locations.

By 2025, no fewer than 25 countries are expected to be facing water shortages in Africa. This means that approximately 230 million Africans (16% of the projected population) will be living in water-scarce areas (<1,000 cubic metres of water/capita/year) with another 460 million (32%) in water-stressed areas (1,000-1,700 cubic metres/capita/year). In addition to a growing population, agriculture will also be making added demands on water supplies. Of the total amount of water used, 85% is for agriculture, 9% is for community water supplies and 6% is for industry. Commercial export agriculture is resulting in the drying up of water sources as virtual water is exported. Political, economic and institutional factors can and often do lead to water deprivation even in areas where resources are generally plentiful.<sup>15</sup>

## 2.2 Tourism in Africa

In comparison to agriculture tourism is not a major consumer of water, and has been identified as a powerful development path for Africa. Africa is set to develop the world's fastest growing tourism market over the next ten years, alongside Asia-Pacific, according to the World Travel & Tourism Council (WTTTC). At the World Route Development Forum, Durban, South Africa in September 2015, WTTTC predicted that the growth of Africa's tourism industry is on course to reach 4.9 per cent for the sector's direct contribution to GDP over the next decade, equalling the growth of the Asia-Pacific region.

This unprecedented growth rate underscores the strength of the region's potential compared to the estimated forecast annual increase in other regions of the world over the next decade, notably the Middle East 4.6 per cent; the Americas 3.8 per cent, Europe 2.8 per cent and overall worldwide growth of 3.9 per cent. In September 2015 the WTTTC President recommended that:

To fully realise the expanded potential, African nations must collectively focus on four key areas: first, expanded investment in tourism infrastructure; second, improved connectivity and air liberalisation, a move towards a fairer open skies policy; third, common visas across multiple countries: and fourth, investment in human capital to build the capacity and skill set of the workforce.

In 2013 the World Bank forecast that sub-Saharan Africa's tourism industry could create 3.8 million jobs over 10 years and that already one in every 20 jobs in the region involved tourism and the travel industry.<sup>16</sup> The prospects in the short term in much of North and Central Africa are constrained by political instability, and West Africa has seen negative economic effects due to the Ebola outbreak in three countries.<sup>17</sup> Despite this, African tourism as

<sup>15</sup> African Studies Centre Leiden (2015) *Water in Africa*. At: <<http://www.ascleiden.nl/content/webdossiers/water-africa>>

<sup>16</sup> World Bank (2013). *Tourism in Africa: Harnessing Tourism for Growth and Improved Livelihoods*. Washington DC.

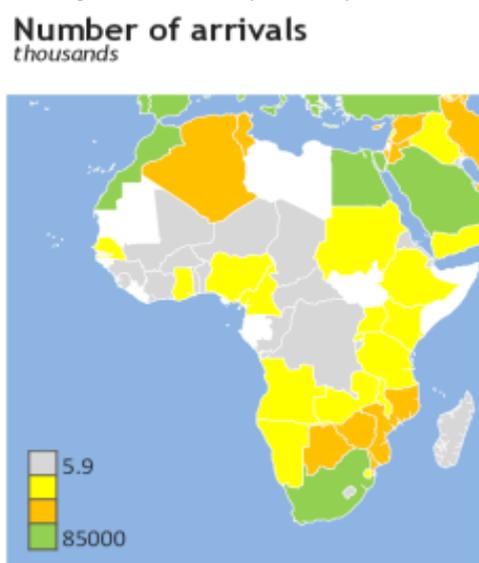
<sup>17</sup> According to AfDB's Tourism Data for Africa website, the fastest growing African tourism destinations pre-Ebola were Togo, Sierra Leone and Nigeria <<http://tourismdataforafrica.org/>>

an export industry still grew by USD 1 billion to USD 36 billion in 2014.<sup>18</sup> Medium and long term projections for Africa to catch up with the global tourism boom remain good: WTTC has projected that globally there will be nearly 1.8 billion international visitor arrivals per year by 2025, a 58 per cent increase from the 1.1 billion international arrivals who crossed borders in 2014.<sup>19</sup> In circumstances where visitor safety is perceived to be good there is no doubt that the continent's unique natural assets and friendly, welcoming people will provide a good tourism experience.

Across the continent global and regional hotel chains are showing increasing interest, both to capture international demand and to service the continent's growing middle class. As African disposable incomes increase, domestic travel for leisure purposes will rise. Between 2001 and 2010, GDP grew an average of 5.2 per cent a year and per capita income grew 2 percent a year, up from 0.4 per cent in the previous 10 years.<sup>20</sup> Already more than 10 million people are traveling across international borders every year within Africa for shopping, medical needs, sports, religious gatherings, business meetings and conferences, and visiting friends and relatives. Major African economies are growing and in turn driving tourism growth.

UNWTO forecasts that international visitor arrivals to Africa will increase significantly to 2030, capturing 7 per cent of the global total (Africa attracted 5 per cent of global arrivals in 2010). West and Central Africa were predicted to grow by +5.9 per cent a year, East Africa by +5.8 per cent and North Africa at 4.5 per cent. These projections are long term and remain largely valid.<sup>21</sup>

Africa's main inbound tourism destinations are as illustrated in table 1. Map 2 illustrates the range of arrivals by country.



Source: AfDB <<http://tourismdataforafrica.org/>>

The figures also illustrate the significant impacts of political instability since 2010. While Morocco attracted the highest number of arrivals in 2013, South Africa was the largest inbound tourism economy. Political unrest has meant that Egypt is no longer the continent's largest tourism destination. Huge disparities are also evident between visitor numbers and expenditure, reflecting the different markets attracted, the value of product offered (for example Tanzania and Uganda attract relatively lower volumes of visitors than Kenya, but their expenditure per visitor is mostly higher), differing lengths of stay and the extent of investment in tourist facilities. This volume *versus* value debate also has significant implications in terms of environmental carrying capacity and social impact, including local benefit and water consumption.

Annex 1 presents further statistical data from AfDB's *Tourism Data for Africa* portal.

<sup>18</sup> World Bank (2015) *Africa Pulse*

<sup>19</sup> WTTC (2015). *Travel & Tourism: Economic Impact 2015- World*.

<sup>20</sup> World Bank (2013) *Tourism in Africa: Harnessing Tourism for Growth and Improved Livelihoods*. Washington DC

<sup>21</sup> UNWTO (2011). *Tourism towards 2030*. Madrid

**TABLE 1: Leading inbound tourism destinations in Africa**

Rank	Country	International tourist arrivals (thousands)		International tourist receipts (USD millions)	
		2013	2010	2013	2010
1	Morocco	10,046	9,288	6,854	6,703
2	South Africa	9,537	8,074	9,238	9,070
3	Egypt	9,174	14,051	6,047	12,528
4	Tunisia	6,269	6,903	2,191	2,645
5	Algeria	2,733	2,070	350	219
6	Mozambique	1,886	1,718	241	197
7	Zimbabwe	1,833	2,239	856	634
8	Botswana	*1,826	1,973	885	779
9	Kenya	1,433	1,470	881	800
10	Uganda	1,206	946	1,180	784
11	Namibia	1,176	984	409	438
12	Senegal	1,063	900	439	453
12	Tanzania	1,063	754	1,880	1,255

Source: UNWTO (2015) Tourism Highlights.

Notes: \* Figures are for 2012 where 2013 figures not reported

Countries with less than 1 million arrivals reported by UNWTO are not shown here.

Tourism however is not always high on African governments' agendas: Its job and wealth creation potential is not always recognised. This is sometimes due to an attitude which sees tourism as "an industry which is conducted at one remove from African peoples themselves":<sup>22</sup>

The tourists arrive on planes owned by foreign companies, they often stay in hotels or lodges owned by foreign corporations, they exchange money at foreign banks and may be transported to wildlife reserves on busses or in taxis also owned by foreign companies. Few revenues from this sector reach ordinary Africans. The only people who make money directly from tourism are guides, or staff in hotels and restaurants that serve the tourists. After the private companies, the second largest beneficiary of tourism are governments.

The African people need to see that not only can tourism and conservation support their children's education, repair roads, and expand health facilities, but that they can be part of this industry too. With this, the sense of ownership individual Africans feel for the tourism industry would be strengthened.<sup>23</sup>

This perception of foreign ownership is largely inaccurate. In fact relatively few hotels in Africa are owned by companies based outside the continent: Internationally branded hotels are almost always locally owned. Some tour operators are foreign-owned, but the great majority are locally owned and operated. This is typical of other African destinations. Tourism development planning in Africa has to some extent been dominated by external thinking: The main organisations supporting state-level planning of tourism in Africa are UNWTO and the World Bank. There is an opportunity for AfDB to take a stronger role.

Tourism accounts for some 20,500 direct jobs in Africa according to UNWTO, representing 8.1% of the workforce.<sup>24</sup> Each year since 2000 on average an additional 3,400 jobs are being created in the industry.

### 2.3 Opportunities for water-based tourism

According to the latest UNWTO survey on wildlife tourism<sup>25</sup> (excluding hunting), wildlife watching tourism takes place mainly in protected areas: nature, national parks and wildlife are

<sup>22</sup> Maathai, W (2009) *The Challenge for Africa*.

<sup>23</sup> *Ibid.*

<sup>24</sup> UNWTO (2015) *Tourism in Africa: A tool for development*. Madrid.

<sup>25</sup> UNWTO (2014) *Towards Measuring the Economic Value of Wildlife Watching Tourism in Africa – Briefing Paper*. Madrid

among the most important assets for wildlife watching destinations. Safari tours are the main type of wildlife watching. Safaris were being operated by 96% of the participating tour operators and the sub-regions that are most frequented for safari tours are East and Southern Africa, where countries which are already known as wildlife watching destinations are located. Enabling frameworks for the development of wildlife watching tourism are most developed in Eastern and Southern Africa, however UNWTO notes that the Central and West African sub-regions will probably further develop wildlife watching tourism although the number of tour operators active in Central and West Africa is still small.

Bird watching is the second most practiced type of wildlife watching. It can be observed in almost every African country and is being offered by 80% of the tour operators. The operation of bird watching tours mainly takes place in top safari destinations and indicates that bird watching could be offered more frequently in combination with other activities than as a specialized product. The results of the UNWTO survey point out that wildlife watching tourism is normally combined with nature-related activities, cultural heritage and resort/beach holidays.

In third place in terms of wildlife watching and with variations depending on the region come (i) marine wildlife tours and (ii) the observation of Great Apes, followed by special tracking of wildlife, which are especially important for countries that are not classic safari destinations but do play a role as wildlife watching destinations.

Through analysis of this data, it was possible to identify key characteristics and economic indicators related to the segment of wildlife watching tourism in Africa: A typical wildlife watching tour involves a group of 6 persons, lasts 10 days and has an average daily price per person per day of USD 433 as well as involves out-of-pocket expenses of USD 55 per person per day. There is significant variation between the average cost of a luxury package (USD 753) and USD 243 for a standard package.

#### *Cruising*

River cruising is a growing global segment, particularly for rivers in Europe, India, Russia and China. Domestic and regional tourism underpins this growth. The Egyptian Nile Cruise is a classic product, but also one challenged by outdated standards and Egypt's current political difficulties. Only a short stretch of the Nile between Luxor and Aswan, and Lake Nasser, is currently used for river cruises. Elsewhere three to four day packages are also available on the Chobe and Zambezi Rivers. Short cruising is also possible on other water bodies including the Gambia River and Lake Kariba, and there are plans to develop it on Lake Kivu. Day cruising on the Volta River in Ghana is very popular among national tourists coming from Accra as well as picking up on the Kwanza River in Angola with national tourists coming from Luanda. The product is quite easy to package and control so it can be a relatively easy product to develop, if market demand can be stimulated.

#### *Activity tourism*

Activity, "off-the-beaten-track", adventure and eco-friendly discovery holidays are growing in popularity. Often these holidays can involve river-based adventure which Africa can provide. Water sports can be developed, often underpinned by a growing domestic market. These include the following:

- Sailing
- Canoeing and kayaking
- Surfing, jet skis and powerboating
- Windsurfing and kitesurfing
- Rafting
- Swimming
- Scuba diving in lakes

Domestic leisure tourism is important in relation to the use of water resources.

#### *Leisure angling*

Leisure angling to more exotic destinations is also growing. These tourists can be high spending and long staying, and African countries where local expertise in sport fishing can attract these visitors. Domestic leisure angling is also growing.

#### *Wellness and resorts*

Wellness tourism revenues in the region for example grew from \$2 billion in 2012 to \$3.1 billion in 2013, a growth of 57%.<sup>26</sup> Spas are multiplying too. In 2007, only 14 countries in Sub-Saharan Africa were home to any, but by 2013 that number jumped to 42. There are now about 1,554 spas in Sub-Saharan Africa, growth of roughly 300% between 2007 and 2013.<sup>27</sup> The Gabon government for example recently signed a deal with Aman Resorts, to bring in hotels and experiences geared toward ecotourism and wellness over the next five years. The first hotel was proposed in the country's capital, Libreville, with others to follow in some of the country's national parks, including water-side locations.

#### *Residential tourism development*

Residential tourism development relates to second homes for leisure purposes or retirement. It is quite extensive in a few African countries, for example Egypt, Morocco and South Africa, but in many others it is only beginning. Lake and riverside locations can be popular.

## **2.4 Africa's tourism markets**

International tourism arrivals (overnight visitors) grew by 5 per cent worldwide in 2013, to reach 1,087 million, the highest figure ever. Africa in total only accounts for 64 million arrivals,<sup>28</sup> 6 per cent of the global total. In terms of estimated tourism revenues of USD 1,159 billion, Africa captured USD 35 billion, just over 3 per cent. Africa's potential to catch up with the global tourism boom has long been highlighted. UNWTO's *Tourism towards 2030* report foresees Africa achieving 7 per cent of global arrivals by 2030 (in 1980 Africa was receiving just 3 per cent). West and Central Africa was forecast to grow by 5.9 per cent a year; East Africa by 5.8 per cent; and North Africa by 4.5 per cent a year on average to 2030.

The vast majority (almost 80 percent) of tourism arrivals to sub-Saharan Africa is at present divided between East and Southern Africa. In East Africa the leading destinations are Mozambique, Kenya and Zimbabwe. In Southern Africa, the Republic of South Africa captures two thirds of arrivals. (In West Africa Senegal and Nigeria attracted 78 per cent of arrivals, and in North Africa Morocco has displaced Egypt as the leading destination). The safari is the primary international tourism product for East Africa and Southern Africa. The large diversity of destinations and the high value associated with safari camps and game viewing give East and Southern Africa a significant competitive advantage in the delivery of safari products, as long as wildlife populations and habitats can be maintained. However as more and more destinations have been investing in tourism development, the traditional concentration of international tourist arrivals in a relative few destinations will be further reduced. UNWTO predicts that all of the less visited sub regions will gain share at the expense of the most visited ones.

African **inbound tourism** comes mainly from Europe (France, Germany, Portugal and the United Kingdom) and the United States, with the Russian Federation also providing visitors to North Africa in particular. Smaller markets include tourists from other European countries, Canada and Australia, while important future source markets are in emerging countries like China, India, South America and the Russian Federation.

Furthermore, there is a significant increase in **domestic and intraregional travel in Africa** undertaken for a variety of purposes from business and shopping to visiting family, to cultural heritage sight-seeing and other leisure reasons.

For individual European countries the strongest tourism links are still with former colonies (France with West Africa, the United Kingdom with East Africa, etc.). Beach destinations, including Egypt, have sometimes achieved a broader range of markets. The

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<sup>26</sup> Global Wellness Institute (2015) *Global Spa & Wellness Economy Monitor*

<sup>27</sup> *Ibid.*

<sup>28</sup> UNWTO (2015) figure for Africa, plus Egypt.

United States has been the top source market for Ethiopia, Ghana, Rwanda, Uganda, and Zimbabwe, with South Africa receiving the highest number of United States arrivals.

There is a steady growth in intra-African arrivals, as African residents themselves travel more and more within their own continent. The major economies are driving this growth, for example South Africa is a vital source market for Southern Africa. African residents are the largest source of visitors for most destinations, but research is lacking on their leisure travel needs. UNWTO forecasts that three quarters of all tourists to Africa will be intra-regional by 2021 with South Africa the largest source market. This huge potential within Africa itself can be illustrated by South Africa's own tourism statistics: In South Africa in 2014, there were 28 million domestic tourism trips. This was an increase of 11% as against 2013, whereas international tourism only grew by 0.1%

In general there are three types of overnight visitor (tourist) to Africa:

- business travellers;
- leisure travellers, and
- those visiting friends and relations (VFR) or coming for other purposes such as pilgrimage or education.

A study on air transport indicated that 55 percent of passengers on African airlines are traveling for business tourism, 15 percent for leisure tourism and 30 percent for VFR.<sup>29</sup> Overall however the breakdown between business, leisure and VFR/other across the continent, including land border crossings, is more likely to be more evenly split.

Expenditure per segment varies considerably from country to country, depending on where visitors come from and how long they stay. Research on domestic tourism is often lacking. The extent to which a country has developed tourism plant designed to extract money from visitors also varies considerably.

**Business travellers** are generally the highest spending and longest staying segments, and most African hotels rely on them. Many new hotels are under construction in African cities at present, primarily to cater for their needs. They are high consumers of water, but have less time for leisure, including water-based tourism.

In terms of international travellers, three main categories of **vacation leisure tourist** have been identified as follows<sup>30</sup>:

- High-end tourists who book expensive once-in-a-lifetime trips to places such as Egypt, Kenya, the Seychelles, Botswana, South Africa, and Tanzania.
- Niche tourists who arrange overland/cross-continent trips, and adventure, cultural heritage, diving, and bird watching tours.
- Lower-end charter tourists who take holidays to beaches in Egypt, Cape Verde, The Gambia, Kenya, and Senegal.

All three categories are high consumers of water, with the greatest and most challenging consumption being by the mass market which travels to generally water-scarce locations often in drought periods such as summer. In terms of users of water-based tourism, both luxury and niche visitors are strong consumers of water-based wildlife-watching and of Nile and other waterway cruises.

The **VFR category** will, depending on income, travel to water-based locations and enjoy resort facilities. At the upper end, returning diaspora travellers spend most and are also most likely to use resorts and water-based tourism product.

There is a substantial existing market for water-based tourism which can be built upon with investment in product and facilities, and diversified in terms of location.

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<sup>29</sup> ICF International (2010) *Competitive Africa: Tourism Industry Research Phase II Air Transport Sector Study*. Quoted by World Bank (2013).

<sup>30</sup> Based on World Bank (2013)

### 3 Maximising the value of water resources through tourism

***“The contributions of water resources to economic and social development appear obvious; making water resources available can enable, but is not in itself sufficient to mobilise economic and social development.”***

Muller, M. & Wright, A. (2015)

*A program to support Transboundary Water Management and Regional Integration in Africa. For AfDB*

#### 3.1 Introduction

There are important qualitative distinctions between different forms of tourism with respect to outcomes for local people and environment. The notion that "more tourism is better," does not always apply, especially in biodiverse environments where water is a critical factor.<sup>31</sup> UNWTO in its 2015 report *Tourism in Africa: A Tool for Development* points out that every destination is different, so no one single approach to product development is appropriate:

There cannot be a standard approach to all product development.<sup>32</sup>

While successful tourism is primarily delivered through private sector enterprise, it needs government support. All players (government, industry, tourists and host communities) need to be facilitated to share responsibility for managing it collectively. Too often tourism planning, including national tourism master planning, is dominated by economic development plans with very limited consideration given to detailed social and environmental planning. For example:

- Tourism can often result in development which drives real estate speculation and displaces rural residents and compromises their access to important resources. Addressing this requires responsible planning policies.
- Tourism businesses can sometimes rely on imported employees with language skills or (in countries with weaker vocational education systems) with international tourism qualifications. This is understandable in a highly competitive international industry, but it can mean that initially there are few opportunities for local people beyond low-paying, unskilled positions as housekeeping staff, gardeners or security. Putting in place robust, long term tourism training programmes and institutions is critical for national benefit, and realistic policies are needed to ensure corporate social responsibility (CSR) and active pro-poor engagement.
- Local people often have difficulty entering the tourism supply chain, particularly where support systems to encourage indigenous SMEs and local enterprise creation are not in place. Effective support systems are necessary to ensure local benefit.
- Methods of ensuring pay-back for environmental conservation are often weak, particularly in situations where Government priorities for financial and human resource allocation go elsewhere. Careful planning and responsible management of natural resources is critical if social and environmental benefits are not to be overridden by the interest of profit.

#### 3.2 Economic benefits

Positive economic benefits from tourism can be substantial in terms of revenues earned, taxation raised and jobs created. The economic value of tourism can be defined as the result of all economic impacts caused by tourism. These impacts are direct, indirect and induced through the total tourism economy, creation of employment, positive and negative externalities,

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<sup>31</sup> Hunt, C, Durham, W., Driscoll, L. & Honey, M. (2015) *Can ecotourism deliver real economic, social, and environmental benefits? A study of the Osa Peninsula, Costa Rica*. In: JOURNAL OF SUSTAINABLE TOURISM, Vol. 23, Issue 3, pp 339-358.

<sup>32</sup> UNWTO (2015) *Tourism in Africa: A tool for development*. Madrid. p42

revenues from taxes and other public charges, foreign exchange earnings and the related multiplier effects.<sup>33</sup> The following factors are relevant to tourism's economic value:

- Market visibility and performance of the destination.
- Extent of tourism infrastructure.
- Access
- Provision of activities
- Economic benefits
- Displacement of other economic activity

Individuals and companies providing tourism products and services generate economic impacts that contribute to the economy via the flow of expenditure associated with their business.<sup>34</sup> These impacts include the jobs, wages, and taxes associated with the business itself and the expenditures by visitors to the companies on food, accommodation and equipment in the locality. The magnitude of these economic impacts is governed by a multitude of factors including the following:

- The level of economic development of the destination area
- The level of economic integration of the destination within the national economy
- The volume and intensity of expenditure in the destination
- The nature of the destination and its attractiveness to tourists

A number of economic tools may be used to examine the economic impact of tourism. However, by far the most popular is the Keynesian multiplier approach and regional input-output techniques.

To measure the total economic impact for a region, the direct, indirect and induced effects of tourism spending must be summed. Direct effects refer to the total expenditure by the tourist on goods and services within an area. This represents the initial round of spending induced by the tourism industry. Indirect effects are those which occur when the tourism operators in receipt of initial expenditure, in turn purchase additional goods and services to meet demand. This downstream or second round of spending results in further production and employment. Surveys of visitors and businesses are an important means of capturing this data. Induced impacts refer to the additional consumer spending, which takes place when the income generated from the direct and indirect impacts is spent.

A regional or national multiplier can be calculated to examine the impact of water-based operators. Multipliers capture the secondary effects (indirect and induced) of spending in a region and represent the interdependency between sectors within an economy.

Leakages refer to the fact that money spent across different sectors (e.g. expenditure in the accommodation sector) 'leaks out' of the region's economy to pay for goods and services not manufactured in the region, or through expatriation of profits where they arise. Calculating a separate multiplier for regional economic impact analysis allows one to capture these leakages and provides a more realistic estimate of the direct and indirect impact of expenditure in an area.

In terms of economic returns from water and nature-based tourism, UNWTO has identified three groups of countries that can be distinguished according to their visitor numbers:

1. Countries with a major number of visitors in protected areas: between 2 and 5 million visitors per year. It is estimated that these countries have receipts up to USD 90 million. (for example Kenya, South Africa).
2. Countries with a medium number of visitors in protected areas: between 100,000 and over 500,000 visitors per year. It is estimated that they have receipts between USD 2 and 15 million. (Ethiopia, Lesotho, Swaziland, Tanzania, Uganda, and Zimbabwe).

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<sup>33</sup> UNWTO (2014) *Towards Measuring the Economic Value of Wildlife Watching Tourism in Africa – Briefing Paper*. Madrid.

<sup>34</sup> Nielsen, C., Pendleton, L., and Vaughn, R., (2007). A socioeconomic study of surfers at Trestles Beach. In: SHORE AND BEACH Vol. 75, Issue 4 P32

3. Countries with a limited number of visitors in protected areas: between 1,000 and 90,000 visitors per year. It is estimated that they have receipts between USD 20,000 and 700,000 per year. (Burkina Faso, Chad, Cote d'Ivoire, Democratic Republic of Congo, Ghana, Niger).

According to the survey replies, protected area receipts from the 14 above-mentioned countries would total USD 142 million per year. When using the total number of visitors in combination with the average entry fees provided for the same calculation, the total protected area receipts for the same countries would add up to USD 168 million per year.<sup>35</sup> As this figure relates to only a small number of countries, one can assume that protected area receipts are in total much higher.

