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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**International High-level Meeting of Experts on Sustainable Tourism for Development in
the Least Developed Countries**

Caen, France, 12-14 October 2010

MEETING REPORT

UNCTAD Event in the context of the preparatory process of UNLDC-IV



Photo – Crédits Conseil Régional de Basse-Normandie - 2011

Introduction

The international meeting of high-level experts on sustainable tourism development in LDCs, held in Caen, from 12 to 14 October 2010, was one of the pre-events organized by UNCTAD in preparation for the Fourth United Nations Conference on the Least Developed Countries (LDC-IV). Organized under the aegis of UNCTAD's work on sustainable tourism development, the meeting was funded by the French Government, and was generously hosted by the Regional Council of Basse-Normandie.

The purpose of the meeting was to highlight the ability of international tourism to contribute to socio-economic progress and poverty reduction in LDCs, in the hope that the PMA-IV conference will result in new international commitments to support the development of this sector. The two immediate objectives of the meeting were: (i) to provide a group of national leaders in the tourist industry with insights that will help them in their work; and (ii) to allow for a joint discussion on how to integrate the topic in the future United Nations programme of action for LDCs.

I. Sustainable development of tourism and poverty reduction in LDCs

The economic model underlying international tourism has produced "mass" tourism. However, the sector's dynamism and prospects for significant growth raise concerns — especially in LDCs, where the natural economic, social and human environments are fragile — that must be addressed by including a sustainable element in the development of tourism, so as to promote growth in the long term while maintaining an overall balance.

The external and internal constraints weighing on the development sector, which are stronger in LDCs, must be reduced (political instability, poor infrastructure and communication systems, lack of public services, lack of funds, obstacles to the free movement of people, lack of job skills, etc.). The State has a major role to play in promoting sustainable development of tourism, especially to define a development model for the sector that is adapted to the country (to better control the "leakage" that affects the sector), in consultation with all industry players, including local communities, who are potential beneficiaries.

The tourism sector proved its resilience during the recent global economic crisis. It should continue to grow in the next 10 years: the number of international arrivals is expected to reach 1.6 billion in 2020, that is to say, double the current number.

In LDCs, particularly in Africa where the sector grew by 3% per annum during the 2000s, sustainable tourism development will require a wide-reaching dialogue between public and private sectors and with local and regional actors to ensure that joint efforts are successful, particularly through intersectoral linkages that generate production and hence employment and income.

All LDCs have advantages in terms of tourism (cultural and natural heritage). Their comparative advantages allow them to place international tourism at the heart of the economic specialization that generates progress. However, they are faced with severe constraints such as insufficient local savings and the lack of a qualified national workforce, which mean that the development of the tourism economy, largely entrusted to foreign actors, is a source of "leakage" rather than national benefit. Another set of constraints that require vigilance concerns the risks of adverse effects on the natural environment and the social fabric, and

even on fragile local cultures. To reduce these constraints, the State and industry players must make a joint effort to ensure that tourism revenues are equitably shared.

It is in the interest of LDCs to focus their tourism economy in specialized areas ("authentic" nature or cultural tourism), to support initiatives by groups of local entrepreneurs to adopt an institutional framework conducive to the sustainable development of the sector, and to encourage the emergence and professionalism of a class of producers of the services in question, while striking a reasonable balance between national interests and foreign interests.

The development of infrastructure and human resources, and also air transportation (without which there would be no tourism), is a key objective of LDCs with ambitions for their tourism sector, as are political stability and security.

II. The development of economic ties to reduce poverty

Leakage or loss of earnings suffered by tourist destination countries in relation to tourist activities, which can represent up to 70% of potential tourism revenue, stem from the repatriation of profits and wages in the country of origin of investors and foreign labour, and from the inability to substitute local goods and services for imported goods and services.

Efforts can be made to replace the foreign inputs for domestic inputs and to strengthen the ties between tourism and other sectors of the national economy, particularly agriculture, if local agricultural products meet international standards. The development of local human resources has a key role to play in reducing the use of expatriates.

Tourism contributes to reducing poverty by creating jobs, particularly by offering many economic opportunities for local producers in the tourism sector itself, or in industries supplying goods and services related to it. The organization of local cooperatives and support for small local businesses can help achieve these objectives.

The tourism sector is labour-intensive, involving a wide range of skills, and has a notable multiplier effect: a job created in the sector can generate 1.5 jobs in related sectors such as agriculture or construction. Responsible development of the sector requires a work ethic that needs to be clearly defined by LDCs.