### 3.3 Social benefits

These relate to the intrinsic value of nature-based tourism to sustainable development and human well-being including its scientific, educational, cultural, recreational and aesthetic values and are at least as equally important as its economic value. Factors influencing social benefits include the following:

- Tourism skills base
- Cultural and heritage associations

Tourism can bring about a real sense of pride and identity to communities. By showcasing distinct characteristics of their ways of life, history and culture, tourism can encourage the preservation of traditions which may be at risk of disappearing. Other social impacts from tourism can be positive or negative. They relate to impacts on property values; environmental conditions; access facilities; new infrastructure and infrastructure maintenance; crime levels; and issues of justice.<sup>36</sup>

### 3.4 Environmental benefits

The environmental value of water-based tourism in so far as it helps to conserve ecosystems is of immeasurable value. This includes ecological, genetic, and conservation values. Direct environmental impacts of tourism development should be considered using environmental impact assessment (EIA) techniques.

- Wildlife value and status
- Water quality
- Infrastructure needs (water, waste, energy, etc.): Tourism development can sometimes improve access to water.

Importantly tourism can contribute directly to the conservation of sensitive areas and habitat. Revenue from park-entrance fees and similar sources can be allocated specifically to pay for the protection and management of environmentally sensitive areas. Special fees for park operations or conservation activities can be collected from tourists or tour operators. Tourism can significantly contribute to environmental protection, conservation and restoration of biological diversity and sustainable use of natural resources. Because of their attractiveness, pristine sites and natural areas are identified as valuable and the need to keep the attraction alive can lead to creation of national parks and wildlife parks.

Sound environmental management of tourism facilities and especially hotels can increase the benefits to natural areas. This requires careful planning for controlled development, based on analysis of the environmental resources of the area. Responsible planning will help to avoid the gradual deterioration of environmental assets significant to tourism.

Tourism also has the potential to increase public appreciation of the environment and to spread awareness of environmental problems when it brings people into closer contact with

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<sup>35</sup> UNWTO (2014) *Towards Measuring the Economic Value of Wildlife Watching Tourism in Africa – Briefing Paper*. Madrid.

<sup>36</sup> Fredline, E (2006) *Development of a scale to assess the social impact of tourism within communities*. CRC for Sustainable Tourism Pty Ltd.

nature and the environment. This confrontation may heighten awareness of the value of nature and lead to environmentally conscious behaviour and activities to preserve the environment.<sup>37</sup>

### 3.5 Tourism and water use

While water use by tourism is less significant than agriculture, industry, or urban domestic use, all tourism and especially nature-based tourism is dependent on water. The main water-consuming factors are golf courses<sup>38</sup>, irrigated gardens, water features, swimming pools, spas, wellness facilities and guest rooms.<sup>39</sup>

A scenario which sees water use in tourism is growing in line with global growth in tourism means that tourism's water consumption will double over the next 40 years. Indeed rising hotel "standards" in terms of bigger pools and Jacuzzis, more elaborate bathrooms, more inclusive resorts with open buffets as well as increased indirect (embodied) water consumption through construction, transport of luxury foodstuffs and food consumption itself illustrate that water consumption through tourism is a major factor needing to be addressed.<sup>40</sup>

In addition studies on climate change and tourism indicate that water stress and not increased temperatures ("too hot for tourism") is likely to be tourism's main climate change challenge. The North African coast is highlighted as one such area where without costly investment in desalination powered by renewable energy, tourism development potential will be constrained. Such problems are already facing island tourism destinations.

Tourism impacts are also considerable for wastewater management. Tourism can also directly affect water quality, for example through the discharge of untreated sewage or freshwater abstraction. The UK charity, Tourism Concern, sums up issues as follows:

Tourism is a thirsty business. Peak tourist seasons are generally during the driest months of the year. Tourism development is most intense in coastal areas and on islands, where potable water is typically scarce. Vast amounts of water are needed during the construction phase, as well as once the tourists have started to arrive. However, local communities are often not allowed to access infrastructure built to ensure safe drinking water for tourists. Tourism also generates significant quantities of waste water, which many destinations in poor countries do not have the infrastructure to process effectively. Often, sewage generated by resorts is dumped into waterways or pumped out to sea.<sup>41</sup>

Due to its superior infrastructure and purchasing power, Africa's expanding tourism sector is appropriating sufficient and often ample water for its commercial needs, while poor local residents struggle to secure enough for basic domestic and livelihood survival. In some countries such as Seychelles and on other islands and in water-scarce areas, tourism can be a major factor in human water consumption. In such areas, tourism can increase pressure on already diminished water resources and competes with other sectors, as well as subsistence needs of local populations, sometimes leading to conflict. In some places in Africa, tourism consumption per guest can be more than 70 times local population use.<sup>42</sup>

In addition in some water-scarce and fragile environments, over-consumption and pollution of water by tourism is threatening the natural resource upon which tourism depends. Shortages in government capacity mean that responsibility for community water provision in some areas has been effectively designated to hotels, camps and lodges. While there are many positive examples of cooperation in this regard, the private sector naturally can prioritise its needs over those of communities. Similarly weak government capacity and insufficient

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<sup>37</sup> Based on UNEP *Tourism and Environmental Conservation* [Internet]. Available at: <<http://www.unep.org/resourceefficiency/Business/SectoralActivities/Tourism/TheTourismandEnvironmentProgramme/FactsandFiguresaboutTourism/ImpactsOfTourism/EnvironmentalImpacts/TourismandEnvironmentalConservation/tabid/78779/Default.aspx>>

<sup>38</sup> The United Kingdom charity Tourism Concern estimated in 2009 that 9.5 billion litres of water were being used to irrigate the world's golf courses per day, equivalent to the daily needs of 80 per cent of the global population.

<sup>39</sup> UNEP and UNWTO (2012) suggest that direct water use in tourism varies between 100 and 2,000 litres per guest night, with a tendency for larger, resort-style hotels to use significantly more water than smaller eco-friendly establishments or campsites.

<sup>40</sup> Gössling, S., Hall, M.C., Scott, D. (2015) *Tourism and Water*

<sup>41</sup> <<http://tourismconcern.org.uk/water/>>

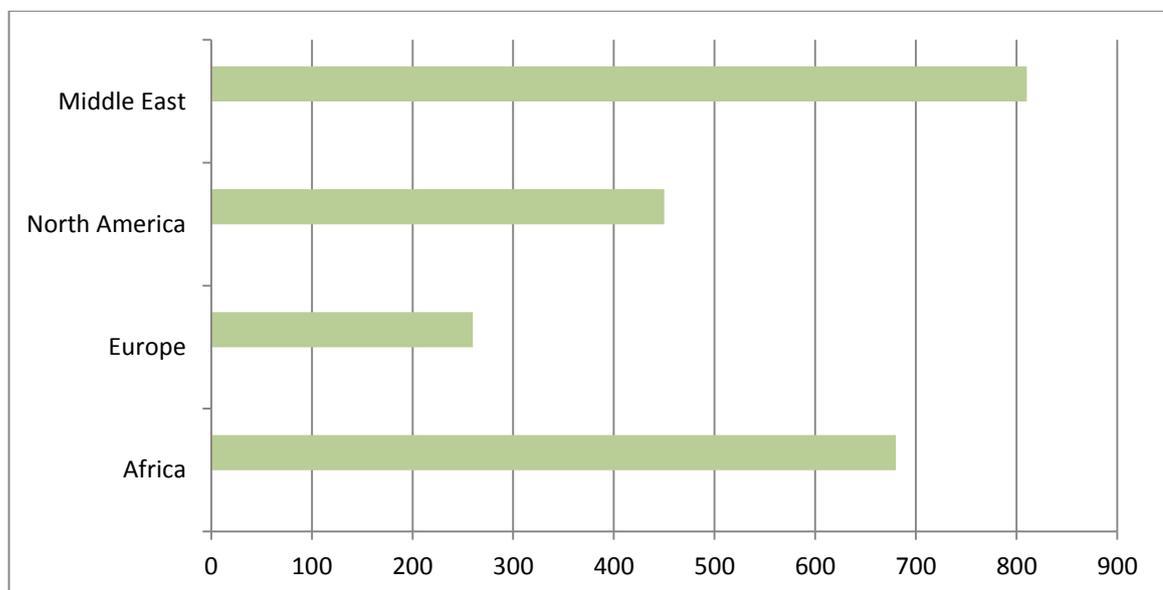
<sup>42</sup> UNEP and UNWTO (2012)

investment in infrastructure for managing the resource and meet local populations' basic needs exacerbates the situation.

Increasingly water shortages are creating conflict and resentment in Africa, and unless addressed can only cause greater insecurity in the future. Dam construction issues on transboundary rivers cause significant tension. Water management issues will curtail tourism's potential to contribute to socially equitable and environmentally sustainable development, job creation, and green growth. KPMG has pointed out that future water shortages pose threats to business growth and to jobs, and conflicts over water supply create security risks which will seriously impact tourism.<sup>43</sup>

It has been estimated that tourists in Africa use more than twice as much water per night as hotel guests in Europe, and about a third more than in North American hotels.<sup>44</sup> While hot climates are part of the reason, a lack of water-saving technology is also a factor. Literature indicates that current data available for water consumption measurement in the accommodation sector is limited, sporadic and uses varying metrics; however the environmental management and certification program EarthCheck has developed a benchmarking programme which uses peer-to-peer performance. Data shows that efficiencies clearly exist in Europe where there is greater awareness of environmental issues (chart 1).

**CHART 1 Average water usage per guest night in hotels in selected regions**



Source: EarthCheck Research Institute (2015)

In addition when virtual water is taken into account (the amount of water used to produce food, for example), tourism's water footprint is even larger.<sup>45</sup>

Various indicators have been developed to measure tourism's water consumption, based mostly around the key sector of hotels. Few are applied in Africa. Benchmarking indicators include the following:<sup>46</sup>

- Water use per hotel guest
- Water use per room
- Overall m3 of water per room and year

<sup>43</sup> KPMG (2012) *Expect the Unexpected: Building business value in a changing world*.

<sup>44</sup> EarthCheck Research Institute (2015) *White Paper on Tourism and Water*

<sup>45</sup> The United Nations Environment Programme (UNEP) has developed guidelines for water footprint accounting. The UNEP report aims to quantify all forms of water use (consumption and pollution) involved in the consumption of goods and services in a specific location. UNEP's technical report is available at:

<[https://docs.google.com/file/d/0B9L3YB0W\\_5cQWm5xVUVONHZ4bjA/edit?pli=1](https://docs.google.com/file/d/0B9L3YB0W_5cQWm5xVUVONHZ4bjA/edit?pli=1)>

<sup>46</sup> From: Gössling, S., Hall, M.C., Scott, D. (2015) *Tourism and Water*

- Laundry in kg per room and night
- Total volume of water consumed per day
- Volume of reused water
- % of annual supply in use
- Number of days of water shortage
- Consumption per guest per night compared to local population
- % of enterprises/rooms with low flow shower heads/taps/dual flush toilets/ waterless urinals.
- % of water used derived from recycled water

The World Economic Forum's global risks survey now ranks water security as one of the top five risks facing the global economy over the next decade.<sup>47</sup> It is becoming increasingly evident that Africa's tourism industry and its Governments must take responsibility to ensure that:

- water consumption is efficient and minimised;
- sources of water are sustainable; and
- that risk management is applied to ensure continued supply and stability.

### 3.6 Tourism and poverty alleviation

The poor are often highly dependent for their livelihoods on "common property natural resources". These include springs, rivers, lakes and wetlands as well as forest and pasture. For many rural poor, common property natural resources are an important source of food, fodder, fuel, building materials, medicinal plants and income. There are difficult trade-offs to resolve where communities or small enterprises compete for the same resources with more efficient market-accessible large-scale tourism enterprises. In such situations, a balance needs to be struck between the objective of maximising the total value of production and that of creating opportunities and benefits for the poor.

Tourism is often highlighted by Governments and NGOs as having great potential for growth and poverty reduction for several reasons:

- Tourism delivers consumers directly to the product, generating marketing opportunities for local producers of goods and services;
- Tourism has strong potential for linkages with other sectors and this can contribute to economic development through indirect multiplier impacts, particularly in agriculture and fisheries;
- Tourism is relatively labour intensive, and it is often significantly more labour intensive than other non-agricultural sectors.
- Tourism provides opportunities for crafts and other off-farm diversification;
- Tourism can employ a relatively high proportion of women and can contribute to gender equality.
- Tourism can add value to landscapes, wildlife and conservation.
- Tourism promotes infrastructure development that has positive spill-over effects for the poor; and
- If training is provided, tourism provides labour intensive opportunities.

The Organisation for Economic Cooperation and Development (OECD) has pointed out however that nature-based tourism is unlikely in itself to address the plight of the most disadvantaged and marginalised people.<sup>48</sup> Unless responsibly managed, tourism can actually increase poverty-creating factors. Traditional ways of managing common resources are coming increasingly under pressure from nation states and the global concept of private property: The poor stand to lose most from the end of commons. The danger is that benefits from natural resources accrue instead to a small elite (including tourists) and may not contribute to significantly lifting local people out of poverty unless there are actual and active responsible tourism interventions. Privatisation to elite groups, local or international, is a common way of

<sup>47</sup> WEF (2014) *Global Agenda Council on Water*.

<sup>48</sup> OECD (2009) *Wildlife and Nature-Based Tourism for Pro-Poor Growth*. In: NATURAL RESOURCES AND PRO-POOR GROWTH: THE ECONOMICS AND POLITICS, OECD Publishing.

developing tourism. It may happen when public resources (for example water-side sites, or land in national parks) are leased out to tourism operators under concession agreements which grant exclusive access, driving out the poor.

The following issues therefore require careful examination and active responsible management:

- Tourism is sometimes segregated from where the poor are, so opportunities for the poor can be few.
- Tourism is often unsuitable as the sole income-generating activity for poor households due to education and language gaps, and is subject to severe market forces, intense competition and sudden fluctuations.
- Tourism, like coffee, diamonds and other African commodities, is often characterized by revenue that accrues outside the host country (high economic leakage). Stronger development of the local businesses in the supply chain to add value can counter this.
- Elite capture of the resources of the poor is a widespread challenge, not just in Africa: It requires equitable and effective policy environments to address.
- Tourism sometimes imposes significant non-economic costs on the poor through displacement from land and damage to or exclusion from natural resources including water.

In reality the implications of tourism for poverty reduction are highly complex and heavily dependent on Governments' long term commitments to education standards, competitive business environments and access to credit, secure property rights, infrastructure investment, good governance and training in sector-specific areas.

There is however a consensus that over the long term economic growth is an essential requirement and a main contributing factor in reducing income poverty. To improve the impact of tourism growth on poverty reduction, the flow of output (or income) to the poor has to increase and the poor have to increase their asset base, or gain from shifting between assets.

### **3.7 Multi-sectorial water resource management in Africa**

Rivers, lakes and water-dependent wildlife constitute a significant part of what makes African countries attractive as holiday destinations for domestic tourists, regional visitors and visitors from other continents. Securing the protection and integrated management of these natural resources is, therefore, critical to the future sustainability of Africa's tourism industry. At river basin level, there is a growing network of organisations, coordinated under the African Network of Basin Organisations (ANBO). Yet in the majority of shared African basins outside Southern Africa<sup>49</sup> there are no region-wide cooperative frameworks or agreements to guide the use of shared waters.

*Africa Water Vision 2025* has been adopted by African governments, the New Partnership for Africa's Development and the African Union. *Africa Water Vision 2025* calls for enhanced institutional frameworks for the strategic adoption of the principles of integrated water resources management (IWRM). Most African countries have adopted IWRM as the basis for water governance and management.

Muller and Wright (2015) in AfDB's forthcoming study on trans-boundary water management point out that there is a wide range of potential investment opportunities in shared rivers. Some 85 per cent of Africa's water resources are comprised of large river basins that are shared between several countries.<sup>50</sup> Basin-focused multi-sector investment opportunity studies have been undertaken through the interim Zambezi Watercourse Commission (ZAMCOM), through the Nile Basin Initiative (NBI) and the Kavango Zambezi Transfrontier Conservation Area (KAZA). Similarly, multi-country plans/investment projects are at various stages of preparation in the Senegal, Gambia, Volta and Lake Chad basins in West Africa. Tourism

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<sup>49</sup> The SADC Protocol on Shared Watercourses (revised in 2000) provides a framework for all countries in the sub-region to manage their shared water resources.

<sup>50</sup> Ashton, P. (2002). *Avoiding water conflicts over Africa's water resources*. In AMBIO, issue 31, pp236-242.

development is not however a high priority in most of these plans, which may be a missed opportunity.

Present population trends and patterns of water use suggest that more African countries will exceed the limits of their economically usable, land-based water resources before 2025.<sup>51</sup> According to the UN's population projections, Africa's population will triple between 2000 and 2050, going from roughly 800 million to roughly 2.4 billion. It will then nearly double between 2050 and 2100, to 4.2 billion. At the end of the century, Africa is projected to have nearly as many people as all of Asia, and roughly as many as the entire world did in 1980. Africa is also rapidly urbanizing causing massive water demand: Until quite recently the continent was relatively sparsely populated, and still is compared to Europe, China or India. The main water-user sectors of energy, agriculture, industry and urban development are still much undeveloped in Africa but demand will rapidly grow. Conflicts regarding water resources have been predicted and indeed already exist. Tourism is unlikely to develop in conflict zones.

The German development institute *Deutsches Institut für Entwicklungspolitik* (DIE) in its study on trans-boundary water issues in Africa<sup>52</sup> has highlighted tourism-water conflicts that are arising:

- conflict between Zambia and Zimbabwe over Zimbabwean plans to build a dam in the Batoka Gorge;
- conflicts in the East Caprivi region between tourism facility operators and fishing communities
- conflicts between Namibians and Botswana living along the Chobe River over different use types (tourism versus agriculture);
- similar use conflicts between Zimbabwe (tourism) and Zambia (fishery);
- water-use conflicts between Malawians and Mozambicans along the Lower Shire;
- a conflict between Namibia and Botswana over the course of the border in Lake Liambezi.

In fact localised conflicts are found in all the riparian states and these are mostly caused by pollution, dams and tourism developments that have dispossessed the local communities of their access rights to the water resources. Almost all African countries will soon be forced to contend with water scarcity. Future conflicts over water use and water allocation are virtually certain to increase. As far as both crisis prevention and sustainable development are concerned, trans-boundary water management is therefore a critical factor for responsible tourism development.

Annex 2 examines organisations with responsibility for tourism and trans-boundary water management.

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<sup>51</sup> *Ibid.*

<sup>52</sup> DIE (2006) *Transboundary water management in Africa*.

## 4 Guidelines for equitable resource benefit-sharing

***“We call upon countries, multilateral agencies, destinations and enterprises to develop practical guidelines and to encourage planning authorities, tourism businesses, tourists and local communities to take responsibility for achieving sustainable tourism, and to create better places for people to live in and for people to visit. The economic, social and environmental impacts of tourism need to be managed responsibly, to maximise positive impacts and minimise negative ones.”***

Cape Town Declaration on Responsible Tourism (2002).<sup>53</sup>

### 4.1 Introduction

The study seeks to enhance the use of African lakes and rivers in tourism while protecting the right to water and sanitation of local communities and seek solutions. This means that a political economy approach<sup>54</sup> to nature-based tourism on lakes and rivers needs to be developed. This relates to tourism, power and inequality, tourism and sustainable development, and tourism and poverty reduction. It is clear that tourism development is a very complex area and that the existence of beautiful water bodies, rich nature and visitor interest does not guarantee successful development. Investment is needed and inclusivity is also necessary if local benefit is to be ensured and political stability supported.

Responsible tourism (pioneered in South Africa) seeks to ensure that tourism is managed for local, environmental and economic benefit (the “triple bottom line”). More recently the Global Sustainable Tourism Council (GSTC)<sup>55</sup> has developed *GSTC Criteria for Destinations*.<sup>56</sup> They reflect certification standards, indicators, criteria, and best practices from different cultural and geo-political contexts around the world in tourism. The Sustainable Tourism Certification Alliance Africa (STCAA) formerly known as the Sustainable Tourism Network Southern Africa (an alliance of sustainable tourism certification stakeholders in Africa) is an associated partner of the GSTC.<sup>57</sup> GSTC criteria for hotels and tour operators clearly state that: businesses and destinations should not jeopardise the provision of basic services (such as water, energy or sanitation) to neighbouring communities. In particular they should ensure the following:

- Land and water rights, and property acquisition are legal, comply with local communal and indigenous rights, including their free, prior and informed consent, and do not require involuntary resettlement.
- Tourism activity does not adversely affect local access to livelihoods, including land and aquatic resource use, rights-of-way, transport and housing.
- Water consumption is measured, sources are indicated, and measures are adopted to minimize overall consumption. Water sourcing is sustainable, and does not adversely affect environmental flows.
- Wastewater, including grey water, is effectively treated and is only reused or released safely, with no adverse effects to the local population and the environment.<sup>58</sup>

In order to promote sustainable development and the transition to a green economy, and to ensure inclusivity and reduce poverty, ANRC’s Guidelines for equitable resource-sharing

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<sup>53</sup> Available at: <<http://responsibletourismpartnership.org/cape-town-declaration-on-responsible-tourism/>>

<sup>54</sup> *Political economy* most commonly refers to interdisciplinary studies drawing upon economics, sociology, and political science in explaining how political institutions, the political environment, and the economic system (capitalist, socialist, or mixed) influence each other. Weingast, B., & Wittman, D. eds., (2008) *Oxford Handbook of Political Economy*. Oxon.

<sup>55</sup> GSTC is the international body for establishing and managing standards for sustainable tourism. It was initiated by the Rainforest Alliance, UNEP, the United Nations Foundation, and UNWTO in an effort to come to a common understanding of sustainable tourism.

<sup>56</sup> Available at: <<http://www.gstccouncil.org/gstc-criteria/sustainable-tourism-gstc-criteria.html>>

<sup>57</sup> The following countries have joined the Alliance: Angola, Botswana, Democratic Republic of Congo, Ghana, Kenya, Lesotho, Madagascar, Mauritius, Mozambique, Malawi, Nigeria, Namibia, South Africa, Swaziland, Seychelles, Tanzania, Zambia and Zimbabwe. < <http://www.sustainabletourismalliance.net>>

<sup>58</sup> Eathcheck Research Institute (2013) *White Paper on Tourism and Water*.

from tourism Africa's rivers and lakes must not only alert governments to economic growth potential by using water resources for tourism: They must also pay attention to who benefits from that growth and its social impacts. In addition, effects on the environment must be carefully considered. This means examining how prevailing structural challenges and shared responsibility are addressed in the planning of tourism development and natural resource management. Governments must promote justice and reduce elite capture<sup>59</sup> through fair and transparent benefit sharing mechanisms.

## 4.2 What is benefit sharing?

'Benefit sharing' is a widely used term, but it lacks a clear or consistent definition. Generally it refers to arrangements where various benefits are distributed among stakeholders at all levels. There are two dimensions to the term benefit sharing:

1. The benefit and the associated beneficiaries.
2. The sharing of the benefits; that is, the mechanism used for recording the benefit and associated obligations as well as distributing the benefits to the beneficiaries.

Technically, benefit sharing is the sharing of benefits among parties involved. Equitable benefit sharing might mean

- equality (everyone receives the same benefits/ amount);
- equity (benefits based on contributions made);
- needs-based (distributions based on satisfying everyone's basic needs); or
- pro-poor (considers impacts of arrangements on the well-being of poor or otherwise vulnerable people).

**Determining what is a benefit versus what is a right:** Legally due payments are not benefits, they are rights. Great care is needed in designing the schemes and ensuring that the asset base of the poor is enhanced rather than reduced by tourism development. Governments must implement their fundamental duty and international legal obligations to uphold, fulfil and protect the rights of their citizens to water and sanitation for personal, domestic and essential livelihood needs. In some sectors (such as hydropower), compensation is an obligatory requirement, whether they are financial or mitigation measures. In such cases, benefit sharing needs to go beyond the mandatory mitigation measures or financial payments. Simply making benefit-sharing a precondition of sustainable investment is insufficient: Benefit sharing needs to be specific and should focus on enhancing community development through opportunities created by the activities, rather than only mitigating impact.<sup>60</sup>

**Ensuring quality governance** is also a challenging but critical part of ensuring that benefit sharing mechanisms are effective and equitable in practice. Equitable benefit sharing is not just a matter of good policy. Benefit sharing requires institutional support, financial and human resources, capacities and political will to be effectively implemented in practice.

**Benefits must be real**, at least exceeding the costs of maintaining the environment upon which tourism depends to local people. Benefits must reach the local people who will bear the opportunity costs<sup>61</sup> for loss of water access or implementation costs<sup>62</sup> from making destinations more attractive for tourism. There are legitimate concerns that this will not happen in practice, including because many local communities often do not have clear or reliable information about tourism development and its implications; do not have their rights recognized or respected; and are politically, economically, or socially marginalized.

**The sharing of benefits** is quite developed in the forest sector, largely due to United Nations mechanisms like Reducing Emissions from Deforestation and Forest Degradation

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<sup>59</sup> Elite capture is where resources transferred designated for the benefit of the larger population are usurped by a few individuals of superior status. Elites take advantage of initiatives aimed at distributing resources or funds to the general public by using their elite influence to direct such assistance in such a way that it primarily benefits the elite group.

<sup>60</sup> Program on Forests (2012) *Benefit sharing in practice: Insights for REDD+ Initiatives*. World Bank

<sup>61</sup> Value of benefits forgone in refraining from activities

<sup>62</sup> Direct costs of implementing measures

(REDD).<sup>63</sup> Benefit sharing is the keystone of community-based forest management arrangements. In these arrangements, management plans detail the allowed uses and distribution of any revenue generated from the sale of timber and non-timber forest products managed by the communities. In countries like Cameroon, Gabon and Liberia, concession law requires that a certain portion of concession revenues be earmarked for community activities. The law puts in place an institutional arrangement for delivering on this requirement. In community-company partnerships, the agreements between the company and outgrowers specify how the latter will be remunerated for their production costs and any additional nonmonetary benefits they may be provided with (for example, seeds and technical assistance). In arrangements involving payments for environmental (or ecosystem) services, the agreements usually specify any transfer of financial resources from the service user to the provider and any other nonmonetary benefits that may be provided. Benefits are generally tied to the performance of the service provider. Successful implementation is highly dependent on monitoring and good governance.<sup>64</sup>

In African tourism, similar approaches have been tried in Wildlife Management Areas, the idea being to allow communities to benefit from their wildlife while taking an active part in conservation. The success of these initiatives has been mixed both in terms of wildlife management and benefits reaching local people. The extent to which local communities can reach the tourism market varies, and transparent accountability is sometimes a problem.

Looking to water-based tourism specifically, sharing benefits requires

- clarifying what the benefits are,
- who are the beneficiaries
- what responsibilities need to be fulfilled in order for the benefit to be delivered,
- how they will be delivered and the frequency with which they will be delivered,
- how responsibilities will be monitored, and
- how conflicts will be resolved.

#### **4.3 Clarifying what benefits are**

Benefit sharing should be seen in terms of the triple bottom line. It does not include rights which citizens already have. It can include the following:

##### *Economic benefits*

- General payments, services, or other items of value provided such as a share of taxes, royalties, profit shares or fees received, or a share of revenues generated.
- Payments for services, or other items of value offered unilaterally or on what might appear to be better-than-market terms, such as preferential hiring of local persons or paying designated individuals/households or communities a share of profits obtained from the project in return for services.

##### *Social benefits*

- Payments, services, or other items of value offered unilaterally or on better-than-market terms to achieve a non-commercial objective of the outside partner, such as empowerment of minorities, reduction of poverty.
- Other items of value supplied gratis or at reduced cost, such as goods; training, electricity.
- Social services including education, health services, or community organization; shared transport, credit; access to markets; or anything else the local partner finds valuable.

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<sup>63</sup> Although even this has been criticised <[http://www.alternatives-internationales.fr/emissions--deforestation-et-speculation\\_fr\\_art\\_1398\\_74134.html](http://www.alternatives-internationales.fr/emissions--deforestation-et-speculation_fr_art_1398_74134.html)>

<sup>64</sup> *Ibid.*

- Providing physical infrastructure such as water supplies, roads, buildings, communication lines, or improvements that open land to new uses;

#### *Environmental benefits*

- Payments, services, or other items of value offered unilaterally or on better-than-market terms to achieve a non-commercial objective of the tourism business, such as conservation of biodiversity.

UNWTO in a 2014 survey of governments and tour operators identified the following benefits from wildlife tourism: 13 per cent of those interviewed mentioned the proportion of tourism-related taxes or licenses as an indirect benefit for communities.<sup>65</sup> 46 per cent of the replies list other indirect benefits.<sup>65</sup> For instance:

- Community development programmes, e.g., education, health, youth, SME development, ecotourism, alternative livelihoods;
- establishment of infrastructure like water supply and access roads to parks in remote areas;
- tourism concessions areas allowing for the establishment of self-employed/SME tourism businesses; and
- nature conservation

## **4.4 Guidelines for good practice**

Adopting good practices will help African countries to achieve economic objectives in terms of building the tourism industry. Good practices will result in sustainable jobs, more foreign exchange, and reduced consumption of precious water resources. They will also protect the integrity of the unique landscapes and waterways, their habitats and species: These play a large part in attracting visitors in the first place and help to sustain unique and high-quality visitor experiences.

Good practices, including corporate social responsibility leading to the sharing of benefits also make good business sense. Improved performance in these areas can enhance a destination or business reputation and recognition in a tourism marketplace. The international market is increasingly showing a preference for responsible products and suppliers. Improved performance can also contribute to more positive relationships with local communities, staff, suppliers, and businesses that are more likely to support businesses and locations that are conserving their environment and contributing to the well-being of local communities.

### ***Economic***

- **Market research**  
Water-based tourism is a market-led industry. To ensure economic sustainability it is vital that robust market research is available at both national and regional levels. Governments that decide to encourage tourism development need to ensure the availability of robust and up-to-date statistics on tourism performance, and on the fiscal environment for tourism in their countries.
- **Balanced economic development**  
Tourism is an industry subject to rapid shocks. For example a crisis in a neighbouring country can have a significant negative impact on inbound tourism. Governments need to ensure balanced economic development and avoid over-dependence on tourism, in particular over-dependence on tourism by communities and poor people.
- **Master planning**  
Tourism development including water-based tourism development has multiple impacts, both positive and negative. Governments need to carefully develop tourism strategies and master plans which mitigate negative impacts (including negative

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<sup>65</sup> UNWTO (2014) *Towards measuring the economic value of wildlife watching tourism in Africa – Briefing Paper*. Madrid.

impacts on the environment and on the poor) and maximise positive impacts, particularly pro-poor and pro-environment impacts. Interagency coordination is needed in considering and implementing ways to protect the environment while fostering the tourism sector's growth and its socio-economic benefits for host communities.

- **Avoiding tourist enclaves**  
Tourists are often shielded from local people, e.g. shores beaches are fenced off for private use, hotel grounds and cruise boats are off-limits to local people, tours have fixed itineraries and stopping points. Special efforts have to be made by governments to avoid such enclave tourism, to provide opportunities for local people and to maximise complementary spending.
- **Measuring and reducing industry water consumption**  
Governments and tourism representative associations should promote the business case for improved practices in water use reduction, and identify potential incentives to encourage better practice in the tourism industry.
- **Fair payment for water use**  
Fair payment for use of water resources should be introduced, particularly for major water consumers such as large hotels and golf courses.
- **Avoiding elite capture**  
Governments should take steps to ensure public supplies are not appropriated by superior tourism sector infrastructure to the detriment of local communities. Opportunities to benefit both should be sought.
- **Encouraging small enterprises**  
In order to build upon the poverty alleviating potential of tourism, measures (such as affordable tariffs and improved water infrastructure) should be introduced to support water access for small-scale tourism entrepreneurs. Nature-based tourism is particularly suited to small and medium-sized business involvement because of the close contact between the clients and the hosts, and the need for flexible working patterns.
- **Encouraging corporate social giving**  
Governments should establish clear incentives for CSR by businesses, for example through tax relief on support for local education. Governments and tourism representative associations should benchmark CSR practices through national schemes and promote them through annual awards.
- **Responsible tourism**  
Governments should establish on-going systems so that tourism businesses and tourism associations can engage in jointly developing ethical initiatives to ensure that responsible tourism is championed, the environment protected and that benefits are distributed fairly among service providers.

## **Social**

- **The right to water**  
Governments should implement their fundamental duty and international legal obligations to uphold, fulfil and protect the right of their citizens to water and sanitation for personal, domestic and essential livelihood needs. This includes protection against infringements by tourism businesses. The right to water and sanitation should always come first and never be compromised by tourism development.
- **Protecting local rights and needs**  
The link between the erosion of community water access and the privatisation of land for tourism purposes should be recognised; measures to protect customary land rights and water access should be introduced, including those of indigenous peoples and micro-nations. Clear ownership and user rights over land and water will allow communities, private-sector tourism enterprises, local government and communities to

make well informed choices over the form of tourism, and the structure of contracts, including the distribution of benefits.

- **Pro-poor agendas**  
Governments should ensure that pro-poor conditions are built into state-sponsored tourism developments, *i.e.* as criteria in tender documents, concessions, management contracts, etc.
- **Measuring social impact**  
Simply making benefit-sharing a precondition of sustainable investment is insufficient. Great care is needed in designing the schemes and ensuring that the asset base of the poor is enhanced rather than reduced by tourism development.
- **Ombudsman service for benefit-sharing**  
Governments should ensure that fair and transparent appeals systems are in place between communities, businesses and local government/protected area management regarding benefit sharing and community rights. A clearly identified department or ombudsman service, and a developed process to investigate and redress community and industry grievances are needed.
- **Policing of benefit-sharing**  
Adequate punitive action should be taken against tourism businesses and government officials found to be in breach of benefit-sharing agreements and water management agreements.
- **Capacity development for enterprise**  
Governments should develop with tourism businesses capacity development support in crafts, tourism and other areas to help meet local communities' livelihood and sustainable development aspirations.
- **Encouraging industry use of local services**  
Governments should actively encourage CSR to educational projects which provide support to local schools and other social services. Governments should encourage businesses to make sustainable arrangements with local communities for the purchase of tourism services. Governments should encourage businesses to employ local guides for specialist tours and supply translation, drawing on their traditional knowledge of their local communities.
- **Fostering greater awareness in visitors**  
Encourage travellers to respect and value natural and cultural heritage. Raise their awareness about the need to respect the natural and cultural heritage of local communities: photos, dress and behaviour. Develop codes of conduct for responsible tourists. Governments should encourage businesses to provide travellers with detailed information about laws governing the exportation of the natural environment and local cultural heritage. Governments/public agencies can also develop codes of conduct as a number have done for sensitive tourism areas (a part of making visitors aware of local circumstances).
- **Creating responsible tourism**  
Governments should encourage businesses to create special programmes, itineraries, and species lists. Governments should encourage businesses to choose local suppliers and companies which reinvest their profits in the country. An example is the Southern Africa *Fair Trade Tourism* certification scheme.<sup>66</sup>

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<sup>66</sup> The certification aims at achieving fair wages and working conditions, fair purchasing and operations, equitable distribution of benefits and respect for human rights, culture and the environment. It also seeks to ensure that the people who contribute their land, resources, labour and knowledge to tourism are the ones who reap the benefits. < <http://www.fairtrade.travel/> >

- **Spreading tourism spend**  
Governments should encourage varied shopping opportunities including quality community initiatives along routes of cruises and avoid elite capture of such business opportunities.

### ***Environmental***

- **Greening the industry**  
Governments should encourage tourism businesses to ensure tourism managers and staff are trained and educated about the fragility of ecosystems, the need for conservation or the advantages of such protection, for example on product quality, minimizing environmental impact and green tourism.
- **Water use assessments**  
Governments should take into account increasing pressures on water supply when considering new tourism developments. Governments should make tourism businesses aware of scientific data on changing rainfall patterns and water resource needs to ensure that developments are not impacting critical ecosystems and water catchments that are also being affected by climate change.
- **Water-saving technology**  
Government and private sector co-operation is needed to capitalise on innovative and technological resources for improving and accelerating infrastructure development regarding water consumption and waste water treatment. The use of new technologies to make water-use monitoring more accessible, convenient, and more efficient should be encouraged and included in planning policies and regulations.
- **Golf courses**  
There is a need to optimise water consumption by increasing efficiency and using innovative technologies. Research and development of drought and disease resistant grass that can survive using low quality irrigation water should be pursued. In some cases golf courses can help the water cycle by attenuating and naturally treating water, and allowing slow percolation into soil and aquifers, ultimately improving water quality.<sup>67</sup>
- **Updating legal instruments**  
Legislation and institutional reforms in the areas of tourism and environmental governance are needed. While existing laws may contain fragments of water management concepts, there are still significant challenges to be confronted.
- **Assessing environmental impact**  
Governments should ensure robust environmental impact assessments for tourism developments of scale. In depth surveys are needed before introducing new products or opening up “unspoiled” water resources to tourism. Governments and tourism businesses should ensure that new infrastructure and practices do not harm critical habitats, such as wetlands, and mangroves habitats. There is an increasing need to prevent contamination of water (groundwater, pools, rivers and lakes) with soap and chemicals.
- **Supporting conservation**  
Governments should actively encourage CSR from the tourism industry to conservation projects which provide benefits of climate change mitigation, better watercourse management, biodiversity conservation and sustainable livelihoods. Governments should encourage businesses to support measures by national parks and local authorities to preserve natural areas and to combat trafficking in protected species and the looting of historical sites

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<sup>67</sup> [https://www.golfenvironment.org/sustainable\\_golf/water](https://www.golfenvironment.org/sustainable_golf/water)

- **Educating tourists about water use**  
Governments should encourage businesses to include information about water use reduction and climate change and ways to minimize its impacts in welcome packages for tourists and to be reminded / illustrated by tour guides / accommodation providers throughout their stay particularly in water-scarce environments.
- **Zoning of water-bodies and shorelines**  
Governments should zone areas to avoid careless behaviour by tourists on or near water bodies which can disrupt habitats and disturb wildlife, affecting the health of the ecosystem and diminishing its value as a tourist attraction
- **Landscaping**  
Governments should encourage businesses to establish systems for sustainable landscape maintenance systems including night-time irrigation, use of grey water, and not using thirsty/invasive non-native species.
- **Minimising pollution**  
Governments should ensure businesses are as non-polluting as possible: effective sewage treatment, well-maintained boats, silent engines in wildlife areas, proper waste management, etc.

Annex 3 suggests key messages for Governments relating to tourism and water, and ensuring equity and benefit-sharing.

## 5 Case studies

### 5.1 Overview

Case studies have been developed examining different aspects of water and tourism in Africa and illustrating economic, social and environmental aspects. The emphasis is on economic opportunities which can add value to water. Twelve examples are presented, taken from different parts of the continent. All illustrate how the three aspects of sustainability must be inter-related if tourism is to add value to water.

Country	Context/main characteristics	Issues illustrated
<b>Economic issues case studies</b>		
Egypt	Potential to use more of the Nile for tourism purposes, to extend length of stay and improve services	Economic potential of water as a tourism asset.
Gabon	Potential to use well preserved water-based assets to attract inward investment	Economic potential of water and water-based landscapes as a tourism asset.
Malawi	Potential to adapt water-based tourism product to meet market needs	Economic potential of using water to attract higher spending/longer staying tourists.
Rwanda	Potential to invest in water-based tourism product with emphasis on planning of tourism clusters	Economic potential of using existing water resource for tourism.
Swaziland	Potential to use water for tourism and leisure purposes, but need to ensure tourism facilities match market expectations	Economic potential of market-led investment.
<b>Social issues case studies</b>		
Cape Verde	The need to ensure equity in potable water supply between tourists and locals	Social issues relating to water which need to be managed for tourism to succeed.
Botswana	The challenge of ensuring local benefit from tourism, and the need to manage the water resource for the benefit of all.	Social issues relating to water which need to be managed for tourism to succeed
Tanzania	The potential of	Social issues relating

	creating a more responsible attitude to local water supply in tourism businesses and amongst tourists	to community engagement and equity
<b>Environment issues case studies</b>		
Cameroon	The need for sustainable destination management structures	Importance of preserving the environment for water-based tourism
Seychelles	Adopting a blue economy approach and introducing eco-labelling	Taking practical steps in the tourism industry to preserve the environment
The Gambia	Challenge of taking responsibility for managing water resources	Collective approaches to water resource management
Zambia/Zimbabwe	Trans-boundary water-based tourism destination management at one of Africa's leading tourism attractions	Trans-boundary management of a UNESCO world heritage site with unique environmental aspects

## 5.2 Northern Africa



### ***Egypt: Making more of the gift of the Nile through cruising***

- *Case study illustrates potential to spread water-based tourism*

#### ***Background***

Egypt is Africa's longest established tourism destination and one of its most developed. The AfDB is supporting tourism in Egypt through its Support to Micro and Small Enterprises Development Project.<sup>68</sup> AfDB's *Egypt Interim Strategy Paper 2012-2013* highlights the importance of tourism in Egypt's diversified economy, and its vulnerability to political disturbances. It also points out the negative impact that the expansion of tourism has had on Egypt's environment. Tourism is however still seen as a sector with strong potential for growth, job creation and poverty reduction. While modern day tourism has seen extensive coastal tourism development, AfDB's Interim Country Strategy points out that this is vulnerable to climate change. Traditionally Egypt's main appeal has been its Pharaonic and Islamic heritage, mostly found along the River Nile and in Cairo. While tourist numbers to Egypt dropped significantly due to security concerns (from 14.7 million in 2010 to 9.5 million in 2013), visitor numbers remain substantial and will undoubtedly recover if political stability returns.

<sup>68</sup> AfDB (n/d) *African Development Bank in Egypt*



Picture: Egyptian Tourism Authority

### **Tourism and water**

Lake Nasser and the Nile are Africa's main destinations for river cruising, globally a rapidly expanding high end product. Demand comes especially from Egypt's traditional source markets in Europe and North America. Nile cruising is a quality product and tourism feedback is usually favourable. However for control reasons the locations where Nile Cruises are available is very limited relative to what Egypt can offer. In addition, the style of boat is dated, mostly that of a floating 3 star hotel, and no longer compares well with other river cruising destinations. Most tourists stay less than a week on a Nile Cruise and travel from Luxor to Aswan (or the reverse) or take a trip around Lake Nasser.

### **Practical solutions**

While authorities' immediate concern is likely to be bringing the existing product back to capacity, Egypt's 2008 master plan<sup>69</sup> indicated that there is a demand to reinstate long distance cruises from Cairo to Luxor and multiple opportunities to visit other sites and spread tourism. In addition to being an attractive stand-alone 4/5 day product, the re-establishment of long river cruises could help to revitalise tourism in middle reaches of the Nile and particularly in Al-Minya with its associated cultural sites. Nile tourism could also be more of a catalyst for the handicraft and SME development along the river. A leisurely voyage along the Nile could operate as a floating platform for many special interest activities: It could for example serve as a moving 'hide' for ornithologists as the river represents an extended bird sanctuary.

The more traditional *felucca* (Nile sailing boat) can be hired for tourism purposes in a number of locations including Cairo, and day trip boats are also available. However there is an opportunity to up the standard of these crafts, brand the product and attract more tourism. Luxor, the traditional main hub of river tourism, could significantly increase its business if tours south in addition to tours northwards were offered.

Development would require investment in mooring facilities, boat fleets, pump out facilities, riverside retail and craft opportunities, community engagement, training and security: All significant sources of badly needed employment in Egypt. In addition there is potential to "green" the Nile fleet, by reducing diesel consumption, retro-fitting more boats with energy saving devices and sewage holding tanks, and slowing journey times with more stops *en route*.

A comprehensive multi-stakeholder investment package focussed on private sector operators and public infrastructure works and community tourism to expand Nile tourism could make sense.

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<sup>69</sup> Ministry of Tourism (2008) *Egypt Sustainable Tourism Development Strategy 2008-2020*

## EGYPT WATER FACTS

Population	82,600.000
Total water footprint of national consumption <sup>70</sup> (million m <sup>3</sup> per year)	95,000
Internal water sources	71%
External water sources	29%
Fresh water withdrawals (% of total renewable water resources)	96.6%
Percentage of rural population with access to improved water source <sup>71</sup>	99%

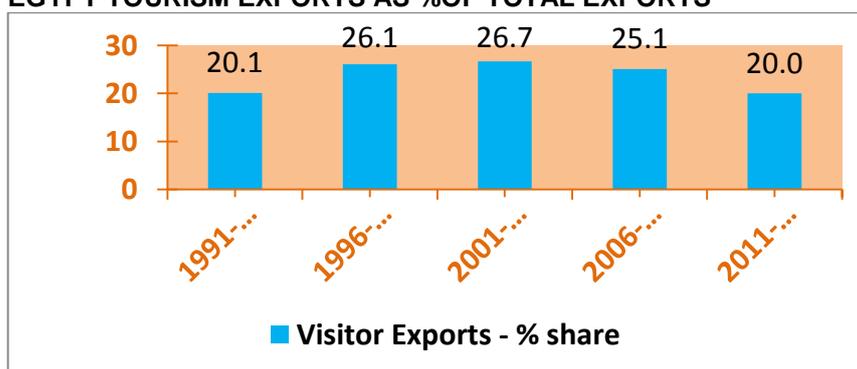
Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank (2015). Available at: <data.worldbank.org>

## EGYPT TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	14,731	9,845	11,532	9,464
<b>Overnight inbound visitors ('000)</b>	<b>14,051</b>	<b>9,497</b>	<b>11,196</b>	<b>9,174</b>
<b>Expenditure (USD millions)</b>	<b>13,633</b>	<b>9,333</b>	<b>10,823</b>	<b>7,253</b>
Inbound tourism over exports of goods and services	27.9%	19.8%	22.3%	13.6%
Inbound tourism expenditure over GDP	6.3%	4.0%	4.3%	2.4%
<b>Domestic tourists (overnight trips)</b>	<b>9,027</b>	<b>8,180</b>	<b>8,300</b>	<b>9,689</b>
Number of employees in tourism industry ('000)	1,644.1	1,655	1,706.7	1,698.8

Source: UNWTO (2015) *Compendium of Tourism Statistics*

## EGYPT TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruegwd/tourism-country-profile?Region=Egypt>>

<sup>70</sup> The total amount of fresh water that is used to produce the goods and services consumed by the inhabitants of the state. Part of this water footprint lies outside the territory of the nation.

<sup>71</sup> The improved drinking water source includes piped water on premises (piped household water connection located inside the user's dwelling, plot or yard), and other improved drinking water sources (public taps or standpipes, tube wells or boreholes, protected dug wells, protected springs, and rainwater collection).

### 5.3 Western Africa



#### ***Cape Verde: Tourism in a water-scarce environment***

- *Case study illustrates challenge of equity in potable water supply for tourists and locals and recommends solutions.*

#### ***Background***

In island destinations, potable water supply can be a key restraining factor on development. Tourist arrivals to the ten-island archipelago of Cape Verde have grown rapidly in the last decade. In 2014 an estimated 518,000 international tourists visited the country. A greater number than that of the islands' population. Tourism receipts have contributed significantly to Cape Verde's transformation from a least developed country (LDC) to a lower middle income country and helped it move towards its millennium development goals (MDGs). Cape Verde's Government is widely regarded as one of the most democratic in sub-Saharan Africa. The country has also gained international credibility for its sound macroeconomic policies: a stable currency pegged to the euro, low corruption, simplified taxes, and a reformed banking sector, all of which have helped to attract tourism investment.<sup>72</sup> This has focussed on the islands of Sal and Boa Vista, where all-inclusive resorts have mostly located, offering Western European source markets sun and sand beach holidays at a price that is cheaper than the Caribbean, has a minimal time difference, and a flight time of less than six hours.<sup>73</sup> While most of these resorts

<sup>72</sup> World Bank (2013) *Tourism in Africa: Harnessing Tourism for Growth and Improved Livelihoods*

<sup>73</sup> The Travel Foundation (2015) *Cape Verde Programme : 2014 Annual Report*. Available at: [http://www.thetravelfoundation.org.uk/projects/destinations/cape\\_verde/](http://www.thetravelfoundation.org.uk/projects/destinations/cape_verde/)

are foreign owned, a study by the Overseas Development Institute (ODI)<sup>74</sup> has shown that leakage from tourism (the largest sector of the economy) is actually less than from other sectors. ODI estimated that 40% of national GDP was being spent on imports (as might be expected in an economy dominated by remittances and aid being used to finance imports). In this context, the 34% 'leakage' rate calculated for tourism is actually lower than for the non-tourist economy.



### **Tourism and water**

In *Cape Verde: The Road Ahead* (AfDB n/d) the Bank highlights the cost of water supply as a key limiting factor on development. The country produces 80 percent of its potable water using very expensive and carbon-intensive diesel-powered desalination plants. The cost of fuel (all imported) to run these plants, and to run electricity generators, is very high, making the cost of water also high. AfDB also highlights a confusing institutional framework for water services. On the main resort island of Sal there is sometimes

competition for scarce water supply between all-inclusive hotels, which often have in the region of 1,000

Picture: <<http://travel.nationalgeographic.com/travel/countries/cabo-verde-guide/>>

rooms, and the residential areas such as Espargos. Whereas many of the hotel guests may not even be aware of water shortage issues, Cape Verdeans may have their water supply switched off for hours during the day to cope with the demands of tourism. Because tourism has greater ability to pay for water than locals, it receives preference from supply companies.