III. Tourist specialization: objective and field action

LDCs' choice of tourist specialization raises issues concerning the appropriateness of national assets to the evolution of international tourism demand, infrastructure and human resources, without which no tourist economy can exist, and the determination of national and international actors to develop trust in a "product" or several types of tourist services.

These issues need to be addressed by appropriate national policies, which will involve decisions that can lead to structural socio-economic progress. A real economic density may develop in a tourist economy that has been intelligently specialized. Cultural assets (both tangible and intangible) allow particularly interesting specialization because they may have a key role in attracting tourism while contributing to the positive image of the country, as may the preservation of the natural environment. It is important that those in charge of cultural and natural assets in LDCs cooperate closely with the tourism industry so that all parties involved, including tourists themselves, contribute to a healthy use of fragile resources.

IV. The development of institutional capacity for sustainable tourism

The tourism industry is mainly driven by the private sector. However, the capital needed for large-scale tourism projects is rarely available in LDCs, who are forced to rely on foreign direct investment (FDI) and foreign expertise and management skills. These foreign contributions are usually essential to "launch" a competitive tourism economy and quality. For these reasons, FDI should be fostered by government action — as a facilitator — and the government must implement a suitable policy framework, with appropriate legal and fiscal measures (exemptions from customs duties on essential imports, rules to encourage investment and public-private partnerships, etc.). The government also needs to encourage local investment.

There are, however, some risks associated with FDI: the creation of a tourism enclave, connected at the international level but not at the national one; financial leaks; some social costs; and degradation of natural and cultural tourism assets by over-exploitation. To reduce these risks, the State and economic actors must ensure that a portion of the inputs come from local sources, and that exemplary partnerships (to be emulated) and innovative partnerships (with knowledge transfers to the destination country) between foreign and domestic actors are implemented.

Regional cooperation is seen as a promising way to support the development of tourism. Several LDCs have already adopted this approach. For example, the West African Economic and Monetary Union (WAEMU) has recently adopted a policy on subregional tourism development, following initiatives taken by the Indian Ocean Commission and the Association of Southeast Asian Nations (ASEAN). The benefits of regional cooperation in tourism lie in coordinating the management of shared sites, grouping operators in subregional federations, and the free movement of nationals of member States. The movement and work of cross-border communities must be facilitated and transportation costs reduced if regional cooperation is to be successful.

V. Entering the productive sphere and remaining competitive in the tourism economy

Tourism, like any other service activity must be competitive. In a highly competitive international environment, a rich natural environment is not enough: the price and quality of the tourism product are also important, and the product must be differentiated to ward off competition. Differentiation and competitiveness can be achieved by branding, which will eventually be supported by the use of protected visual symbols.

From a financial perspective, investment in the tourism sector is generally considered a risky activity because of the difficulty of assessing a priori the viability of a sector in which large amounts of financing will be needed, while the risks of external economic and natural shocks can be numerous. Despite this risk, specialized banks (such as Proparco, 3% of whose financing commitments are in the tourism sector) finance the sector using strict selection criteria in terms of social and environmental sustainability of infrastructure and local businesses.

VI. Promoting sustainable development of tourism at the local level to contribute to poverty reduction

Sustainable development of tourism in LDCs, as in other developing countries, should involve all stakeholders, including civil society, to ensure the success of local projects.

For the government, it is a matter of achieving the Millennium Development Goals by mobilizing all partners, organizing local communities, responding to new tourist demands, entering into partnerships with local craftsmen and the trade unions representing local tourism operators from target areas, and introducing a real training policy with a focus on quality aimed at protecting the environment and heritage. It is important to encourage cooperation and partnership between all stakeholders in the sector and international partners, without whom there would be no tourism.

It must also involve all local stakeholders at the decentralized level to ensure effective coordination of actions in order to avoid overlapping projects and tourism services. The provincial or local level is the appropriate level at which to organize the actors in networks that have shared goals, values and ethics: the locals are the best ambassadors for their region, and they feel valued and take more ownership of their environment when they are more involved. Regional actors can also act as "facilitators" between local communities and the private sector.

Local communities and NGOs can also promote local handicraft activities to generate added value at local level, so that local actors can benefit directly from the local tourism industry.