### **Practical solutions**

AfDB (*ibid.*) notes that the Government has embarked on a reform agenda for energy water and sanitation. Renewable sources of energy, in particular wind power, are being developed. The Government has drafted a Tourism Master Plan to identify future infrastructure needs based on projected forward growth. On Sal in 2013, the Travel Foundation helped to create a destination council which enables stakeholders from different sectors to meet quarterly and work towards the vision of Sal as a sustainable tourism destination. The council brings together senior staff from Government, tour operators, ground agents, hotels, service providers, training centres and NGOs to identify risks and opportunities associated with tourism and develop successful initiatives in response. The water supply company Aguas de Ponta Preta is included on the council. Some leading resorts have obtained green tourism certification, which includes measuring and seeking to reduce water consumption. The high cost of water for tourism enterprises should encourage conservation, but there are opportunities to educate tourists to reduce water consumption, and to increase eco-certification in Cape Verde's tourism industry, which have yet to be taken up. It was announced in April 2015 that the international airport in Praia, the capital, will have its passenger and luggage processing capacity doubled within two years.

<sup>74</sup> ODI (2008) *Tourist Development in Cape Verde: The policy challenge of coping with success*. Available at: <<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5850.pdf>>

## CAPE VERDE WATER FACTS

Population	443,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	550
Internal water sources	50%
External water sources	50%
Fresh water withdrawals (% of total renewable water resources)	6.8%
Rural population with access to improved water source	86%
Urban population with access to improved water source	91%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank (2015). Available at: <data.worldbank.org>

## CAPE VERDE TOURISM FACTS

	2010	2011	2012	2013
<b>Overnight inbound visitors (000s)</b>	<b>336</b>	<b>428</b>	<b>482</b>	<b>523</b>
<b>Expenditure (USD millions)</b>	<b>387</b>	<b>438</b>	<b>471</b>	<b>512</b>
Inbound tourism over exports of goods and services	61.5%	56%	60.6%	60.8%
Inbound tourism expenditure over GDP	23.3%	23.5%	-	-
<b>Domestic tourism in hotels ('000)</b>	<b>46</b>	<b>47</b>	<b>52</b>	<b>49</b>

Source: UNWTO (2015) *Compendium of Tourism Statistics*

## CAPE VERDE TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Cape%20Verde>>

### ***The Gambia: Collective responsibility***

- *Case study illustrates the challenge of taking responsibility for managing water resources and the opportunity of collective approaches.*

### ***Background***

The Gambia is Africa's smallest riverine country. As AfDB's strategy points out, tourism has been the Gambia's most significant foreign exchange earner, followed by transit-trade services and agriculture.<sup>75</sup> In 2005-6 AfDB supported tourism master planning in The Gambia. It has identified that strengthening the tourist sector and its affiliated industries will spread the benefits of tourism into broader segments of the domestic labour force. The informal sector and agricultural linkages are a critical element in this process. Almost half of its population share the coast with tourism development. Two thirds of the coastline is a designated Tourism Development Zone. Away from Atlantic resorts there are some award winning eco-lodges and small wildlife parks in the narrow inland of this country. It is a bird lover's Utopia: and river cruises are part of the tourism product, passing through mangrove-lined wetlands and lush gallery forests.

### ***Tourism and water***

Despite the great River Gambia which flows through it, the country is facing serious water challenges. It is also severely vulnerable to rising sea levels due to climate change. The main constraint with water supply as identified in AfDB's 2006 Tourism Master Plan Infrastructure Report is not the availability of adequate water, but the lack of infrastructure, particularly power, to transmit it to the areas of demand. Also the high tariff charged to hotels has encouraged them and other large users to pump their own water. The Ministry of Water Resources stated that, to avoid any potential saline intrusion into the deep aquifer, borewells should not be drilled less than two kilometres from the coastline. However, many hotels have bores within this range. The shallow aquifer is also being lowered through over pumping and there is more danger of saline intrusion here. Water issues in The Gambia stem from a weak regulatory framework, poor inter- departmental coordination, and lack of financial and institutional capacity to plan, monitor and equitably manage its freshwater resources. Within the coastal Tourism Development Zone 25 per cent of the population has access to piped water. Ageing infrastructure struggles to meet the high demand. Up to a fifth of water is being lost to leaking pipes, which causes persistently low water pressure. Frequent power cuts mean that the electric pumps used to disburse water through the pipes cannot work. In Fajarah, the local water treatment plant and supply station are reportedly contaminated, which means the authorities cannot provide an adequate supply to local households. Meanwhile, public supply in rural areas is minimal, and provision depends heavily on international donors. In order to counter erratic supplies, most hotels and second homes dig private boreholes with electric pumps. However, this practice is entirely unregulated and unmonitored.<sup>76</sup> The prevailing perception among hoteliers is that water from boreholes is "free" and "unlimited". This is a particular concern given the need for the water authorities to increase revenues in order to improve water infrastructure. Additionally, Tourism Concern reports that many hotels have faulty water meters. Therefore they pay the same amount regardless of occupancy rates. Overall, hotels have little idea of how much water they are consuming (estimates varied from 20 litres per room per day, to 1,310 litres per room per day), and little incentive to reduce their usage. Furthermore, intense development and concretisation of ground surfaces is exacerbating rainwater run-off and risk of flooding during the monsoon.

### ***Practical solutions***

At watershed level, future water security depends upon The Gambia's continued engagement in a cross-border initiative to manage the River Gambia, which farmers and fishers utilise for crop irrigation and livelihoods. The river is also vital to replenishing groundwater. A new Water Policy was created in 2008, but there is no legal basis for its implementation.

The challenge of bringing the benefits of tourism to poorer people was recognised some 30 years after the first tourists arrived: In 1999 the Association of Small Scale Enterprises in Tourism (ASSET) was founded. SMEs and M-SMEs have been encouraged to help each other in the area of marketing, product development and training of members, members of the

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<sup>75</sup> AfDB/World Bank (2012) *The Gambia Joint Assistance Strategy 2012-2015*

<sup>76</sup> Tourism Concern (2012) reports that the Department of Water Resources has no information on borehole numbers, sitings and usage, nor does it have the legal mandate to conduct the necessary investigations or enforce better practices

formal and public sectors, working with the Gambia Hotel Association, ground handlers, equipment hirers and UK-based tour operators, the Gambia Tourism Authority and the Ministry of Tourism and Culture.<sup>77</sup>

The experience of The Gambia, highlights the opportunity for small, locally owned entrepreneurs and communities to work together and also cooperate with other private sector actors in the industry to bring about sustainable benefits for poor people. A new collaborative initiative on water conservation is needed. This has been proposed in the second country status overview prepared by the African Ministers' Council on Water (AMCOW).<sup>78</sup>

*This case study draws on Water Equity in Tourism in The Gambia (2011), by Rebecca Latchford and Dauda Niang and published by Tourism Concern.*

### THE GAMBIA WATER FACTS

Population	1,850,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	1,175
Internal water sources	62.7%
External water sources	37.3%
Fresh water withdrawals (% of total renewable water resources)	1.1%
Rural population with access to improved water source	84%
Urban population with access to improved water source	94%

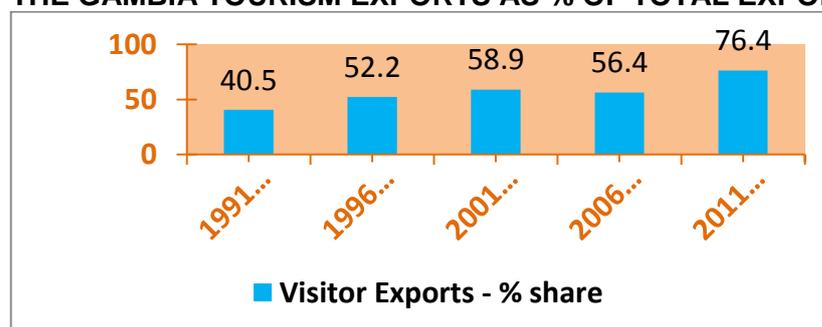
Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank (2015). Available at: <data.worldbank.org>

### THE GAMBIA TOURISM FACTS

	2010	2011	2012	2013
<b>Overnight inbound visitors (000s)</b>	<b>91</b>	<b>106</b>	<b>157</b>	<b>171</b>
<b>Expenditure (USD millions)</b>	<b>80</b>	<b>92</b>	<b>99</b>	<b>-</b>
Inbound tourism over exports of goods and services	29.6%	30.1%	29.6%	-

Source: UNWTO (2015) *Compendium of Tourism Statistics*

### THE GAMBIA TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=The%20Gambia>>

<sup>77</sup> Bah, A. (2006) *Challenges of Tourism for Local Communities The Gambian Experience*. Tourism Concern

<sup>78</sup> AMCOW (2015) *Water Supply and Sanitation in the Gambia: Turning Finance into Services for 2015 and Beyond*

## 5.4 Eastern Africa



### **Rwanda: Identifying water-based assets for future tourism development**

- Case study illustrates potential to use water bodies for tourism development

#### **Background**

Rwanda has ambitious plans for economic growth. Tourism has been identified by its Government as a major plank of development policy. Rwanda's *Economic Development and Poverty Reduction Strategy 2013-2018* seeks annual tourism growth of 25% in real terms<sup>79</sup>. This is far above what the county's tourism industry could be expected to achieve based on current trends and well ahead of global forecasts for Africa. Rwanda's post-genocide tourism recovery has concentrated on nature-based tourism, in particular its iconic gorillas which can be visited in the Volcanoes National Park. However it is recognised that the potential of this tourism product is both finite (due to the limited numbers of people that can visit the gorillas in strictly controlled groups) and fragile: Mountain gorillas are one of the most endangered animal species in the world and they are very vulnerable to human diseases. Their entire world consists of 285 square miles of high-elevation rain forest where the borders of the Democratic Republic of Congo, Rwanda and Uganda meet. As a result, the emphasis of Rwanda's *Sustainable Tourism Development Strategy to 2020* is on product diversification to achieve growth: To move "beyond gorillas". The rapid growth targeted will require a major increase in capital investment in accommodation and attractions to deliver increased numbers, increased length of stay and increased visitor expenditure. The Rwanda Development Board is charged with delivering these targets and has included tourism around lakes and wetlands in its plans.

<sup>79</sup> Cumulative growth in real terms (2020 v 2013) as follows: visitor numbers +246%; visitor expenditure +472%

## Tourism and water



Lake Kivu, the twin lakes of Burera and Ruhondo, the Rugezi Wetlands, the Akagera National Park and the reservoir Lake Muhanzi have been identified as amongst the potential locations for tourism development. Lake Kivu is one of the African Great Lakes: It empties into the Ruzizi

Photograph: Lake Ruhondo <<http://www.coxandkings.co.uk/africa/rwanda>>

River, which flows southwards into Lake Tanganyika. The lake bed itself sits upon the Albertine Rift that is slowly being pulled apart, causing volcanic activity in the area, and making it particularly deep. Its maximum depth of 480 m is ranked eighteenth in the world. Akagera National Park on Rwanda's Eastern border is named after the Kagera River which feeds into several lakes in the protected area, the largest of which is Lake Ihema. A complex system of lakes and linking papyrus swamps makes up over one third of the Park and it is reported to be the largest protected wetland in central Africa. Apart from wildlife watching in Akagera, none of these areas has a particularly strong tourism industry at present.

### **Practical solutions**

Because targets for growth exceed present and projected future demand, Rwanda's tourism strategy is supply-led. In order to deliver tourism revenues it must increase quality accommodation supply, invest in improved attractions and human resource development, and invest significantly in marketing. It will have to put in place a fiscal regime favourable to investors, provide capital incentives including grants and ensure continued security. Authorities must also control development paying particular attention to environmental impacts on water-bodies.

The Rwanda Development Board's approach has been to create Destination Management Areas (DMA) around potential tourism hubs: These include towns on the shores of Lake Kivu, around the Volcanoes National Park, at Akagera, and around Kigali. Within each DMA locations are suggested for different types of tourism development, for example a 5 star eco-resort in Akagera National Park, community-based tourism (CBT) initiatives around the twin lakes, live aboard accommodation on the River Kagera, and leisure resorts on the shores of Lake Kivu.

A system of compensation will be needed because Rwanda's dense population pattern means that some displacement to make way for tourism developments is inevitable.<sup>80</sup> The situation is complicated by widespread settlement in National Parks by returning refugees two decades ago. DMA development plans call for support for conversion of some houses to accommodate tourists and training in CBT. It is recognised that tourists' boats need to be ecological, for instance electric cruise boats. Training for boat operators to respect environmentally friendly practices is called for. The need to perform an exhaustive Environmental and Social Impact Assessments (ESIA) according to both national and international (AfDB) standards is vital for larger and location-sensitive projects; as is the need to develop employees' practices and communications with clients regarding respect of nature, water consumption management, energy saving and renewable energy uses, and the reduction of waste produced. A key challenge will be resourcing the Rwanda Development Board and other agencies to deliver these initiatives.

AfDB's country strategy suggests that the country has enormous potential for niche tourism.<sup>81</sup> It highlights that there are further opportunities for Bank Group support through its

<sup>80</sup> AfDB Guidelines are available. See: AfDB (2013) *Integrated Safeguards System: Policy Statement and Operational Safeguards*

<sup>81</sup> AfDB (2011) *Rwanda: Bank Group Country Strategy Paper 2012-2016*

private sector window. The Bank's Eastern Africa regional strategy also highlights that natural resources offer opportunities for productive activities and eco-tourism.<sup>82</sup>

### RWANDA WATER FACTS

Population	11,780,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	6,400
Internal water sources	96%
External water sources	4%
Fresh water withdrawals (% of total renewable water resources)	1.6%
Rural population with access to improved water source	68%
Urban population with access to improved water source	81%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank (2015). Available at: <data.worldbank.org>

### RWANDA TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	666	908	1,076	1,137
<b>Overnight inbound visitors ('000)</b>	<b>504</b>	<b>688</b>	<b>815</b>	<b>864</b>
<b>Expenditure (USD millions)</b>	<b>224</b>	<b>298</b>	<b>337</b>	<b>351</b>
Inbound tourism over exports of goods and services	36.0%	32.6%	33.2%	29.1%
Inbound tourism expenditure over GDP	4.0%	4.7%	4.7%	-

Source: UNWTO (2015) *Compendium of Tourism Statistics*

### RWANDA TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruegwd/tourism-country-profile?Region=Rwanda>>

<sup>82</sup> AfDB (2011) *Eastern Africa Regional Integration Strategy Paper 2011-2015*

### ***Seychelles: Developing a blue economy***

- *Case study illustrates how a commitment to environmental protection is important for tourism success*

#### ***Background***

Seychelles is firmly positioned as an exclusive island destination through its focus on attracting top luxury hotel brands and high-yield tourists. The government has also been seeking to raise Seychellois ownership and participation in the tourism industry with a resulting broadening of the tourism product including guest houses, self-catering and other forms of lower priced accommodation (accommodation units of 24 rooms or less are restricted to Seychellois). The country's image is inextricably linked to a pristine environment that has been maintained through limited development. Yet large investments continue to flow in and accommodations of all sizes are being built at a rapid pace. To date the country has been particularly effective in creating a policy framework that is both business and environment-friendly, nurturing a strong public-private partnership, attracting press attention through annual events, establishing a market-driven training academy, and diversifying its source markets.



Picture: <<http://www.orbital-seychelles-holidays.co.uk/praslin>>

Few countries in the world depend as heavily upon tourism as Seychelles: In terms of GDP, 24.8% can be directly attributed to tourism. This figure rises to 60.8% when factoring in indirect and induced impacts.<sup>83</sup> Policy decisions about the future growth of the tourism industry have become crucial. In essence, Seychelles must decide at which point positive impacts of growth cease to outweigh negative impacts such as environmental degradation, diminished aesthetic appeal, local labor force saturation, reduced returns to businesses, and decreased levels of satisfaction among the Seychellois.

#### ***Tourism and water***

AfDB's country strategy for the Seychelles<sup>84</sup> highlights water supply and sanitation as key issues. The African Water Facility's review of water and sanitation in Seychelles<sup>85</sup> highlights the challenges arising from the boom in the construction of both residential houses and tourist establishments. It states that this rapid economic and demographic growth is having a heavy toll on the environment. As a result, the need to preserve the country's fragile environment, and in particular reduce the stress on already scarce water resources has been recognized as one of the challenges which have to be addressed for the country to continue with its economic growth. Key needs are identified as follows:

- Minimizing fresh water demand by using reclaimed water

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<sup>83</sup>World Bank (2013) *Seychelles Tourism Sector Review: Sustaining growth in a successful tourism destination*.

<sup>84</sup> AfDB (2011) *Seychelles Country Strategy Paper 2011-2015*

<sup>85</sup> African Water Facility (2014) *Seychelles Integrated and Comprehensive Sanitation Master Plan: Project Appraisal Report*. AfDB.

- Increasing agricultural productivity by providing reclaimed water for irrigation and treated organic wastes for fertilization and soil improvement,
- Securing tourism development by improving surface water quality,
- Reducing greenhouse gas emissions by optimizing sanitation infrastructure energy demand and generating renewable energy from wastes, and generally Integrating the sanitation master planning process with other relevant sectors

#### *Practical solutions*

To address these issues Seychelles is championing the “Blue Economy” as its future sustainable development model. A Blue Economy business model aims to shift society from scarcity to abundance by tackling issues that cause environmental and related problems in new ways. The concept was pioneered by Gunter Pauli<sup>86</sup> and stresses reuse of waste and maximising use of what is locally available rather than importing materials. Despite its small size Seychelles also plays a strong role internationally in the areas of environment, climate change and tourism. In the Blue Economy Concept Paper prepared for the United Nations Conference on Sustainable Development (UNCSD), Rio de Janeiro 2012, it was pointed out both the potential and challenges of water-based tourism:

The tourism consumer is driving the transformation of the sector with a 20% annual growth rate in ecotourism; about six times the rate of growth of the overall industry. A Blue Economy approach where ecosystem services are properly valued and incorporated into development planning will further advance this transition, guiding tourism development and promoting lower impact activities, such as ecotourism and nature-based tourism, where the natural capital is maintained as an integral part of the process.

Tourism brings challenges in terms of increased: greenhouse gas emissions, water consumption, sewage, waste generation and loss or degradation of coastal habitat, biodiversity and ecosystem services.<sup>87</sup>



Picture: <[www.seychelles.travel](http://www.seychelles.travel)>

As a fragile ecosystem, the Seychelles archipelago belongs to one of the major biodiversity hotspots in the world. Approximately 47% of the country’s landmass, and some 228 km<sup>2</sup> of its ocean territory, are under some form of protected status. However, the islands’ biodiversity remains at risk from a variety of human induced pressures; making the conservation and sustainable use of biodiversity to be of vital importance for the country’s sustainable development. In this regard, the Seychelles Government also introduced the Seychelles Sustainable Tourism Label in 2011 with the support of the Global Environment Facility (GEF) to ensure continuous sustainability of tourism and the natural resource it depends on; the environment. The tourism industry is being actively encouraged to join this initiative which includes encouraging better water resource management in tourism businesses.

<sup>86</sup> <<http://theblueeconomy.org>>

<sup>87</sup> UNCSD (2012) *Blue Economy Concept Paper*. Available at: <<https://sustainabledevelopment.un.org/content/documents/2978BEconcept.pdf>>

## SEYCHELLES WATER FACTS

Population	91,500
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	134.5
Internal water sources	38.1
External water sources	61.9
Fresh water withdrawals (% of total renewable water resources)	-
Population with access to improved water source	96%

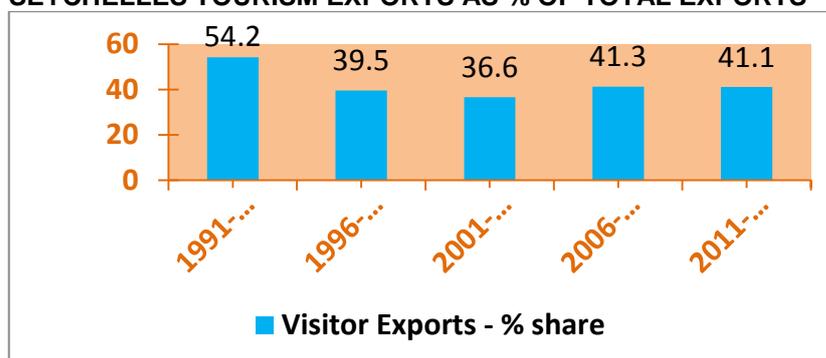
Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank data (2015). Available at: <data.worldbank.org>

## SEYCHELLES TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	191	210	216	237
<b>Overnight inbound visitors ('000)</b>	<b>175</b>	<b>194</b>	<b>208</b>	<b>230</b>
<b>Expenditure (USD millions)</b>	63	65	57	
Inbound tourism over exports of goods and services	41.9%	40.1%	37.6%	

Source: UNWTO (2015) *Compendium of Tourism Statistics*

## SEYCHELLES TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Seychelles>>

## Tanzania: Ensuring equity between tourism and local water use

- Case study illustrates potential for conflict to undermine tourism if water equity not ensured

### **Background**

The islands of Zanzibar are a key tourism destination in the United Republic of Tanzania. The tourism industry has created many jobs, which have benefitted numerous sectors of society. AfDB's country strategy for Tanzania highlights tourism as one of two key drivers of growth. In Zanzibar the strategy points out that it is the main economic sector. The AfDB strategy states that earnings from the sector could be significantly enhanced by strengthening regulatory and support policy framework, marketing of the sector's key attractions, ensuring sustainable utilization of wildlife and other natural resources, and incentivizing private investors to undertake infrastructure improvements.

Despite the significant growth of tourism, 15 per cent of Zanzibar's population is poor and deprived in drinking water.<sup>88</sup> Women in particular spend significant amounts of time carrying water. This diverts them from other income-generating activities and means women face the most immediate problems when fresh water is scarce. Zanzibar depends upon the seasonal rains (March to May and November to December) to replenish its underground water supplies: These constitute the principal water source for the islands. Rainfall in the east is the lowest in the islands and this region has been classed as water poor. However, tourism is concentrated around the east and north and coasts of Unguja, with tourist numbers peaking during the dry season.



Picture: <<http://www.al-ansarifoundation.org/>>



Picture: <<http://www.unmotivating.com/the-most-breathtaking-pools-around-the-world-get-ready-to-drool/6/>> Zanzibar

<sup>88</sup> University of Oxford (2015) *The Global Multidimensional Poverty Index (MPI)*, 2014. Available at: <<http://www.ophi.org.uk/multidimensional-poverty-index/>>

### **Tourism and water**

In the villages and popular resort areas of Kiwengwa, Nungwi and Jambiani, there are stark inequities between water access, consumption and quality for local communities and the growing numbers of hotels and guesthouses. All villages are facing increasing water scarcity and many residents report a daily struggle to access sufficient quantities. Water infrastructure and supplies to the communities are inadequate, while the over-extraction of groundwater by the tourism industry is causing salination of local wells. On average, households across the three villages consume some 93.2 litres of water per day.<sup>89</sup> The type of tourist accommodation in each village varies, but average consumption per room ranges from 686 litres per day for guesthouses, to 3,195 litres per day for 5-star hotels. This gives an overall average consumption of 1,482 litres per room per day: 16 times higher than average household daily usage. Very few hotels surveyed in 2012 undertook water conservation measures. Just two practised rainwater harvesting and the majority change linen on a daily basis. Only one hotel treats its grey water sufficiently for garden use. A minority reported using sewage treatment plants, with most disposing of their sewage into soak pits. This widespread use of unlined soak pits means sewage is leaching into the water table, posing a threat to human health and marine ecosystems.

Local communities are aware of the issues and inequities. In Kiwengwa, residents widely reported conflicts with hoteliers over water. Tourism in Kiwengwa is mostly high-end, including three 5-star hotels. Community wells have reportedly become salty since the arrival of tourism 15 years ago. Many residents say they must now buy water from private vendors who transport water in from elsewhere. However, not all can always afford to do so. In the mid-1990s, two hotels were granted government permission to pump water from a cave on the condition that they also supplied water to Kairo, the closest neighbouring area of Kiwengwa. Local people also report that the hotels have not always honoured the agreement, and would prioritise their own needs over those of residents. Anger at this provoked some community members to cut the hotels' water pipes and to hold public demonstrations. Water pressure and quantity is often reportedly insufficient for the village's needs, particularly during dry seasons. "The caves that produce water... are the property of our village, but they are colonised by the investors and they do whatever they want", said one villager. Cave water sources are now guarded 24 hours a day by hoteliers.

Wall-to-wall hotels and guesthouses surround the village of Nungwi. Water supply is hugely problematic. Local residents report that well water has become too saline for use. The one remaining public borehole and pump are inadequate to service the area. This means most villagers must buy water transported from Channi, a town 20 km away. Meanwhile, four of the larger hotels have sunk their own boreholes. The perceived water inequity between hotels and local residents has resulted in conflict. Hotel water pipelines have been deliberately cut by locals. This has prompted some hotels to employ guards to patrol their pipelines.

### **Possible solutions**

In contrast, in the southern part of Jambiani village, there is positive cooperation between tourism businesses and the community. One hotel maintains a community pump and buys in water when this is not working. Other hotels have reportedly exerted pressure on the water department to fix broken water infrastructure quickly. In fact, there are incidences of good cooperation between hotels and villagers in each of the villages. However, while such schemes can promote community water access, they leave villages subject to the whims of the hotels. Furthermore, many hotels close during low season, potentially leaving communities without water.

Among tourists interviewed by "Tourism Concern" across the three villages, less than half indicated that they were aware of water issues in Zanzibar. Although 60 per cent described themselves as committed to environmental sustainability, most delegated responsibility to their hotels. However, over half felt it would be acceptable to increase the cost of their holiday to pay for improved water infrastructure.

*This case study is summarised from Zanzibar Case Study: Villages of Kiwengwa, Nungwi and Jambiani (2011) by Lorna Slade of Mwambao Coastal Community and was published by the UK charity Tourism Concern in 2012.*

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<sup>89</sup> Tourism Concern (2012) *Water Equity in Tourism: A Human Right – A Global Responsibility*

## TANZANIA WATER FACTS

Population	49,250,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	9,700
Internal water sources	90%
External water sources	10%
Fresh water withdrawals (% of total renewable water resources)	5.2%
Rural population with access to improved water source	44%
Urban population with access to improved water source	78%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank data (2015). Available at: <data.worldbank.org>

## TANZANIA TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	783	868	1,077	1,096
<b>Overnight inbound visitors ('000)</b>	<b>754</b>	<b>843</b>	<b>1,043</b>	
<b>Expenditure (USD millions)</b>	<b>861</b>	<b>1,383</b>	<b>1,605</b>	-
Inbound tourism over exports of goods and services	20.1%	18.7%	18.8%	

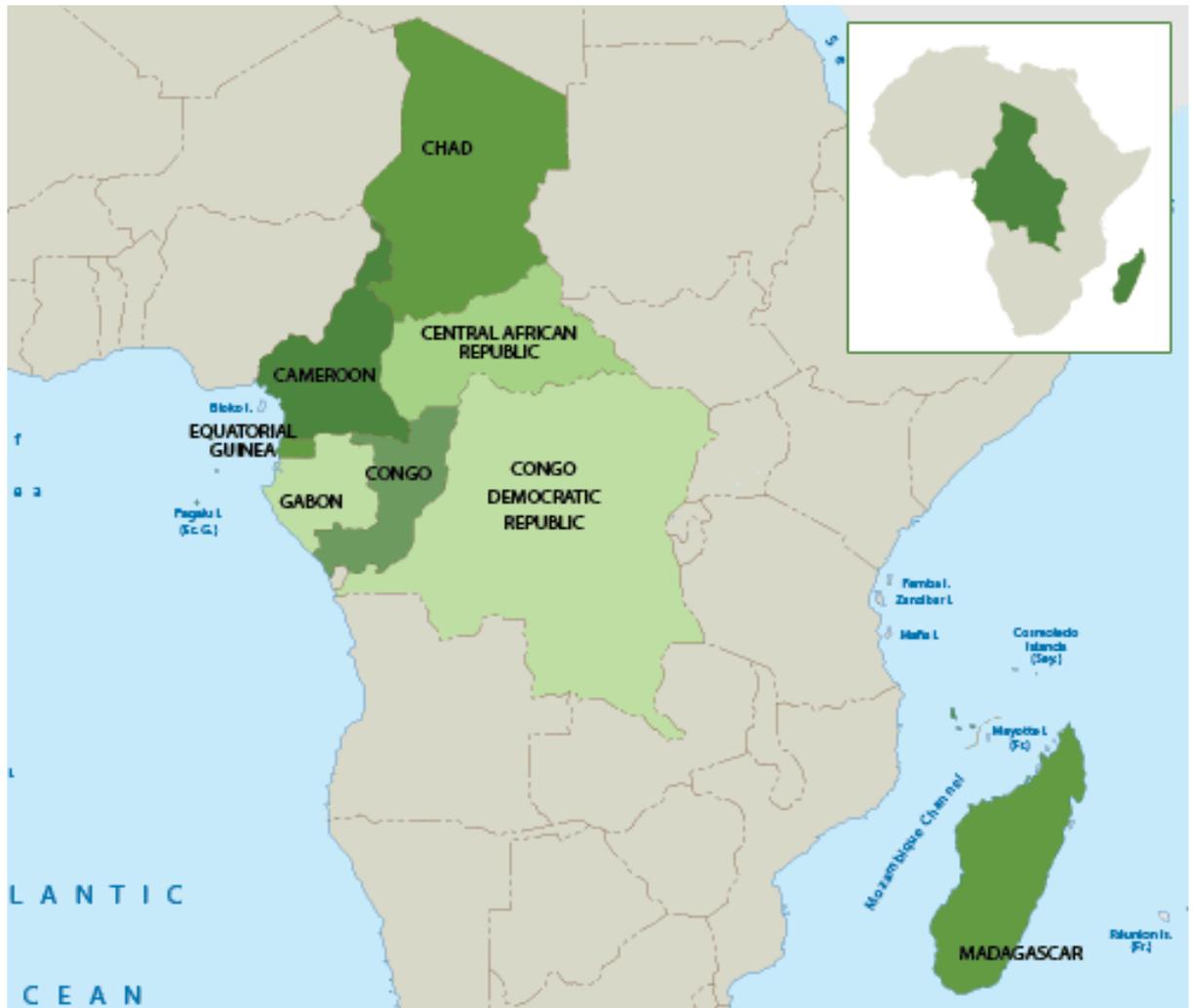
Source: UNWTO (2015) *Compendium of Tourism Statistics*

## TANZANIA TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Tanzania>>

## 5.5 Central Africa



### **Cameroon: Water, tourism and culture**

- Case study illustrates how water can have important cultural tourism in addition to natural tourism attraction, but requires conservation and protection for tourism to develop sustainably.

### **Background**

Tourism is identified as one of five priority areas for growth in AfDB's strategy for Cameroon.<sup>90</sup> The Bank seeks to provide technical support for operationalizing structures such as those responsible for promoting investment, tourism and standardization. Cameroon is a country rich in water resources, nature and culture.

<sup>90</sup> AfDB (2009) *Country Strategy Paper 2010-2014: Cameroon*



*Tourism and water:* The River Lobé rises in the mountains of Ntem in the center of Campo Ma'an National Park. The Lobé Cascades are located 310 km from Yaounde and are characterized by a set of small arms progressing in a series of small cascades over a distance of 1 km before emptying into the Atlantic Ocean over several falls of which the highest is nearly 15 m. The Lobé Falls was nominated by Cameroon as a Candidate World Heritage Site in 2006. The waterfalls stretch almost 100 meters wide and tumble into the Atlantic Ocean 8 km south of Kribi.

Picture: <<http://paradisetheworld.com/wp-content/uploads/2012/03/lobe-waterfalls.jpg>>

The Lobé Cascade has strong importance in the traditional beliefs of local people and is associated with a variety of natural and cultural rites. For example, healers plunge patients into the water during the purification ceremonies; similarly, the Falls of Lobé are an important part of the ritual of enthronement of the Head of Batangas, where he receives the blessings of the spirits and ancestors. Kribi is Cameroon's main tourist destination renowned for its white sand beaches and tourism is one of the most important economic activities in the region supporting many stalls, restaurants and accommodation operations. The area offers white serene beaches, waterfalls, mangroves, and wildlife based on the rich natural resources of the region including marine turtles. It is also emerging as a conference tourism destination by providing venues for seminars and workshops

The Cascade, nearby beaches and the Grand Batanga Museum present a cluster of attractions that are important to the Kribi district. The area is however threatened by deforestation. Originally mangroves and other large trees drew rare species of migratory birds, which were one of the main attractions of the site. On another level the Chad-Cameroon pipeline with its nearby oil terminal presents risks and there is pressure from urban development. The area is seeing many industrial, agro-industrial and transport projects. For instance, there is a regional deep sea port complex currently under construction. Together with rapid urban growth and development of the transport network, all these factors, including tourism (mostly domestic tourism) are contributing to increased pressure on ecosystems.

### **Practical solutions**

UNWTO's Sustainable Tourism-Eliminating Poverty project in the region<sup>91</sup> has highlighted the absence of adequate sustainable management structures resulting from inadequate policy enforcement and absence of land-use management plans. It is likely that over time the traditional protection of this site will need to be strengthened to ensure tourism development and tourist behaviour is appropriate. A management plan to encourage reforestation of appropriate species and limit the accidental killing of mangrove elements has been initiated. Safety and security guarantees regarding the operators of the pipeline and the State have been called for by UNESCO.

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<sup>91</sup> <<http://coast.iwlearn.org>>

## CAMEROON WATER FACTS

Population	22,250,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	20,000
Internal water sources	95%
External water sources	5%
Fresh water withdrawals (% of total renewable water resources)	0.3%
Rural population with access to improved water source	52%
Urban population with access to improved water source	94%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE

UNDP (2015) *Human Development Report 2014*.

World Bank (2015). Available at: <data.worldbank.org>

## CAMEROON TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	573	604	817	-
<b>Overnight inbound visitors ('000)</b>	<b>569</b>	<b>600</b>	<b>812</b>	<b>912</b>
<b>Expenditure (USD millions)</b>	<b>171</b>	<b>423</b>	<b>377</b>	-
Inbound tourism over exports of goods and services	3.1%	5.7%	5.1%	-
Inbound tourism expenditure over GDP	0.7%	1.6%	1.4%	-
<b>Domestic tourists in hotels</b>	<b>1,855</b>	<b>1,980</b>	<b>2,115</b>	-
Number of employees in tourism industry ('000)	27.1	27.0	28.4	-

Source: UNWTO (2015) *Compendium of Tourism Statistics*

## CAMEROON TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Cameroon>>

### **Gabon: Attracting inward investment**

- *Case study illustrates a market-led approach to eco-tourism development, but also the need for open public dialogue*

#### **Background**

Gabonese authorities have identified tourism as a way to boost to their country's economy, long dependent on oil. The idea was to turn Gabon into the African equivalent of Costa Rica: a country that has profited off its rainforests and wildlife through eco-tourism. AfDB's Country Strategy for Gabon points out that

Gabon's tourism potential is considerable in view of its rich biodiversity and number of national parks. The entire territory is suitable for multiple activities falling under seaside tourism and safari, even if a whole image is to be engineered as Gabon is not on the programme of most tour operators.<sup>92</sup>

With its 800 km of coastline, thirteen national parks that are home to animals found nowhere else in the world and more than 400,000 years of archaeological and cultural history, Gabon has great assets for tourism development, however investment is needed if this potential is to be realised, and if by 2020, Gabon can meet its target of 100,000 tourists per year from the mid-range and high-end sectors. To date inbound tourism has been modest due to the high cost of living and transportation, as well as weak infrastructure (roads, hotels, electricity). The country's National Infrastructure Master Plan 2011 to 2016 is worth over USD 11 billion and comprises of 21 major projects. Its aim is to develop a new infrastructure to support the socio-economic growth of Gabon. This includes new roads, railways, ports and other transport infrastructure. Under the Gabonese Master Plan, over USD 85 million will be channelled into the development of tourism. Nationally there are three strategic pillars, known as Green Gabon, Service-Orientated Gabon and Industrial Gabon.

In 2012 the Gabonese Strategic Investment Fund and Singapore-based Aman Resorts, one of the world's leading luxury hotel groups, signed a Memorandum of Understanding and Management, Licensing, Reservation and Marketing Agreements for the construction of six luxury hotels and resorts in Gabon. The agreement provides for the construction of hotels in the Gabonese capital Libreville and in five national parks specially selected for their tourist potential. The project will lead to the creation of more than 500 direct jobs according to the Government press release. Three properties are currently under construction. Aman's investment was reported as USD 60 million.<sup>93</sup>



Picture: <[www.africas-eden.com](http://www.africas-eden.com)>

#### **Water-based tourism**

Aman Resorts has obtained concessions to develop hotels in the five chosen parks: Ivindo, Loango, Lope, Batéké Plateau and Pongara. These hotels will create 140 rooms in total at the

<sup>92</sup> AfDB (2011) *Republic of Gabon: Country Strategy Paper*

<sup>93</sup> AFP (2012) *Gabon: Le groupe Aman resorts investit dans six hôtels et lodge de luxe* [Internet]. Available at: <<http://www.bdpmodwoam.org/articles/2012/01/11/gabon-le-groupe-aman-resorts-investit-dans-six-hotels-et-lodge-de-luxe/#.VUjhO5Mnu20>>

very high end. The two priorities are the construction of the Pointe de la Gombé hotel, and one in Loango National Park. Aman is awaiting the finalization of works related to availability of water, electricity and sanitation, to be borne by the State. In addition the settlement of community land claims is required.

Of particular interest from the tourism and water context are two developments:

1. A resort with 20 luxury tents to the south of the Loango National Park. The habitat types here vary from marine, seashore, coastal lagoons, mangroves, salt marsh, coastal forest, swamp forest, rain forest, savannah, rivers and papyrus swamp. Situated between the Nkomi and Ndogo Lagoons, Loango National Park has been described as the true jewel of Africa's western coast. The main attractions are breath-taking views and the opportunity to observe elephants, buffalos, hippos, gorillas and leopards venturing onto the white sandy beaches, an experience given extra publicity by a 2004 National Geographic feature on "surfing hippos".<sup>94</sup> The 220 km<sup>2</sup> Iguéla Lagoon is an example of a typical western African lagoon system that is protected within a national park.
2. A hotel with 30 villas is to be constructed on the Kongou Falls site in the Ivindo National Park; and a resort with 10 tents on the Langoué site in the same park. The main attraction here is to take a pirogue through the rainforest to the spectacular Koungou Falls. The Ivindo River flows from northeast to southwest across Gabon, eventually emptying into the Ogoue River. It flows through some of the wildest and most attractive rainforest in Africa. The upper stretch of the river is fairly gentle, draining the gentle plateau of eastern Gabon. Below the town of Makokou, the only significant town on the river, it drops off the plateau in a series of spectacular waterfalls and gorges.

### **Practical solutions**

The experience and expertise provided by the Singapore-based group in the design, construction and management of these luxury hotels will allow Gabon to develop its tourism sector in accordance with the Head of State's policy of economic diversification known as "Emerging Gabon." The construction of these tourist facilities is also in line with the 2011 commitments made at the Climate Change Conference in Durban.

Gabon's Strategic Investment Fund, which was created in August 2011 and has a stake in Luxury Green Resorts, Aman Resorts' local partner, is committed to this strategy. Through an investment policy implemented in Gabon and abroad in areas targeted by the Head of State's development strategy as strategic choices for Gabon (natural resources, hospitality and financial services), the fund aims to provide sustainable revenue to replace current oil revenue. The Gabonese Strategic Investment Fund, receives 10% of the country's oil revenue on an annual basis, also helps to create previously non-existent sectors and provides cash to boost strategic sectors under development.<sup>95</sup>

However the Ivindo development has been criticised for its handling of local people's traditional rights. In the absence of regulations specifying the modalities of participation of stakeholders, local frustration is reported.<sup>96</sup> There are concerns about the rights of customary use, preservation of lifestyle and cultural identity of the people, and ensuring the equitable sharing of benefits. In May 2014, Gabon passed a decree that clearly outlines how companies and communities will engage in benefit-sharing schemes for forestry that will support well-defined rural development projects.<sup>97</sup> It also includes provisions for clear monitoring. The revenues for each community will be calculated based on how much wood a company harvests from the areas where a community exercises its traditional rights. This, of course, requires clear demarcation of territory and clear tree inventories. Communities, in turn, have to stick to realistic rural development plans. Villagers can choose to invest in health, education, infrastructure building or agriculture projects. They can also ask companies to provide funding for various equipment, gas supplies, or even cover costs for special events, such as mourning ceremonies or national festivities. A similar approach for tourism will be needed.

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<sup>94</sup> National Geographic Magazine (2004) *Gabon's Loango National Park: In the land of the surfing hippos*. August 2004

<sup>95</sup> THE AFRICAN EXECUTIVE *Gabon: Aman Resorts Invests in Green Tourism* [Internet]. Available at: <[http://www.africanexecutive.com/modules/magazine/article\\_print.php?article=6323](http://www.africanexecutive.com/modules/magazine/article_print.php?article=6323)>

<sup>96</sup> GABON REVIEW [Internet] <<http://gabonreview.com/blog/projet-aman-resorts-bouteille-lencre>> 9 July 2014

<sup>97</sup> WWF (2014) *New forest decree in Gabon opens way for benefit-sharing schemes* [Internet]. Available at: <<http://wwf-congobasin.org/news/?235392/New-forest-decree-in-Gabon-opens-way-for-benefit-sharing-schemes>>

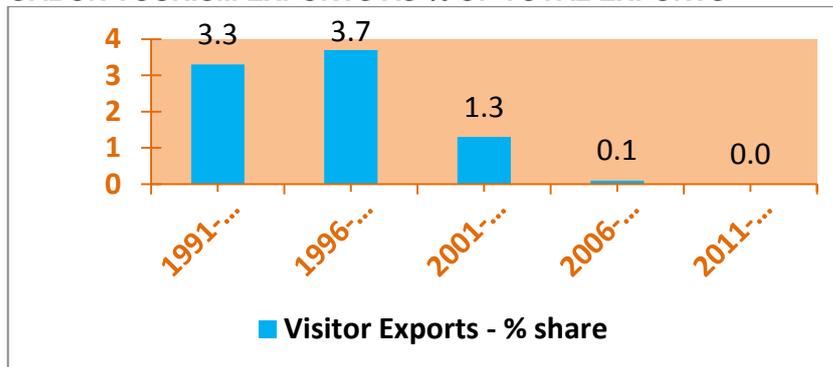
### GABON WATER FACTS

Population	1,672,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	1,800
Internal water sources	75%
External water sources	25%
Fresh water withdrawals (% of total renewable water resources)	0%
Rural population with access to improved water source	63%
Urban population with access to improved water source	96.8%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank (2015). Available at: <[data.worldbank.org](http://data.worldbank.org)>

### GABON TOURISM FACTS (current data not available)

#### GABON TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Gabon>>

## 5.6 Southern Africa



### **Botswana: The water-tourism nexus**

- *Case study illustrates complexity of water-tourism issues including challenge of natural resource management and the challenge of retaining tourism revenues to meet local population needs*

### **Background**

AfDB's country strategy for Botswana<sup>98</sup> does not specifically highlight tourism although it notes tourism as an important sector of the Botswana's economy. It does however aim to promote the role of the private sector and SMEs in raising Botswana's productive capacity, increasing income levels, diversifying economic activity across various sectors of the economy. Tourism brings in substantial foreign revenues to Botswana, but leakage back out is also high (over 70% according to a recent study).<sup>99</sup> A collaborative research work paper conducted by AfDB, the OECD Development Centre and UNDP indicates that this is partly because the bulk of Botswana's tourist bookings are handled in South Africa. At the same time, Botswana's tourism sector supply chain is foreign-dominated, which is said to be contributing to the loss of revenue. Tourism is however a major employer and without it, Botswana would be a much poorer country.

<sup>98</sup> AfDB (2009) *Botswana 2009-2013 Country Strategy Paper*

<sup>99</sup> Botswana Institute of Policy Development Analysis (n/d) *A Study of the Contribution of Sustainable Natural Resource Management to Economic Growth, Poverty Eradication and Achievement of NDP 10 Goals. Sector Assessments: Tourism & Agriculture*



Photograph: <[www.whc.unesco.org](http://www.whc.unesco.org)>

### **Tourism and water**

The national currency, the *Pula*, literally means "rain" in Setswana: Botswana is home to much of the Kalahari Desert, indicating the importance of water resources to Botswana. The Okavango Delta is the world's largest inland delta, draining into the desert sands of the Kalahari basin and extensive Makgadikgadi Salt Pans. It is surrounded by the Moremi Game Reserve and is an extremely beautiful region of vast grass flats, low tree-covered ridges and narrow, shallow waterways opening into lagoons which fill with water during the annual flood. It supports over 1000 species of plants, and over 480 bird species as well as hundreds of different kinds of mammals, reptiles and fish. The local mode of transportation in the Delta is the *mokoro*, a dugout canoe that is powered by a guide standing up and poling through the wetlands of the Delta. It provides excellent viewing wildlife at water level, and is an essential part of the Delta experience supporting local employment. There were over 1,600 people employed in tourism in the Delta as far back as 2001<sup>100</sup> and today tourism is the area's main employer. A detailed study on tourism's impacts in 2007<sup>101</sup> found that local water supply and distribution has improved significantly due to income from tourism development. The rise in population around the Delta is however placing a strain on water supply. In addition reduced rainfall due to climate change is set to have a significant impact environmentally and economically as it is having a detrimental effect on wildlife. There is continuing strong pressure to withdraw more potable water from the area for public water supply in a country where potable water is scarce.

The Okavango Delta became the 1,000th UNESCO World Heritage Site in 2014, inscribed because of its importance in the protection of threatened and endangered species and its exceptional beauty and aesthetic importance. This designation favours conservation, including water conservation, and is likely to spur international interest in visiting the Delta further. Increased visitor numbers will however also bring increased environmental pressures, and other pressures are mounting due to climate change (drought, fires, habitat fragmentation, floods) and human encroachment. Poaching is also contributing to wildlife population decline.

<sup>100</sup> Mbaiwa, J. (2003) *The socio-economic and environmental impacts of tourism development on the Okavango Delta, north-western Botswana*. In: JOURNAL OF ARID ENVIRONMENTS Vol. 54: 447-467

<sup>101</sup> Mbaiwa, J & Stronza, A (2010) *The effects of tourism development on rural livelihoods in the Okavango Delta, Botswana*. In: JOURNAL OF SUSTAINABLE TOURISM Vol. 18, No. 5, June 2010, 635-656

The complexities of the nexus involving, tourism, water supply, wildlife and local population needs are very evident here.

### **Practical solutions**

In terms of creating more local income for poorer people, UNWTO has suggested the following interventions:

- Undertaking measures to increase the number of the poor working in tourism enterprises;
- Maximising the proportion of tourism spending that is retained in local communities by involving the poor in the supply process;
- Promoting the direct sales of goods and services to visitors by the poor from informal businesses;
- Establishing and managing more formal tourism enterprises by the poor, either individually or at a community level;
- Using taxes or levies on tourism income or profits with proceeds benefiting the poor;
- Supporting the poor in money or in kind, by visitors or tourism enterprises;
- Investing in infrastructure that offers local communities the chance to gain new access to available resources.<sup>102</sup>

Namibia for example has some 80 conservancies, established for the sustainable management of natural resources as well as for social development and economic growth in partnership between local communities and government. Many of these revolve around tourism.

In relation to Botswana's water and tourism nexus, UNESCO designation will require monitoring and management of wildlife and the natural environment. Fewer subsidies for livestock in areas where water is needed for wildlife and water pricing that reflects economic costs also help. Waste water re-use and rainwater harvesting that makes the most of increasingly scarce water resources can also play a role and the tourism industry should play a major part. Some businesses are international award winners in this area, and creating greater awareness of practical conservation measures amongst tourists and tourism businesses, and local populations, will be very important.

The issue of leakage can be addressed over time by empowering more locally-owned businesses to operate, including the development of Botswana's tour operators and booking agents. Fiscal measures can also be taken to encourage re-investment rather than repatriation of profits. Re-investment of profits in wildlife concession areas is however constrained by the 15 year leases.

While it is recognised that high standards of luxury demanded in international tourism often require imported goods, there are opportunities for import substitution if both buyers and sellers can become more aware of market needs. All of these complexities indicate the need for Botswana to strengthen its triple bottom line approach to tourism development planning and tourism management. This means that benefits and disbenefits from tourism must be considered in depth for the economy, the environment and for local society.