Conclusion

The meeting in Caen was a success, attended by 68 participants including 39 representatives of member States (including 25 representatives of LDCs). Seven agencies of the United Nations system were represented by 18 people, which ensured good inter-agency cohesion on the theme of sustainable tourism. Avenues for future cooperation were discussed with representatives of the Basse-Normandie region and the French Ministry of Foreign and European Affairs. Finally, 18 proposals were made by participants for a tourism segment of the future United Nations programme of action for LDCs for the next decade.

These 18 proposals should be used and relayed by the member States in the preparations for the Fourth United Nations Conference on LDCs. In this respect, the role of the Office of the High Representative of the United Nations for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, and the role of the French Government (which will hold the presidency of the next G8-G20) will be essential.

Annex 1 – Panelists and moderators

Session	Subject	Panelist
I	1	Ms. Jo Elizabeth Butler, Chair of UNCTAD's Task Force on Sustainable Tourism for Development
	2	Mr. Frédéric Pierret (UNWTO)
	3	Mr. Tesfaye Desalegne (Ministry of Culture and Tourism, Ethiopia)
	4	Mr. Gilles Béville (Ministère des Affaires étrangères et européennes, France)
II	5	Mr. Günter Fischer (UNCTAD)
	6	Mr. Fabrice Leclercq (ITC)
	7	Ms. Christiane Stepanek-Allen (ILO)
	8	Mr. Shafique Alam Mehdi (Ministry of Civil Aviation and Tourism, Bangladesh)
	9	Mr. Samouth Neb (Ministry of Tourism, Cambodia)
III	10	Mr. François Vellas (Université de Toulouse)
	11	Mr. Hervé Barré (UNESCO)
	12	Mr. Modibo Cissé (Ministère de l'Artisanat et du Tourisme, Mali)
IV	13	Mr. Pierre Encontre (UNCTAD)
	14	Dr. Pushkar Bajracharya (National Planning Commission, Nepal)
	15	Ms. Grace Mbabazi Aulo (Ministry of Tourism, Trade and Industry, Uganda)
	16	Mr. Rolf Traeger (UNCTAD)
	17	Mr. Diego Medina-Muñoz (University of Las Palmas de Gran Canaria)
	18	Mr. Gustave Diasso (UEMOA)
	19	Mr. Mohamed Sakho (Ministère du Tourisme et de l'Hôtellerie, Guinée)
	20	Mr. Patrick Ramonjavelo, (Ministère du Tourisme et de l'Artisanat, Madagascar)
V	21	Ms. Tamara Nanayakkara (WIPO)
	22	Ms. Virginie Bleitrach (PROPARCO, France) + Mr. Denis Sireyjol (PROPARCO, France)
	23	Ms. Lieketseng Mohasi-Selinyane (Ministry of Tourism, Environment and Culture, Lesotho)
	24	Mr. Htay Aung (Ministry of Hotels and Tourism, Myanmar)
	25	Mr. Ousseynou Dieng (Ministère de l'Artisanat, du Tourisme et des Relations avec le Secteur Privé et le Secteur Informel, Sénégal)
	26	Mr. Apan Guy Johnson (Ministère de l'Artisanat et du Tourisme, Bénin)
	27	Mr. Bartolomeu Soto (Ministry of Tourism, Mozambique)
	28	Mr. Etienne Coffin (Comité français pour le développement durable du tourisme, France)
VI	29	Mr. Mamadou Bâ, Vice-Président de la Région de Saint-Louis du Sénégal
	30	Mr. Alain Tourret, Vice-Président du Conseil Régional de Basse-Normandie
	31	Mr. Gautier Amoussou, Président d'ECO-Bénin
	32	Mr. Mohamed Mahmoud Ba ould Ne (Ministère du Commerce, de l'Artisanat et du Tourisme, Mauritanie)

Session I: Mr. Philippe Lacoste (Ministère des Affaires étrangères et européennes, France)

Session II: Mr. Frédéric Pierret (UNWTO)

Session III: Ms. Anne Miroux (UNCTAD)

Session IV: Mr. Samouth Neb (Ministry of Tourism, Cambodia)

Session V: Mr. David Diaz-Benavides (University of Aix-Marseille III)

Session VI: Mr. Jean-Louis Laville (Director of the Tourism Regional Council of Normandy)

Annex 2 – Proposals stemming from the Caen Meeting

I. Sustainable tourism

1. The growing importance of tourism-related activity has been a prominent feature of economic specialization among least developed countries (LDCs) over the past decade. The sector is now the first or second source of gross export earnings in 20 LDCs, and demonstrates fairly steady growth in at least 10 others. A related, notable change is that sustainable tourism development has become an important development objective, if not a priority, in a majority of these States. Tourism has been the main engine of socio-economic progress for many LDCs.