### **BOTSWANA WATER FACTS**

Population	2,020,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	3,500,000
Internal water sources	63%
External water sources	38%
Fresh water withdrawals (% of total renewable water resources)	1.6%
Rural population with access to improved water source	93%
Urban population with access to improved water source	99%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
 UNDP (2015) *Human Development Report 2014*.  
 World Bank (2015). Available at: <data.worldbank.org>

<sup>102</sup> UNWTO (2004) *Tourism and Poverty Alleviation: Recommendations for Action*. Madrid

## BOTSWANA TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	2,532	-	-	-
<b>Overnight inbound visitors ('000)</b>	<b>2,145</b>	-	-	-
<b>Expenditure (USD millions)</b>	<b>80</b>	<b>36</b>	<b>30</b>	-
Inbound tourism over exports of goods and services	1.6%	0.5%	0.5%	-
Inbound tourism expenditure over GDP	0.6%	0.2%	0.2%	-
<b>Domestic tourists (overnight trips)</b>	<b>1,781</b>	-	-	-
Number of employees in tourism industry ('000)	1,995.4	2,052.6	2,059.7	1,938.9

Source: UNWTO (2015) *Compendium of Tourism Statistics*

## BOTSWANA TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Botswana>>

### **Malawi: Changing market needs**

- Case study illustrates how water-based tourism needs to change to meet changing market needs

#### **Background**

Nkhata Bay on Lake Malawi has a long history in tourism. It was part of the overland backpackers' route between East Africa and Cape Town but the number of backpackers has dropped considerably in recent years. Political issues in Zimbabwe have resulted in a change in the overland backpacking route and many people now go through Zambia or take the Mozambique coast, bypassing Malawi. This means the destination must seek to attract other markets, and attract back its original one. It needs to also cater for the traveller with more money to spend, be they "backpacker plus" or more conventional tourists. Backpackers are often the trail blazers of new destinations, and businesses developed through their custom can often upgrade and reinvent themselves as more luxurious, higher spend accommodation.



Photo: <<http://malawi.safari.co.za/malawi-travel-guide-lake-malawi.html>>

#### **Tourism and water**

About 20% of the country is covered by Lake Malawi, the third largest lake in Africa. Lying within the Western Rift Valley, Lake Malawi is also one of the deepest lakes in the world. It is an area of exceptional natural beauty with the rugged landscapes around it contrasting with the remarkably clear waters of the lake. The lake is home to many hundreds of cichlid fish, nearly all of which are endemic to Lake Malawi, and are known locally as *mbuna*. The *mbuna* varieties are significant example of biological evolution and the lake can be considered as important as the Galapagos Islands for this reason. Fresh water scuba diving has been developing as an added-value product which is attracting a specialist market.

The Lower Shire Valley is situated at the end of the Great Rift Valley and is also the lowest part of Malawi. The Shire River meanders through it on its way to the Zambezi and the sea. The river is the only watercourse that leaves Lake Malawi and wanders across the upper valley before descending through the spectacular rapids and falls. In the lower valley is Elephant Marsh, stretching east from the river with Lengwe National Park, Majete Wildlife Reserve and the Mwabvi Wildlife Reserve. These parks and reserves are being rehabilitated and interest in them is starting to grow again.

Elephant Marsh is part of the flood plain of the Shire River, because the marsh is difficult to define, its area is calculated as been between 400 to 1200 square kilometers. At its northern margins it is best classified as semi-permanent marshland while to the south it becomes a small lake with island while the marsh supports a floating mat of vegetation which grows so thick in places that boats are unable to penetrate it. The name was given to the place by David Livingstone who reported 800 elephants in a single sighting; today the largest animals are crocodiles and hippos. The visitor navigating the marsh's network of channels can see fish eagles, storks, kingfishers, herons and countless other species even on a short tour. Crocodiles and hippos inhabit the marsh and are generally not a nuisance, often otters may be seen.

### **Practical solutions**

Attracting high spending go-as-you-please tourists and a wider market requires product diversification. In particular the continued development of nature-based tourism, ecotourism, more water sports activities on Lake Malawi, resort hotels, tourism facilities and services like restaurants, coffee shops and bars, more investment in scuba diving facilities, tour and transport services. The Ministry of Tourism, Wildlife and Culture identified twenty specific opportunities for tourism investment to broaden the tourism product with an emphasis on Lake Malawi.<sup>103</sup> This included beach resorts and also golf, the latter with no specific consideration of the water supply implications however. Quality needs to be a continual subject for attention. More focussed marketing is also needed. Rising visitor numbers also require better coordination of the destination and all interests need to be brought together to achieve this. All of these activities help to create local jobs.

AfDB's country strategy for Malawi notes that the country's wholesale and retail trade, including hotel industry and restaurants (incorporating tourist providers), is the second largest contributor to GDP at 24%, reflecting the significant contribution of tourism to Malawi's growth.<sup>104</sup> The Bank is seeking to directly finance non-sovereign investment projects in the Government's priority sectors including tourism.

### **MALAWI WATER FACTS**

Population	16,360,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	11,000
Internal water sources	94%
External water sources	6%
Fresh water withdrawals (% of total renewable water resources)	7.9%
Rural population with access to improved water source	83%
Urban population with access to improved water source	95%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE  
UNDP (2015) *Human Development Report 2014*.  
World Bank (2015). Available at: <data.worldbank.org>

### **MALAWI TOURISM FACTS**

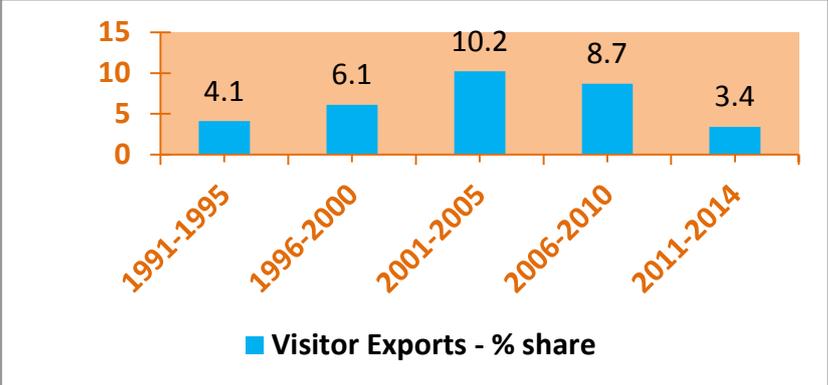
	2010	2011	2012	2013
<b>Overnight inbound visitors ('000)</b>	<b>747</b>	<b>767</b>	<b>770</b>	-
<b>Expenditure (USD millions)</b>	<b>46</b>	<b>39</b>	<b>38</b>	-
Inbound tourism over exports of goods and services	3.8%	2.4%	2.7%	-
Inbound tourism expenditure over GDP	0.7%	0.5%	0.5%	-
Number of employees in tourism industry ('000)	145.0	-	-	-

Source: UNWTO (2015) *Compendium of Tourism Statistics*

<sup>103</sup> Ministry of Tourism, Wildlife & Culture (2008) *Tourism Investment Opportunities in Malawi*

<sup>104</sup> AfDB (2012) *Malawi Country Strategy Paper 2013-2017*

**MALAWI TOURISM EXPORTS AS % OF TOTAL EXPORTS**



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Malawi>>

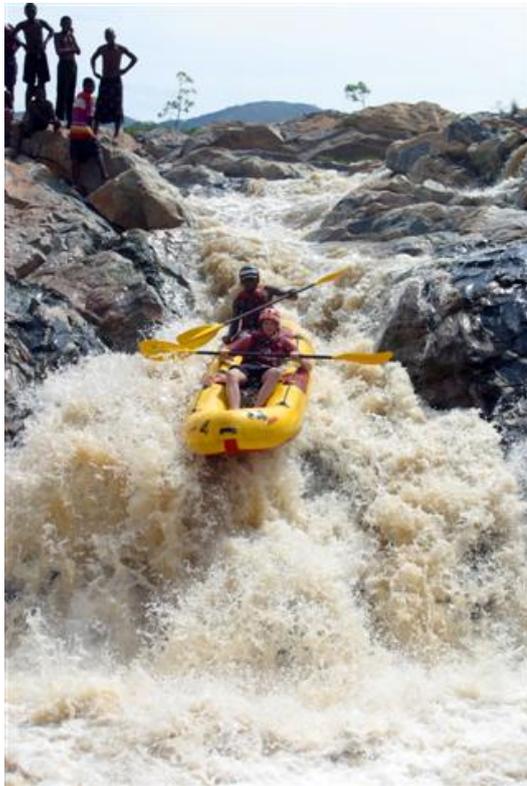
### **Swaziland: Water-based tourism in a small landlocked country**

- Case study illustrates potential to use water bodies for tourism development if other infrastructure in place

#### **Background**

Just because a country is not associated with a major river or lake does not mean it does not have water-based tourism potential. Swaziland emerged as a gaming, leisure and cultural tourism destination dominated by the South Africa market. Although challenged by political unrest, Swaziland has been exploring ways to develop new tourism products as well as attract a wider range of tourists. The domestic tourism market is also of significance: Data is limited, but in 2011 23% of all those staying in formal accommodation in Swaziland were domestic tourists.

A new strategy and action plan has been drawn up<sup>105</sup> aimed at enhancing growth in nature-based and other kinds of tourism, and at reviving public and private investments in travel and tourism. As AfDB's draft country strategy<sup>106</sup> notes that the ending of South Africa's international isolation eroded some of Swaziland's advantages as a destination for investment. This has also impacted tourism and, as the country strategy sector notes, the private sector in the kingdom is weak.



Photograph: <[www.swazilive.com](http://www.swazilive.com)>

#### **Tourism and water**

As a land-locked country, Swaziland does not have the variety of beach activities and water sports found in neighbouring South Africa and Mozambique. It does however have a number of dams and reservoirs, and some magnificent rivers that provide the opportunity for some water-based tourism activities, as follows:

- Power boats, yachts, dinghies and canoes may be used on various reservoirs around the country, including Hawane Dam, Maguga Dam, Sand River Dam and Van Eck Dam.
- Houseboats can be hired on Maguga Dam and Sand River Dam.
- Fishing is available at a number of dams/reservoirs and rivers around the country. The Usutu Forest Fly Fishing Club manages several well-stocked trout dams within the Usutu Forest. Other top spots include Hawane Dam and Maguga Dam in the Highveld; Mbuluzi and Maluwula reserves in the lowveld; and Sand River, Simunye and Van Eck Dam on the sugar estates. Most rivers and dams contain native species, with tiger fish found in Van Eck Dam and the lower Usutu. Many hotels organise fishing activities and packages

- Tubing is organised on the Ngwempisi River. Participants float downstream in large adapted inner tubes, kitted out with safety helmets. The route passes for about 5km through the rapids of Ngwempisi Gorge.
- White Water Rafting can be organised on the Bulungapoort section of the Usutu River, between Sidvokodvo and Siphofaneni, in the centre of Swaziland. This is a remote and inspiring stretch of river. Its brown waters thunder through clefts and gorges, alternating with calmer stretches of bush and grazing land. For most of the year this is generally a

<sup>105</sup> Commonwealth Secretariat (2013) *Product development strategy and product packaging toolkit*. Swaziland Tourism Authority.

<sup>106</sup> AfDB (2013) *Kingdom of Swaziland Country Strategy Paper 2014-2018 (DRAFT)*

Grade III (medium difficulty) rafting river. In peak flow, however, it rises to Grade IV, and even has Grade V and VI sections.<sup>107</sup>

Food insecurity and poverty remain very serious challenges in Swaziland and this is fuelled in part by insufficient access to clean water and poor sanitation. AfDB is supporting sustainable water service supply and sanitation projects. Dams can link tourism and better water supply, but there is probably scope for linking water supply to tourism projects to local needs, and for the tourism industry to provide more support and more CSR projects in their local communities. Such support would however be dependent on making tourism businesses profitable.

### **Possible solutions**

While Swaziland clearly has water-based tourism assets, and a market for such activities amongst its dominant market, South Africa, a challenge in Swaziland has been to raise the standard of accommodation and activities. This illustrates the dependence of successful tourism development on good quality accommodation at a reasonable price. Swaziland lacks high quality lodge accommodation (such as found serving the neighbouring South African Kruger National Park) and most accommodation is small scale and does not generate sufficient profits to finance upgrades or much CSR. A new accommodation grading system has been introduced aimed at encouraging improved standards but in reality more direct intervention is likely to be needed to encourage reinvestment. Such interventions can take the form of:

- Grant funding for specific agreed product improvements
- Soft loan facilities
- Interest rate subsidies
- Tax incentives including special depreciation allowances

Internationally competitive inward investment incentives are also needed to attract new investors. In addition, more focussed marketing aimed at key segments with real propensity to travel to Swaziland is needed. Water-based activities in Swaziland's dramatic natural landscapes can be part of the appeal.

### **SWAZILAND WATER FACTS**

Population	1,250,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	1,500
Internal water sources	41%
External water sources	59%
Fresh water withdrawals (% of total renewable water resources)	23.1%
Percentage of population with access to improved water source	74%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE

UNDP (2015) *Human Development Report 2014*.

World Bank (2015). 2012 data. Available at: <data.worldbank.org>

### **SAWAZILAND TOURISM FACTS**

	2010	2011	2012	2013
Total arrivals ('000)	1,343	1,328	1,278	1,299
<b>Overnight inbound visitors ('000)</b>	<b>848</b>	<b>879</b>	<b>888</b>	<b>968</b>
<b>Expenditure (USD millions)</b>	<b>51</b>	<b>21</b>	<b>30</b>	-
Inbound tourism over exports of goods and services	2.5%	1.0%	1.4%	-
<b>Domestic tourists in hotels</b>	<b>104</b>	<b>95</b>	<b>102</b>	<b>108</b>
Number of employees in tourism industry ('000)	14.4	-	-	-

<sup>107</sup> Swaziland Tourism Authority *The Kingdom of Swaziland: A Royal Experience* [Internet]. Available at: <<http://www.thekingdomofswaziland.com/pages/activities/activity.asp?Activity=Adventure+Activities>>

**Zambia and Zimbabwe: Mosi-oa-Tunya / Victoria Falls**

- Case study illustrates the complexity of managing water-based visitor attractions and trans-boundary issues.

**Background**

The UNESCO World Heritage Site of Mosi-oa-Tunya/Victoria Falls is the world's greatest sheet of falling water and the major visitor attraction for both Zambia and Zimbabwe due to its dramatic location, the sheer force of water and the outstanding beauty of spray, mist and rainbows. The Zambezi River is more than 2 km wide when it cascades over the lip of a large basalt plateau and plunges up to 108 meters into the gorge. This trans-boundary World Heritage Site extends over 6860 ha and comprises 3779 ha of the Mosi-oa-Tunya National Park (Zambia), 2340 ha of Victoria Falls National Park (Zimbabwe), 741 ha of the riverine strip of Zambezi National Park (Zimbabwe). A riverine strip of the Zambezi National Park extending 9 km west along the right bank of the Zambezi and islands in the river are all within the Park as far as Palm and Kandahar Islands, with the Victoria Falls being one of the major attractions.<sup>108</sup>



Photograph: <[www.victoriafalls.net](http://www.victoriafalls.net)>

**Tourism and water**

The Falls are one of Africa's best known attractions and attract hundreds of thousands of visitors each year. Products on offer include sightseeing, boat tours, bungee jumping from the Victoria Falls Bridge, bird watching, flights over the Falls and significant meetings, incentive, conference and exhibitions (MICE) tourism at major hotels developed around the site. By as early as 1995 the annual figure for tourist arrivals on the Zimbabwe side of the river had increased to 300,000, a fourfold increase in less than a decade, bringing an income of USD 50 million a year. This was expected to rise to over a million in the next decade. However, the number of tourists visiting Zimbabwe began to decline in the early 2000s. By 2006, hotel occupancy on the Zimbabwean side hovered at around 30 per cent, while the Zambian side was operating at near-capacity, fuelling a rapid growth in tourism developments there. Developments in both states have prompted UNESCO to consider placing the Falls on its endangered list. Problems of waste disposal and a lack of effective management of the surrounding environs are a continuing concern.<sup>109</sup> In addition other issues of concern have included water abstraction for electricity generation, noise pollution from helicopters, tourism and peri-urban development and poaching. This means that the property requires continued maintenance and updating of its management plan, supported by adequate staffing and provision of financial resources. 2014 saw the beginnings of a recovery in tourism on the

<sup>108</sup> UNESCO *Mosi-oa-Tunya / Victoria Falls* [Internet]. Available at: <<http://whc.unesco.org/en/list/509/>>

<sup>109</sup> Roberts, P. (2012) *To the Victoria Falls* [Internet]. Available at: <<http://tothevictoriafalls.com>>

Zimbabwe side. AfDB is currently supporting the development of a Tourism Development Master Plan for that country. UNESCO has highlighted that the development of infrastructure, facilities and services to serve tourism need to be carefully managed so as not to compromise the exceptional beauty and the Outstanding Universal Value of Mosi-oa-Tunya/Victoria Falls.

### **Practical solutions**

An agreed institutional framework for trans-boundary management is at three levels: Joint Ministerial, Joint Technical and Joint Site Management Committees. However the development of effective responsible tourism requires more than state parties to accept responsibility for tourism's negative impacts. To this end a process of consultation is currently underway involving a wider group of stakeholders.

AfDB's country strategy paper for Zambia<sup>110</sup> identifies tourism as a viable area in which the country's competitiveness could be enhanced, especially through improved infrastructure in the Greater Livingstone area, Kafue National Park and the Northern circuit.

In Zimbabwe the Bank's *Country Brief Update*<sup>111</sup> highlights the AfDB Youth and Tourism Enhancement Project (YTEP). Component 2 of this project seeks to improve the tourism development framework by

- Preparing a Tourism Master Plan
- Rolling out the Tourism Master Plan to four regions of the country
- Develop Tourism Satellite Accounts and conduct surveys and workshops to strengthen tourism statistics.

### **ZAMBIA WATER FACTS**

Population	14,540,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	9,700
Internal water sources	90%
External water sources	10%
Fresh water withdrawals (% of total renewable water resources)	1.5%
Rural population with access to improved water source	49%
Urban population with access to improved water source	85%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE

UNDP (2015) *Human Development Report 2014*.

World Bank (2015). Available at: <data.worldbank.org>

### **ZAMBIA TOURISM FACTS**

	2010	2011	2012	2013
<b>Overnight inbound visitors ('000)</b>	<b>815</b>	<b>920</b>	<b>859</b>	<b>915</b>
Expenditure (USD millions)	125*	146*	155*	-
Inbound tourism over exports of goods and services	1.6%	1.6%	1.6%	-
Inbound tourism expenditure over GDP	0.7%	0.7%	0.7%	-
Number of employees in tourism industry ('000)	-	-	44.3	57.3

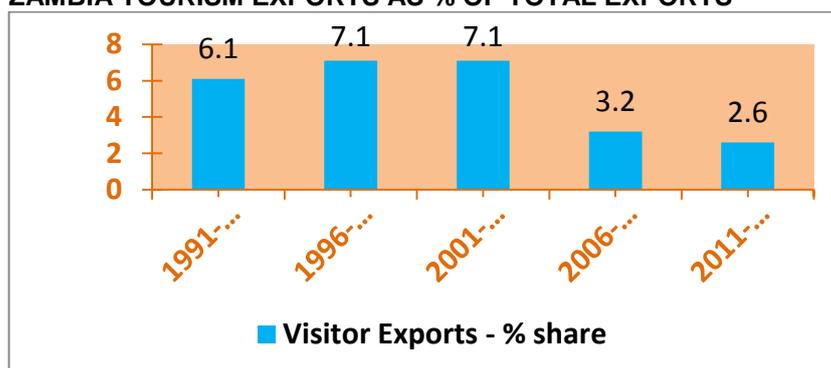
Source: UNWTO (2015) *Compendium of Tourism Statistics*

\*Relates to travel only.

<sup>110</sup> AfDB (2010) *Republic Of Zambia 2011-2015 Country Strategy Paper*

<sup>111</sup> AfDB (2014) *Zimbabwe Country Brief Update 2014-2016*

### ZAMBIA TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Zambia>>

### ZIMBABWE WATER FACTS

Population	14,150,000
Total water footprint of national consumption ( <i>million m<sup>3</sup> per year</i> )	15,000
Internal water sources	92%
External water sources	8%
Fresh water withdrawals (% of total renewable water resources)	21%
Rural population with access to improved water source	69%
Urban population with access to improved water source	97%

Sources: Mekonnen & Hoekstra (2011) *National Water Footprint Accounts*. UNESCO-IHE

UNDP (2015) *Human Development Report 2014*.

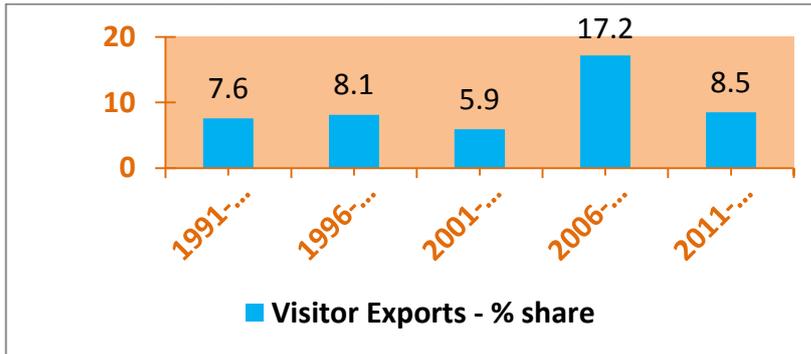
World Bank (2015). Available at: <[data.worldbank.org](http://data.worldbank.org)>

### ZIMBABWE TOURISM FACTS

	2010	2011	2012	2013
Total arrivals ('000)	2,239	2,423	1,794	1,833
<b>Overnight inbound visitors ('000)</b>	n/a	n/a	n/a	n/a
<b>Expenditure (USD millions)</b>	<b>634</b>	<b>662</b>	<b>749</b>	<b>846</b>
Inbound tourism over exports of goods and services	19.7%	19.5%	8%	-
Inbound tourism expenditure over GDP	11.5%	11.2%	-	-
<b>Domestic tourists (overnight trips)</b>	<b>1,072</b>	<b>1,083</b>	<b>1,072</b>	<b>1,374</b>

Source: UNWTO (2015) *Compendium of Tourism Statistics*

### ZIMBABWE TOURISM EXPORTS AS % OF TOTAL EXPORTS



Source: <<http://tourismdataforafrica.org/ruiegwd/tourism-country-profile?Region=Zimbabwe>>

## 6 Program of action

*“Africa’s development is closely tied to nature, and economic growth is not sustainable without preserving the continent’s natural capital, land, water, marine, forests and energy resources.”<sup>112</sup>*

*“Tourism, as one of the fastest-growing and most dynamic sectors, has tremendous potential to boost inclusive economic growth across the continent and reduce poverty, which are two of the African Development Bank’s overarching objectives.”<sup>113</sup>*

### 6.1 Introduction and rationale for AfDB involvement

Although the AfDB has noted the potential to boost inclusive economic growth across the continent and reduce poverty through tourism, at present the Bank’s funding of tourism projects is *ad hoc* (for example single hotels in Ghana and Egypt). The Bank is however currently supporting the development of a tourism master plan for Zimbabwe, and in the past has supported master planning in The Gambia. There is a need for a Strategic Framework for AfDB interventions in the tourism sector, and this study starts this process by suggesting that a more strategic engagement in the water-tourism nexus would bring benefits.

The feasibility of many African tourism development opportunities, and resulting employment, depends ultimately on water resource availability. This is not often realised, but the example of wildlife tourism is pertinent: If watering holes dry up, the wildlife disappears. Tourism is also a major (and in places a disproportionate) user of water: Water issues need to be a fundamental part of investment decision-making.

A structured logical framework and/or checklist would help to guide Bank officials and their partners in discussions about investments in water resources in general and tourism impacts in particular. This should help analysts to identify and focus on convincing linkages between activities, outputs and outcomes and help to prioritise interventions that support green growth and inclusive development. In addition, enabling institutional frameworks can be strengthened through the generation of information and the creation of cost effective and efficient platforms for engagement between the public and private sectors.

The identification and preparation of investment projects that may be:-

- Single-purpose (as with private sector development); or
- Multi-purpose, addressing a combination of purposes, including climate change and environmental sustainability as well as economic and community benefit.

In addition, the framework must note the interaction between projects at a national scale and those that are conducted on a regional basis. In some cases they may involve transboundary water resources.

Since its resources are limited and there is extensive scope for engagement, the challenge for the Bank is to develop a strategy to determine on which activities and in which geographical areas it should focus. A balance must be sought between the immediate “hard” infrastructural investments, the project preparation activities which may lead to investment opportunities in the medium term, and the strategic institutional development activities which will create the framework through which further development potential is unlocked.

Leading funders of nature-based tourism through various aid programs in Africa include the World Bank, the European Union, Germany, Sweden, and the United States. The Bank needs to coordinate with these programs and with national plans for tourism development and water resource management. Different approaches will be needed to address the circumstances in different geographies.

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<sup>112</sup> AfDB (2013) *African Development Bank Group: At the Centre of Africa’s Transformation. Strategy for 2013-2022*. Tunis.

<sup>113</sup> AfDB (2014) *Africa Travel Monitor*. In: Issue 2, volume 1. Joint publication of AfDB, Africa House at New York University (NYU) and the Africa Travel Association (ATA).

## 6.2 Types of possible intervention

### 6.2.1 Soft interventions

Bank interventions to stimulate green growth and inclusive development around water and tourism could include the following “soft” interventions:

- 1 Support to planning processes, including
  - Tourism master planning with focus on water consumption and water-based development opportunities
  - Environmental and social impacts
  - Value chain and supply chain analyses along transport routes
- 2 Institutional development, including
  - Facilitation of tourism master plans
  - Good governance, particularly relating to benefit-sharing
  - Support for communication channels and public-private dialogue
  - Technical assistance
  - Human resources in tourism and water-based tourism
  - Inclusive reform to stimulate the private sector
  - Public-private dialogue
  - Capacity building at national and regional level
  - Indigenous management development
  - Skills, employability and entrepreneurship development
  - Gender: opportunities for female employees
  - Training in water-reduction techniques and green technology
- 3 Awareness raising regarding water consumption
- 4 Resource monitoring
  - Data collation and statistical strengthening
  - Information products
- 5 Strengthening protected area management regarding water resources and tourism
- 6 Strengthening agricultural linkages to tourism, such as fish farming and irrigated agriculture
- 7 Water-based tourism SME development support and lines of credit

### 6.2.1 Hard interventions

Hard infrastructure projects to facilitate green growth and inclusivity for water and tourism might include:

- 1 Mooring facilities and harbours with visitor facilities and retail opportunities
- 2 Tourism facilities along developing transport corridors including river, lakes and waterways.
- 3 Water-side tourism cluster development projects and special economic zones
- 4 Water supply projects in tourism zones
- 5 Water treatment facilities in tourism zones
- 6 Urban upgrades and sanitation improvements for water-side tourism towns
- 7 Improving border crossing facilities
- 8 Tourism training facilities
- 9 Individual strategic projects to stimulate water-based tourism
- 10 Support to larger private sector tourism and tourism-related businesses to introduce green technology and reduce water consumption.

## 6.3 Project selection – principles, criteria and proposals

The Bank should consider supporting water-based tourism projects where:

- There is clear alignment with AfDB strategic orientations to 2022 with respect to
  - stimulating inclusive growth,
  - moving towards a green economy;
  - the Bank’s selectivity and sector focus; and

- harmonization and partnership.
- There is a clear public good, for example creating a water supply that feeds both tourism development and local needs (for example, desalination on islands where tourism and local population needs are, or are likely to be in future, in conflict).
- Local access to water resources and water supply is enhanced and not blocked.
- Wastewater will be fully treated and not dependent on public facilities.
- Benefit-sharing and CSR agreements are in place in advance of development, including opportunities for education and training.
- The development is in line with national policy and strategy.
- Other investments in infrastructure (such as energy or access) are being put in place.
- Environmental and social impacts have been fully considered.
- The development risk is minimised (for example fragile states without tourism at present might not be priorities from immediate water-based tourism development, although future tourism planning might in certain cases be supported).

Where some of these principals are not yet activated, the Bank could help to put them in place (for example through commissioning an environmental impact analysis or a national master plan).

#### **6.4 Action plan for the Bank**

It is recommended that the Bank focus on the following primary intervention areas relating to water and tourism:

- Specific water-based tourism facilities identified through tourism master planning, where benefit-sharing systems are being put in place.
- Water-based transport linkages.
- Water-use and waste management reduction programs in major tourism economies, including “greening the tourism industry” to help deliver reduced water consumption.

##### **6.4.1 Internally focussed AfDB actions**

- As country strategies are renewed, greater consideration should be given to tourism and water-related opportunities and constraints.
- The Bank should facilitate greater awareness of tourism development opportunities in the context of green growth and inclusive development.
- The Bank should facilitate greater awareness of green technology and water-use reduction techniques.

##### **6.4.2 Externally focused actions by the Bank (public sector)**

- In each country, the Bank should support and take a greater involvement in tourism master planning processes, and ensure greater focus on Africa’s inter-regional potential. Master planning should consider water and tourism in detail.
- In each country, the Bank should identify locations where water consumption by tourism is in conflict, or likely to come into conflict, with local population needs, and consider interventions that benefit the wider community.
- Similarly the Bank’s country strategies should identify locations where waste water issues are arising and causing environmental or social problems for local populations and tourism potential (these may at times include issues due to extractive industries and agriculture).
- The Bank’s country strategies should identify opportunities to strengthen tourism-related water transport facilities on rivers and lakes.
- The Bank’s country strategies should consider interventions to support protected area management relating to water resources and wetlands.
- Country strategies should consider improving border and shopping facilities near riverine and lake-shore border posts.
- Country strategies should consider supporting urban improvements, solid waste management affecting water tables and waste water treatment at river and lake-side towns.

#### 6.4.3 *Externally focused actions by the Bank (private sector)*

- Strategic interventions in water-based tourism enterprise development should be considered where in line with national strategies, and where investment and environmental risks are fully assessed.
- Private sector investment opportunities in tourism-related water transport facilities on rivers and lakes should be considered.
- Interventions to support major tourism and tourism-related businesses to introduce green technology to reduce water consumption and improve waste water treatment should be considered.

### 6.5. **Geographic focus**

In countries with significant tourism industries green technology needs to be introduced as a priority, so as to reduce water consumption and improve wastewater management. Greater awareness of water conservation also needs to be created and inclusive growth championed. These countries include the following:

- Island nations
- Algeria
- Botswana
- Egypt
- Kenya
- Morocco
- South Africa
- Tunisia

Secondly it is recommended that the Bank support better development planning (tourism master planning and tourism value chain studies) in countries with emerging tourism industries. This should include creating awareness of the need to conserve water and the need for inclusive growth, and supporting the implementation of elements of tourism development. These countries include:

- Angola
- Burundi
- Ethiopia
- Lesotho
- Malawi
- Mozambique
- Nigeria
- Rwanda
- Swaziland
- Tanzania
- Uganda
- Zambia
- Zimbabwe

In other potential tourism destinations with water-based assets for possible future tourism development the Bank should support feasibility analysis, scoping studies, tourism recovery and awareness of the need to conserve water. These include:

- West and Central African mainland nations
- And other African countries where levels of security are sufficient to allow tourism to develop without excessive risk.

Inter-regional projects are an AfDB priority. Shared rivers, wetlands and lakes should be encouraged to develop shared standards of water-based tourism management. At present transboundary water resource management plans in Africa rarely consider tourism issues, and this should be changed. Tourism development planning should be encouraged by AfDB in transboundary strategy development. Further detail on nature-based tourism institutions is outlined at annex 2. Annex 4 considers other development banks' approaches to tourism for benchmarking purposes.

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## Annex 1: Tourism Data for Africa portal

<<http://tourismdataforafrica.org/>>

AfDB in collaboration with New York University (NYU), Africa House and the Africa Travel Association (ATA) has developed the *Tourism Data for Africa* portal in order to provide access to Tourism related data on African countries.

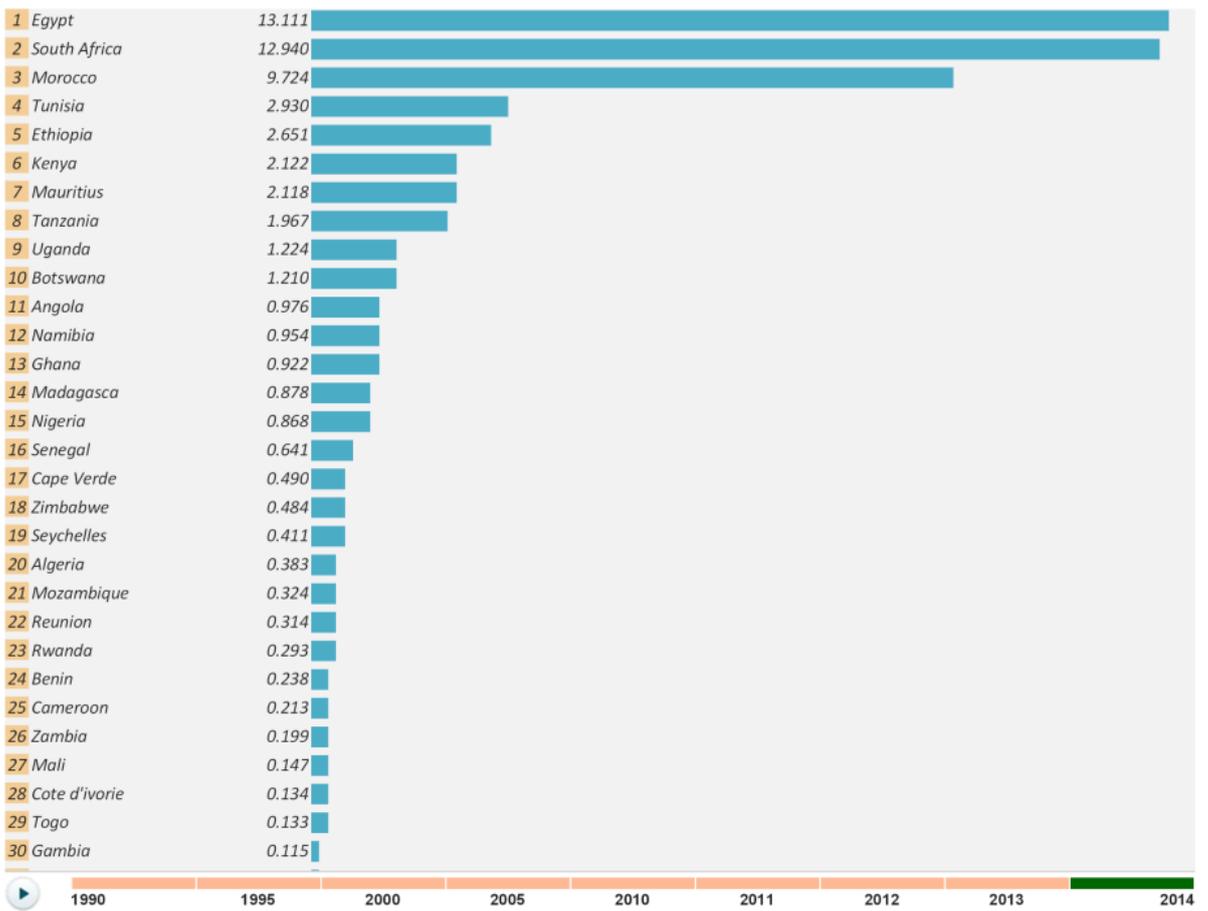
The portal is part of the AfDB's "Africa Information Highway" initiative aimed at improving data collection, management, and dissemination in Africa. It will allow open access to the data needed for managing and monitoring development results in African countries, including tracking progress on Sustainable Development Goals. The portal is a direct response to a number of important global and regional initiatives to scale up the availability of quality data on Africa and so foster evidence-based decision-making, public accountability, and good governance.

Tourism Total Contribution to GDP  
2014

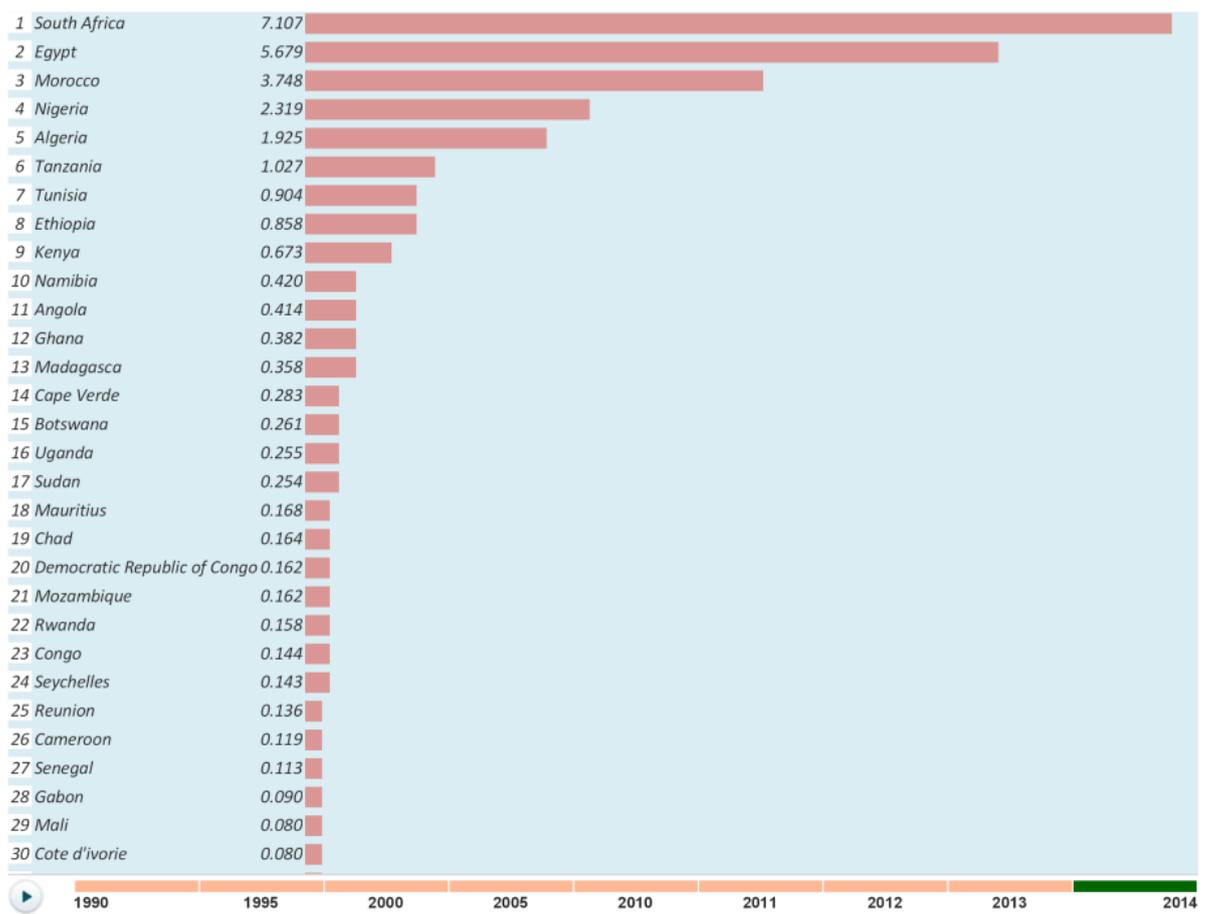
	US\$ bn	Real growth (%)	% share
Angola	5.60	6.90	3.80
Benin	0.55	6.40	6.60
Botswana	2.02	6.80	8.10
Burkina Faso	0.35	5.20	3.20
Burundi	0.14	1.70	4.40
Cameroon	1.47	4.70	5.10
Cape Verde	0.93	8.20	46.90
Central African Republic	0.12	6.40	4.60
Chad	0.45	8.50	4.60
Comoros	0.04	2.30	6.50
Congo	0.45	6.90	4.00
Cote d'Ivoire	1.16	0.70	4.40
Democratic Republic of Congo	0.48	3.40	1.90
Ethiopia	5.27	5.20	11.70
Gabon	0.42	6.70	2.70
Gambia	0.24	5.00	18.90
Ghana	2.74	6.70	5.90
Guinea	0.31	5.70	4.30
Kenya	5.65	4.10	11.90
Lesotho	0.28	4.30	10.30
Madagascar	1.74	4.10	15.60
Malawi	0.43	3.70	9.10
Mali	0.88	0.00	9.40
Mauritius	3.67	5.80	28.50
Mozambique	1.17	4.60	7.10
Namibia	2.12	9.40	16.50
Niger	0.27	3.70	3.80
Nigeria	10.86	5.30	3.10
Reunion	1.55	4.80	7.50
Rwanda	0.62	6.10	7.30
Sao Tome & Principe	0.03	8.00	8.80
Senegal	1.70	6.40	11.20
Seychelles	0.72	-1.90	58.20
Sierra Leone	0.28	8.60	6.70
South Africa	43.95	4.30	9.60
Sudan	1.39	5.30	3.30
Swaziland	0.24	1.80	5.40
Tanzania	4.83	3.70	12.40
Togo	0.26	3.70	6.60
Uganda	2.39	5.70	8.40
Zambia	1.37	8.30	5.70
Zimbabwe	0.85	5.30	10.20
Algeria	15.98	4.10	7.30
Egypt	42.49	3.80	14.90
Libya	2.12	3.20	3.60
Morocco	20.80	7.40	19.30
Tunisia	7.19	7.10	14.40

### Total Inbound Spending by International Tourists

Visitor Exports (US\$ bn)



### Capital Investment Spending by Sectors Related to Tourism (US\$ bn)



## Annex 2: Nature-based tourism institutions in Africa

### 1 Introduction

The primary institutions dealing with water-based tourism in Africa are ministries of tourism, river and lake authorities, and protected area authorities. The extent to which tourism is a national priority varies very considerably from country to country, and not all states have the same tourism potential. The World Economic Forum (WEF) produces annual rankings of countries' tourism potential, including natural assets.

If effectively responsibly managed, both water authorities and protected areas can provide the cornerstone for natural resource management including water resources. They can also enhance regional cooperation through trans-boundary organisations, contribute to sustainable livelihoods of local communities, create local employment opportunities and form the foundation for ecotourism development. There are sometimes conflicts between tourism authorities and national park authorities regarding revenue and development potential. Riverine authorities generally do not have a strong track record in considering tourism uses of water.

### 2 Ministries of tourism

The extent to which ministries responsible for tourism have put in place plans for water management in the tourism industry and for tourism based around water assets varies considerably. Most countries have not given the water-tourism nexus much consideration. Tourism master planning should consider water infrastructure needs for the tourism industry, and water-based tourism opportunities. The standard and format of tourism master planning varies considerably however, generally reflecting the extent of budget set aside for the planning processes. African countries' tourism master plans and national tourism strategies are in place as shown below:<sup>114</sup>

#### NORTHERN AFRICA

Country	Date	Period	Status
Egypt	2008	2008-2020	Was developed before Egypt's political crises
Morocco	2013	2009-2020	Being implemented
Tunisia	2010	2010-2016	Being implemented but events following Arab Spring disrupted assumptions

#### WESTERN AFRICA

Country	Date	Period	Status
Cape Verde	2009	2009-2013	Sal Master Plan 2013-2016 now in place
Burkina Faso	2009	2010-2012	Now expired
Ghana	2012	2013-2027	Being implemented
Nigeria	2006	2005-2015	Now expired
Senegal	2013	2013-2015	Now expired
Sierra Leone	2008	2008-2015	Ebola crisis halted implementation
The Gambia	2006	2006-2015	Now expired (AfDB supported 2006 plan)
Togo	2013	2013-2018	

<sup>114</sup> Consultant and UNWTO (2015) *Repository of National Tourism Master Plans and Marketing Plans*

#### EASTERN AFRICA

Country	Date	Period	Status
Eritrea	1999	2000-2020	Implementation difficult due to regional tensions
Kenya	2013	2013-2018	Being implemented
Rwanda	2009	2009-2020	In 2014 a complete revision and update was commissioned with more ambitious targets
Uganda	2014	2014-2024	Being implemented
Seychelles	2011	2013-2020	Being implemented
Tanzania	2002	2002-2012	Now expired New master plan now being tendered.
Zimbabwe	2013	2013-2015	Now expired AfDB currently supporting new Zimbabwe Tourism Master Plan preparation

#### SOUTHERN AFRICA

Country	Date	Period	Status
Botswana	2010	2010-2016	Being implemented
South Africa	2010	2009-2020	Being implemented
Swaziland	2012	2012-2016	Being implemented

In addition there is a small number of multi-country regional tourism master plans, such as:

- Sustainable Tourism Master Plan for the Inter-governmental Authority on Development (IGAD) member states of Kenya, Uganda, Sudan, South Sudan, Djibouti, Ethiopia, Somalia and Eritrea (2013-2023).<sup>115</sup>
- Virunga Massif Sustainable Tourism Master Plan (2005) covering parts of the Democratic Republic of Congo, Rwanda and Uganda.<sup>116</sup>
- Kaza-Kavango Zambesi Transfrontier Conservation Area including Angola, Botswana, Namibia, Zambia and Zimbabwe<sup>117</sup>

Inter-regional organisations such as the Southern African Development Community (SADC) and the East Africa Community (EAC) also develop regional tourism protocols and strategic plans.

### 3 Riverine and lake authorities

#### NORTHERN & EASTERN AFRICA

##### Nile Basin Initiative

The Nile Basin Initiative (NBI) was launched in 1999 with the vision “To achieve sustainable socio-economic development through the equitable utilization of, and benefit from, the common Nile basin water resources”. It has developed considerable momentum.

The NBI has proposed a wide range of initiatives ranging from the public goods focus of establishing cooperative institutions (such as the NBI itself) as well as the development of a

<sup>115</sup> United Nations Economic Commission for Africa

<sup>116</sup> International Gorilla Conservation Programme (2005) *Virunga Massif Sustainable Tourism Master Plan*. USAID.

<sup>117</sup> <http://www.peaceparks.org/tfca.php?pid=19&mid=1008>

range of management systems and tools, and promoting specific investment projects. The *Nile Basin Initiative Secretariat Strategic Plan 2012-2016*<sup>118</sup> does not refer to tourism however. Of particular note is the Jonglei Canal project which was designed to divert a proportion of the White Nile's flow away from the Sudd wetlands, reducing evaporative losses and enabling more water to be transferred downstream. By making more water available, this would reduce conflict between Egypt and The Sudan and the upstream states. The works would also create new transport linkages in an area in which development is seriously constrained by costs of access. However, the project is extremely controversial, and its environmental impact on wildlife and climate change (the Sudd is a massive carbon sink) has tourism implications.

### **Lake Victoria Basin Commission**

The Lake Victoria Basin Commission (LVBC), which covers five Nile riparian countries on the Equatorial Lakes branch (but not The Sudan or Southern Sudan). The LVBC is a formal technical agency of the East African Community with a clearly defined mandate, as follows:

"To promote equitable economic growth; promote measures aimed at eradicating poverty; promote sustainable utilization and management of natural resources; promote the protection of environment with the Lake Victoria Basin; and promote compliance on safety of navigation."<sup>119</sup>

The LVBC is developing proposals to enhance navigation on Lakes Victoria and Tanganyika that could enhance tourism and tourism links for regional economies.

## WESTERN AFRICA

### **Senegal River Basin Development Authority**

The Senegal River is the second longest river in West Africa. It crosses four countries (Guinea, Mali, Mauritania, and Senegal), and its basin covers an area of 300,000 square kilometers with a population of about 2.7 million people. Most of the basin is located in the Sahelian and desert zone, and thus experiences severe and chronic rainfall deficits. In 1972, three of its riparian States (Mali, Mauritania, and Senegal) established a basin organization for the basin known as the Senegal River Basin Development Authority (*Organisation pour la Mise en Valeur du Fleuve Senegal – OMVS*). The mandate of the OMVS is to:

- to contribute to the three countries development through sub-regional co-operation;
- to secure and improve the incomes of the basin's populations thereby contributing to halt or curb rural exodus;
- to develop quantitatively farm production; and
- to ensure ecological equilibrium in the basin.<sup>120</sup>

### **Niger Basin Authority**

The Niger River is the longest in West Africa. It is also the third longest in Africa. The estimated population of the basin is about half the total population of the nine member states and almost 20 percent of the total population of sub-Saharan Africa. About eighty percent of the total population of the Niger basin is in the three states of Mali, Niger, and Nigeria. The Niger Basin Authority (NBA) currently defines its purpose as the promotion of cooperation among member countries to ensure integrated development of all the resources in the basin, ensuring an integrated development of the Basin in the areas of energy, water resources, agriculture, animal husbandry, fishing and fisheries, forestry, transport, communication, and industry. Tourism is mentioned as an area of potential but not elaborated on.

### **The Volta Basin**

At basin organization level, the main project currently underway is the preparation of a Volta Basin Master Plan for investment projects. The Volta Basin Authority (VBA) Strategy 2010-2014 did not consider tourism.

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<sup>118</sup> NBI (2012) *Nile Basin Initiative Secretariat Strategic Plan 2012-2016*

<sup>119</sup> LVBC (2011) *Lake Victoria Basin Commission Strategic Plan (2011-2016)*

<sup>120</sup> IUCN *Integrated management of the Senegal River*. Toolkit.[Internet] Available at: <[https://cmsdata.iucn.org/downloads/senegal\\_1.pdf](https://cmsdata.iucn.org/downloads/senegal_1.pdf)>

### **The River Gambia Basin**

The Gambia River Development Authority *Organisation pour la Mise en Valeur du Fleuve Gambie* (OMVG) does not highlight tourism, although it is an important aspect of the riverine economy for some enterprises.

## **EASTERN AFRICA**

### **The Rovuma**

This river is shared between Mozambique and Tanzania and forms the boundary between the two countries in a sparsely inhabited region. Much emphasis is being placed by Tanzania on the development of a Southern Circuit based on wildlife and the natural environment.