2. National stakeholders increasingly recognize the capacity of sustainable tourism development to reduce poverty – first through employment creation in the tourism industry, and secondly through the wealth of economic opportunities that arises from linkages with local suppliers of goods and services. Equally important is the catalytic impact of sustainable tourism development on the wider economy. The elements of progress which tourism development implies, notably in human capabilities and infrastructure, are foreseen as factors of wider structural transformation and, in some cases, of convergence with more advanced economies. It is also recognized that utmost attention should be given, from the early stages of development of the sector, to the paramount goal of sustainability, notably with regard to the preservation of cultural and environmental assets.

II. Suggestions

3. Participants made the following suggestions for the consideration of LDCs at the national level and their development partners at the international level, in their actions to promote sustainable tourism development.

A. At the national level

1. Create a safe and stable enabling environment to encourage sustainable tourism development. Encourage investment by relevant domestic and international stakeholders, including investors and suppliers of goods and services, in the wider tourism economy;

2. Mainstream sustainable tourism development as an important poverty reduction avenue in all national development strategy documents, and recognize the critical role which local authorities and communities, as well as other stakeholders at the local level, can play in supporting sustainable tourism development initiatives to enable them to fully benefit from tourism development;

3. Harness product specialization and branding to strengthen market position of LDC tourism destinations in light of the evolving international, subregional and domestic demand for tourism services. Pay more attention to the preservation of environmental assets and of natural and cultural, both tangible and intangible, heritages, including through the adoption of legal frameworks at the early stage of product development. Build productive capacities relating to these assets for product differentiation, quality and attractiveness;

4. Promote domestic tourism to support the viability of the local tourism industry;

5. Promote decent work and respect the rights of the individual in the wider tourism sector with an emphasis on the most vulnerable groups, i.e. women, youth, children and migrants;
6. Adopt and implement investment, tourism and trade policies that support national strategies for sustainable tourism development;
7. Strengthen linkages and create synergies between tourism and other economic, environmental and cultural sectors for poverty reduction, including through creating opportunities for small and local suppliers of goods and services, and through establishing a process of dialogue among all national stakeholders;
8. Develop national mechanisms to support tourism enterprise viability and competitiveness, including the access to finance, development of small and medium-sized enterprises, and access to global information and distribution systems;
9. Design and implement strategies, as an integral part of sustainable tourism development, to enhance the efficiency of various means of transport, including through cost reduction and taking into account social, economic and ecological considerations to, inter alia, make tourism sites more easily accessible;
10. Enhance the human resources potential for tourism activities through improved general education, vocational training and appropriate capacity-building measures.

B. At the international level

1. Support the national initiatives of the LDCs, including those mentioned above;
2. Establish a joint cooperation mechanism between LDCs and their development partners to promote sustainable tourism in LDCs; strengthen technical and financial assistance to LDCs in the area of sustainable tourism development, particularly for infrastructure development, and also for diversification of tourism products, institutional capacity-building, human resources and skill development, tourism enterprise creation and competitiveness, and marketing of tourism products; and encourage foreign direct investment with developmental impact to the tourism industries in LDCs;
3. Explore modalities of international support for the creation of national or subregional entities that will be able to extend development services to small tourism enterprises;
4. Explore the possibility of creating an international venture capital fund or other specialized mechanisms to finance private or public investment projects in the field of tourism in LDCs;
5. Support LDCs' efforts to access knowledge and relevant and environmentally-friendly technology to protect and develop their biodiversity, cultural and natural heritages, and to mitigate and adapt the adverse impacts of climate change;
6. Encourage decentralized cooperation options through which sub-national authorities in partner countries would share their experiences with LDC authorities on sustainable tourism

initiatives, including through innovative partnerships such as, for instance, South–South and triangular North–South–South exchanges of best practices;

7. Encourage regional or subregional integration programmes of direct relevance to sustainable tourism development for the benefit of the LDCs. Initiate and promote cooperation and synergies among stakeholders at local and national as well as at regional and international levels;

8. Enhance collaboration among the various international organizations, including with United Nations agencies, to ensure synergy in supporting sustainable tourism development in the LDCs. UNCTAD and the World Tourism Organization are called on to work together to explore way and means to make the tourism sector more resilient vis-à-vis external shocks.

4. The participants wish to thank the Government of France and the Regional Council of Basse-Normandie for their generous support and hospitality.