## **SOUTHERN AFRICA**

### **Zambezi Watercourse Commission**

The Zambezi is by far the largest river in Southern Africa (excluding the Congo, which is shared with other regions) and it is still relatively under-developed. AfDB's report on possible future integrated water interventions<sup>121</sup> notes that the Zambezi offers significant development potential and includes a number of important environmental conservation areas very important to tourism. The Lake Malawi sub-basin has a significant transport role (proposals to link it to the sea would have major environmental implications undermining its tourism potential, as noted in the *Integrated Water Resources Management Strategy and Implementation Plan for the Zambezi River Basin*).<sup>122</sup> ZAMCOM's 2008 objectives included to:

- Systematically integrate tourism development in water resources planning development and management
- Develop catchment management plans incorporating areas of tourism value such as game management areas and wetlands.
- Operation of water infrastructure to support and enhance tourism management

### **International Commission of Congo-Oubangui-Sangha Basin**

The water-based tourism potential of this huge river system is constrained by weak national economies and fragile political structures. The International Commission of Congo-Oubangui-Sangha Basin (CICOS) is an emerging basin organisation. There is an ambitious transboundary project proposed that would involve the transfer of waters to the Lake Chad and Nile basins (Lake Chad, which has shrunk to only 10 per cent of its size 50 years ago). Rehabilitation of harbour and river transport would have tourism potential in the long term.

### **The Okavango Basin**

Very little of Okavango's flow is abstracted before it drains into the Okavango wetland and evaporates. Proposals by Namibia to tap the resource have previously been resisted by the Botswana government because of concerns about possible impacts on the ecology and tourism of the wetland, which is a large Ramsar and World Heritage Site. It is likely that there will be continued pressure for development of the substantial resources of this shared river from Namibia but also from local stakeholders in Botswana as well.

### **The Orange River**

Many of the investment needs and timetables in this basin are already well-defined. Preparation is already underway on a bilateral basis for the second phase of the Lesotho Highlands Water Project Phase 2, which is the next major transboundary investment project. Tourism planning is quite well advanced.

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<sup>121</sup>Muller, M. & Wright, A (2014) *A Program to Support Transboundary Water Management and Regional Integration in Africa*. For AfDB.

<sup>122</sup> SADC-WD/ Zambezi River Authority SIDA/ DANIDA, Norwegian Embassy Lusaka (2008) *Integrated Water Resources Management Strategy and Implementation Plan for the Zambezi River Basin*

## 4 National parks and protected areas

Governments of nearly every country in Africa have however acted to protect natural resources by creating national parks and protected areas. Protected areas are a key strategy for conserving nature and watersheds and Africa has long been at the forefront of global efforts to develop protected area networks. These include some of the continent's most popular and enduring tourist icons such as: Kenya's Masai Mara National Reserve and the Ngorongoro Crater Conservation Area; the Serengeti and Mount Kilimanjaro National Parks in Tanzania; and the Kruger National Park in South Africa. The conservation of Africa's wilderness is the foundation of Africa's tourism industry.

Under the international Convention on Biodiversity, by 2020 at least 17 per cent of terrestrial and inland water (and 10 per cent of coastal and marine areas) especially areas of particular importance for biodiversity and ecosystem services, are to be conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas. There is good progress in protected area designation for terrestrial and inland areas, with 39.3% of the countries and territories in the region meeting the 17% target for terrestrial and inland areas. Some countries and overseas territories have more than one third of their area covered by protected areas: Reunion Islands (76.3%), Seychelles (42.1%), Morocco (33.6%), Namibia (37.9%), Zambia (37.9%), Congo (35.2%), and the United Republic of Tanzania (32%). While progress in protected area coverage in Africa is positive, the protected area coverage of inland waters is not well known.

In many countries it is coming under increasing challenges. Africa's rapidly rising population means that more and more land is being settled and farmed.<sup>123</sup> Of great concern is the rapid loss of wildlife in many of them. The major cause of species declines in Africa is the loss of habitat. Many habitats are in decline and as they decline in area and quality this has a direct impact not just on wildlife, but also in many cases on water issues. The African elephant, perhaps the most iconic symbol of the continent is threatened with extinction in the wild due to *increasing* organised poaching.<sup>124</sup> Rhino Poaching is also rising, with over 1,000 rhino killed in Africa in 2012. Rhinos are now extinct in western Africa. Many international organisations are examining the status and funding of national parks and no easy solutions have been found.

A major study on Africa's national parks was published in 2013 in the International Journal of Biodiversity.<sup>125</sup> The study points out that two approaches are commonly used to sustain biodiversity in National Parks:

- One approach is the preservation approach, which aims at setting aside National Parks to exclude human activities except for tourism. Through this approach, direct use of natural resources in the park for commercial or subsistence purposes is prohibited [3]. This type of approach is often referred to as the "protectionism approach". The preservation approach aims at excluding human activities considered inimical to the objectives of conserving biodiversity in National Parks. The preservation approach was the most dominant approach until the 1980s.
- The second, more contemporary, approach is called the community-based conservation approach. This allows people (especially those that neighbour national parks) to benefit socially or economically from park lands.<sup>126</sup> The community-based conservation approach was proposed to address the problems associated with excluding human activities from the park.

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<sup>123</sup> Many major national parks were created in the first half of the 20<sup>th</sup> century when human population levels were low following the effects of war and subsequent disease epidemics,

<sup>124</sup> THE GUARDIAN, 24 March 2015: International Union for the Conservation of Nature (IUCN), reported that the African elephant population had dropped from 550,000 in 2006 to 470,000 in 2013. East Africa has seen the worst decline, from 150,000 to about 100,000 (African Elephant Summit, Botswana, 2015)

<sup>125</sup> Mukumuza, M. & Balkwill, K. (2013) *Factors Affecting the Success of Conserving Biodiversity in National Parks: A Review of Case Studies from Africa*. In: INTERNATIONAL JOURNAL OF BIODIVERSITY, Vol. 2013

<sup>126</sup> Stolton, S., Mansourian, S., & Dudley, N. *Valuing Protected Areas*. The International Bank for Reconstruction and Development, Washington DC.

Past and current studies show that both approaches are not sufficiently effective in conserving biodiversity in National Parks in Africa. There are however a handful of cases where these approaches have been successful at conserving biodiversity in national parks. Results showed that all factors responsible for both the success and failure of conserving biodiversity in National Parks in various contexts were socioeconomic and cultural in nature. The highest percentage in both successful case studies (66 per cent) and unsuccessful cases studies (55 per cent) was associated with the creation and management of the park. These results suggest that future conservation approaches in National Parks in Africa should place more emphasis on the human dimension of biodiversity conservation than purely scientific studies of species and habitats in National Parks. This has important lessons in terms of benefit sharing arrangement for water-based tourism: It is vital to put in place robust agreement at the commencement of development, and to ensure that agreements are widely understood and accepted.

Various factors that affected the extent of conservation of biodiversity in National Parks in Africa were identified. The identified factors were grouped into five categories which included the following:

- the creation and management of the park (displacement of people from their traditional lands, for example, causes a negative attitude among local residents towards the existence of the park, and negative attitudes were responsible for conflicts between local people and the park staff).
- local community neighbouring the park (for example, provision of education, awareness, and outreach programmes to local communities neighbouring the park was responsible in some cases for successful conservation of biodiversity)
- the area where the park is located,
- national policy governing the park, and
- financial resource base of the park

Numerous sub-factors were also identified. The investigation revealed that biodiversity in national parks depends on the relations between local people and park staff.

The Worldwide Fund for Nature (WWF) has published guidelines on more effective protected area management.<sup>127</sup> These call for the following actions:

- 1 Create a bold but realistic political vision for conservation at the sub-regional and national levels and establish / improve mechanisms for continuous stakeholder involvement in translating this vision into reality
- 2 Develop and harmonise policies, laws and management procedures relating to protected areas both within and between countries, with a particular emphasis on areas of trans-boundary conservation importance
- 3 Maintain and where necessary establish professional, semi-autonomous, institutions with responsibility for protected areas and ensure that relations with line ministries and local government are clearly defined and that enactment of policies such as gazetting is streamlined
- 4 Build the skills of protected area staff, create an *esprit de corps*, and establish a viable career path for conservation professionals within the civil service
- 5 Integrate protected area design and management into comprehensive land-use planning processes
- 6 Develop a diversified source of long-term direct funding to support the protected area system, including continued support from the international community, and establish efficient and transparent financial management structures that ensures funding is used for effective management and support of local communities
- 7 Raise the political profile of the region's protected areas by identifying and promoting their direct and indirect contributions to the national and local economies and highlight this linkage in the Poverty Reduction Strategies Papers process, MDGs and the World Parks Congress and other international initiatives
- 8 Formulate effective and realistic approaches to community engagement and clarify roles, rights and responsibilities in terms of co-management, enclaves, involuntary resettlements and use rights with respect to the sustainable development of local communities

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<sup>127</sup> WWF (2005) *Towards an Effective Protected Areas Network in Africa: Experience in assessing protected area management effectiveness and future proposals*

- 9 Seek to widen the range of stakeholders actively involved in influencing, managing and funding protected areas to include for example local governments, local banks, timber companies, oil and mining companies, agro-investments, NGOs, professional hunters and local traditional hunting associations
- 10 Improve monitoring, information gathering and regular assessment within and around protected areas to increase understanding of the value of protected areas, management effectiveness, and to facilitate communication and education

These lessons can also be applied to water-based tourism.

UNEP and UNWTO have also published a series of guidelines for managing social and environmental impacts from tourism on eco-sensitive environments including mountain areas, deserts and marine environments. These guides have been drawn upon in devising guidelines for rivers, lakes and wetlands.

## **Annex 3: Key messages for advocacy and technical support to African Governments**

### *Government's role in planning*

- Water resource management needs to become a key aspect of tourism development planning in Africa.
- Tourism master planning should be based on an assessment of available freshwater resources, which should be a key criterion in establishing tourism carrying capacities. Such assessments should take into account: the water consumption and impacts of all tourism businesses and services; consumption discrepancies between high and low-end establishments; infrastructure capacities (including sewage, waste and electricity); population growth; urbanisation; competing livelihood needs; food security; climate change; and wider watershed degradation.
- Land use, tourism and water planning and decision-making should be undertaken transparently and be fully participative, with involvement of all relevant stakeholders, including communities, tourism and other large water consumers, such as agriculture. Special efforts should be taken to involve women, given their increased vulnerability to adverse water impacts, and other marginalised groups, such as indigenous peoples.
- Governments should not privilege allocation of water supplies or infrastructure to the tourism sector and should take steps to ensure public supplies are not appropriated by superior tourism sector infrastructure to the detriment of local communities. Opportunities to benefit both should be sought.
- Interagency coordination is needed in considering and implementing ways to protect the environment and water supply while fostering the tourism sector's growth and its socio-economic benefits for host communities.
- Legislation and institutional reforms in the areas of tourism and environmental governance are needed. While existing laws may contain fragments of water management concepts, there are still significant challenges to be confronted.

### *Government's role in industry relations*

- Governments should sensitise tourism businesses and visitors to pay more attention to the need to reduce water consumption and reuse grey water, reducing waste. National green tourism programs focused on introducing green technology (ideally manufactured in Africa) should be introduced.
- Government and private sector co-operation is needed to capitalise on innovative and technological resources for improving and accelerating infrastructure development regarding water consumption and waste water treatment. The use of new technologies to make water-use monitoring more accessible, convenient, and more efficient should be encouraged.
- A clear regulatory and institutional framework for benefit sharing from water-based tourism needs to be adopted. Corporate social responsibility needs to be enabled and maximised. There is scope for CSR to be more widely practised so that African tourism increases its contributions to poverty alleviation.
- Adequate punitive action should be taken against tourism businesses and government officials found to be in breach of benefit sharing agreements and water management regulations. Good practice should be championed and publicised.
- Governments should be accountable and responsive in respect to water equity in tourism, with a clearly identified department and process to investigate and redress community and industry grievances.

- Greater co-ordination between governments, the industry and the education sector is needed to raise awareness of water conservation needs, and to assess and address environmental and social issues, and forecast global tourism growth.

*Government's role in community*

- Governments should implement their fundamental duty and international legal obligations to uphold, fulfil and protect the right of their citizens to water and sanitation for personal, domestic and essential livelihood needs. This includes protection against infringements by tourism businesses. The right to water and sanitation should not come second to, or be compromised by, tourism development.
- The link between the erosion of community water access and the privatisation of land for tourism purposes should be recognised; measures to protect customary land rights and water access should be introduced, including those of indigenous peoples and micro-nations.
- Governments should promote justice and actively work to reduce elite capture of water and revenues through fair and transparent benefit sharing mechanisms.
- In order to build upon the poverty alleviating potential of tourism, measures (such as affordable tariffs and improved water infrastructure) should be introduced to support water access for small-scale tourism entrepreneurs.
- SME development and enterprise empowerment using small-scale fiscal stimuli that mobilise the untapped potential of local people is imperative for a responsible tourism industry based around water, and for unleashing an inclusive green economy
- A higher level of accountability through the development of strong oversight organisation for environmental and benefit sharing is needed to ensure the measurement of tourism's environmental impacts, social impacts, and to develop evidence-based decision making.

## Annex 4: Other lenders' approaches

### Asian Development Bank in the Mekong region

In terms of nature-based tourism, one of the Asian Development Bank's (ADB) main successful areas on intervention has been in the Greater Mekong Subregion (GMS). This consists of those countries close to Mekong River. The Mekong is the twelfth longest river in the world (4350 km), passes through six countries and includes huge climatic and environmental variety. Apart from the main river it includes the unique Tonle Sap Lake in Cambodia (fed by the Mekong flood and drained by the river flowing in the opposite direction in dry season), and the vast Mekong Delta (the region's rice basket). The river flows past World Heritage Sites and includes important biosphere reserves.

The GMS comprises the People's Republic of China (specifically Yunnan Province and Guangxi Zhuang Autonomous Region), the Lao People's Democratic Republic (PDR), Myanmar, Thailand, Cambodia, and Vietnam. More than two thirds of the population live directly from agriculture and fisheries, and are wholly dependent on the Mekong's water resources. The river is of vital economic significance, especially for people living directly on its banks, as in many cases it secures their food base. Furthermore, with its potential uses for transport, tourism and energy, the river provides a basis for socio-economic development in all the riparian states.

Population growth and the consequent increasing pressure on the river's resources pose an increasing threat to the Mekong. Of particular concern is the ongoing expansion of hydropower, as well as intensified agriculture and extraction of mineral resources. Moreover, the Mekong Delta with a population of 60 million is one of the most vulnerable in the world to the effects of climate change.

The region's tourism has been dominated by Thailand as the main inbound air hub, and political instability there has a ripple effect to other neighbouring countries. The other GMS countries and the region as a whole has performed very well over the past two decades, making it one of the world's fastest growing tourism regions.

In general, GMS tourism development policies and ADB support has shifted from simply attracting more tourists and promoting sector growth to emphasizing environmental and social issues. There has also been focus on economic corridors where other ADB-financed infrastructure, in particular trans-national highways, is being constructed.

The initial years of the GMS tourism program focused on setting up the institutional structures for coordinating with development partners on tourism sector activities. A Tourism Working Group comprising senior representatives of national tourism organizations was established in 1993, followed by a secretariat in ADB in 1997 to coordinate tourism plans in the sub region.

In 2002, the ADB's *GMS Regional Cooperation Strategy and Program* was prepared, setting out ADB's strategy for the sub region. The overarching goal of the program is to reduce poverty. There are two key tourism strategy objectives:

- (i) to facilitate ease of movement of tourists to and through the region by way of a single-destination GMS visa; and
- (ii) to provide investments and other assistance needed to ensure access to major, culturally important tourist sites and to prevent environmental degradation.

Thus the ADB strategy is supposed to focus on (i) *improving access* and (ii) *minimising negative environmental impacts of tourism*.

Support was introduced in 2005 to strengthen the environmental component of their Strategic Development Framework, including tourism development. Key activities of the technical assistance were to support ADB's Core Environmental Program by assessing the potential environmental impact of development and investments in hydropower, roads, and tourism in some of the region's economic corridors and identifying opportunities to pay for environmental services. The assistance helped to establish five biodiversity corridors at pilot sites. These corridors are patches of suitable habitat used to combat fragmentation and improve the area's ecology.

A GMS regional tourism sector strategy was formulated with the overall goal of developing and promoting the GMS as a single destination, offering a diversity of good quality

products that would help to distribute the benefits of tourism more widely; add to the tourism development efforts of each GMS country; and contribute to poverty reduction, gender equality and empowerment of women, and sustainable development, while minimizing any adverse impacts. The Mekong Tourism Coordination Office was set up in Bangkok, Thailand, in February 2006. It acts as the TWG secretariat, providing technical support, but most activity is handled through national programs.

By 2008 ADB had provided about \$38.2 million assistance for the GMS tourism industry; loans comprised 92% or \$35.0 million, and technical assistance \$3.2 million.<sup>128</sup> ADB lending to the sector consists of three ongoing loans to Cambodia, Lao People's Democratic Republic and Viet Nam under the GMS Mekong Tourism Development Project. In addition, the GMS tourism sector received six technical assistance projects. These addressed training, capacity building, preparation of a feasibility study of priority tourism infrastructure projects, and formulation of a new strategy for the next period.

The evaluation of the project highlighted difficulties in inter-regional cooperation. In particular there was little progress in implementing a common Visa, and a reluctance to adequately fund and staff the Mekong Coordinating Office. It also noted that the benefits of tourism largely bypass the majority of the poor in the GMS and called for the development of products in areas attractive for tourists where the poor live, and the establishment of supply chains that increase the contribution of the tourism sector to the local economy. It was also critical of supply-driven developments which have insufficient consideration of demand in feasibility analysis.

The evaluation recommended that ADB should engage more in *policy analysis* and *impact evaluation*. This would enable ADB to be a more proactive player in the policy discourse of regional and sectoral significance. The initial program concentrated mainly on three countries: Cambodia, the Lao PDR and Vietnam. The second phase of development has continued this focus but with more attention to visitor management. It has also extended activities to other GMS countries, in particular paying attention to the emerging destination of Myanmar.

By the end of 2010, ADB had provided about \$55 million in loans and grants, and \$3.15 million in technical assistance to the GMS tourism sector. Included in the ADB's Regional Cooperation Operations Business Plan for the GMS covering 2011-2013 is the Sustainable Tourism Development Project Phase II with estimated financing of \$60 million. ADB technical assistance has also been proposed to link tourism to poverty reduction in the Southern Economic Corridor, and for the Explore Mekong - Marketing the GMS as a Single Destination program, estimated at \$ 2.4 million.

In 2011, GMS tourism ministers endorsed a refocused GMS tourism strategy focussed on three areas as follows:

- (i) tourism-related human resource development,
- (ii) pro-poor sustainable tourism, and
- (iii) sub regional marketing and product development.

The new programme included a loan to Vietnam and a grant to Lao PDR. The total cost of the Project is estimated at \$21.98 million: The cost for the Lao PDR component is \$10.87 million, including taxes and duties of \$598,000. The cost for the Vietnam component is \$11.11 million, including taxes and duties of \$589,000. Within this program further support has been advanced for nature-based tourism including the following:

- demonstration subprojects in the Lao PDR and Vietnam that improve the environment at urban and natural tourism sites, benefit ethnic groups/minorities and the poor, and protect vulnerable people from potential negative impacts.
- transforming GMS transport corridors into economic corridors by developing tourism opportunities along the roads and improving the human resource capacity of tourism small and medium-sized enterprises (SMEs) and public sector tourism organizations.
- contributing to more inclusive growth, environmental sustainability, and regional cooperation in the GMS.
- construction of handicraft markets, viewing points, small access roads, walking trails, tourism signage, information and visitor centers, parking areas, small river piers, community lodges, and protective and sanitary facilities.

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<sup>128</sup> ADB (2008) *Evaluation Study: Tourism Sector in the Greater Mekong Subregion*.

- formulate plans for tourism site development and management,
- provide training for local communities and private tourism operators,
- develop marketing strategies and products, and compose sub regional tourism manuals.
- strengthen and encourage fair partnerships among local governments and communities and the private sector in developing, operating, and maintaining community tourism facilities and services,

In Myanmar (a less developed cultural and nature-based tourism destination) ADB's support focussed firstly on the creation of a Tourism Master Plan with strong Government buy-in. This covered the following:

- Comprehensive tourism sector assessment and analysis of strategic issues, key constraints and development needs.
- Vision, strategic objectives, priority programs and projects, indicative resource requirements, and implementation and monitoring arrangements agreed among key stakeholders.
- Knowledge dissemination plan implemented to raise awareness on the content of the master plan and promote sound decision making in national and subnational tourism planning.
- Follow up activity relates to Master Plan implementation.

### **Inter-American Development Bank**

The Inter-American Development Bank (IDB) is a strategic partner of Latin America and the Caribbean for the development of sustainable tourism through financial and technical support. The Bank supports projects that help improve the quality of life of the poor while ensuring the preservation of the environment and the social and cultural values of the communities. Projects are designed to help IDB member countries to offer more competitive tourism products in international markets.

IDB has four main areas of action support activities linked to tourism as follows:

- tourism for poverty alleviation,
- tourism and conservation management,
- governance (improving tourism management), and
- innovation.

#### ***Tourism and poverty alleviation***

The IDB invests and provides technical assistance for *large-scale tourism projects* that involve the poor in their value chains; employ and support enterprises ran by the poor, and invest in infrastructure that benefit the poor in the planned destinations. The IDB, together with the Multilateral Investment Fund, also supports training for communities, tourism operators as well as micro and SMEs to expand their knowledge of business administration and marketing, and improve the quality of goods and services provided to tourists. The Bank also supports technical cooperation to promote CBT networks and the participation of communities as suppliers of tourism inputs.

#### ***Tourism and conservation management***

Protected areas, national parks and marine reserves have been identified by IDB as some of the most valuable natural assets of Latin American and Caribbean countries for tourism. As a result, the IDB finances a wide range of programs to enhance the long-term value of these assets and expand the offering of *carbon neutral tourism destinations*.

IDB supports sustainable tourism ventures that

- seek to protect the natural assets and the cultural heritage of communities that live in or near protected areas, and which also
- generate economic opportunities and benefit indigenous populations, women, rural communities and young people who depend directly on the quality and availability of natural resources.

IDB projects support, for example, actions to create, enhance and market sustainable tourism destinations and specific products. The Bank works closely with both the private sector and local authorities to plan and manage tourism activities and flows in order to ensure equitable development across different regions as well as the preservation of biodiversity and the local

cultural values. IDB also invests in *environmental management of tourism destinations*, helping local authorities to design and implement plans to manage the use of protected areas sustainably and invest in measures to protect and mitigate potential impacts stemming from tourism activities.

### ***Improving tourism management***

IDB works closely with governments and other stakeholders in Latin America and the Caribbean to help them get the highest development return from tourism. The Bank finances measures that improve tourism development, marketing and promotion at a destination level through integrated management structures. For example, the IDB helps create destination management organizations to help coordinate actions.

IDB also supports the strengthening of tourism statistics systems, regulations and standards, as well as information systems and marketing efforts by member countries both at the local, regional and international levels.

### ***Innovation***

Innovative forms of tourism are emerging, based on new consumer requirements and the intensive use of information and communication technologies. The IDB supports innovation in the design and implementation of tourism policies, as well as the adoption of new technologies and knowledge management and transfer in order to increase the performance and the efficiency of the overall tourism sector.

The projects the IDB finance support the design and development of new tourism products, market intelligence, education and training systems, and e-marketing strategies.

The Multilateral Investment Fund, the autonomous fund of the IDB, complements these efforts through the creation and promotion of clusters of tourism businesses, particularly those involving micro, small and medium-sized companies.

## **World Bank**

The World Bank is a primary initiator of strategic tourism development projects in Africa. It has funded many national tourism master plans, including Rwanda (2014) and Tanzania (current). Conservation is also an important theme: World Bank conservation projects have been run in Namibia, Mali, Mozambique, and Zambia for example.

An example of a current project is the Sustainable Tourism Development Project for Ethiopia (USD 39.5 million). There are four components to the project, the first component being destination development. This component has three sub-components: (i) the rehabilitation and enhancement of basic infrastructure in key historic sites; (ii) visitor services enhancement and (iii) tourism product development.

The second component is the market development. This component focuses on promotion and marketing activities. There are two sub-components: (a) positioning and marketing; and (b) a demand-driven linkages program utilizing a matching grant scheme and providing support to communities.

The third component is institutional development and capacity building. Finally, the fourth component is the implementation support and results monitoring. This component relates to fiduciary (procurement and financial management) and safeguard compliance activities.

## **Brazilian Development Bank**

In Brazil, the Brazilian Development Bank developed a low interest loan for hotels to retrofit their infrastructure prior to the World Cup. With attractive interest rates, hotels had to meet the Brazilian standards on sustainable tourism similar to Leadership in Energy & Environmental Design (LEED) certification.

