

# SUSTAINABLE TOURISM MASTER PLAN FOR THE INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD) REGION

**2013-2023**



- 
- DJIBOUTI
  - ERITREA
  - ETHIOPIA
  - KENYA
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  - UGANDA





SUSTAINABLE TOURISM  
MASTER PLAN FOR THE  
INTER-GOVERNMENTAL  
AUTHORITY ON  
DEVELOPMENT  
REGION

2013-2023

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## LIST OF ACRONYMS AND ABBREVIATIONS

AEC	African Economic Community
AU	African Union
AUC	African Union Commission
BRICS	Brazil Russia India China and South Africa
CECAFA	Council of East and Central Africa Football Associations
CEWARN	Conflict Early Warning and Response Mechanism
COMESA	Common Market for Eastern and Southern Africa
CPA	Comprehensive Peace Agreement
DMO	Destination Management Organisation
DMS	Destination Management Systems
EAC	East African Community
EASSy	East Africa Submarine Cable System
EIU	Economist Intelligence Unit
EU	European Union
FDI	Foreign Direct Investment
FIFA	Fédération Internationale de Football Association
GDP	Gross Domestic Product
GVA	Gross Value Added
HEI	Higher Educational Institution
ICE	Inter-governmental Committee of Experts
ICT	Information and Communication Technology
IGAD	Inter-governmental Authority on Development
IGADD	Inter-governmental Authority on Drought and Development
KUC	Kenya Utalii College
LAPSSSET	Lamu Port South Sudan Ethiopia Transport
MICE	Meetings Incentives Conferences and Exhibitions
MIP	Minimum Integration Programme
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NTO	National Tourism Office
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
REC	Regional Economic Community
SEAMEWE	South East Asia-Middle East-West Europe
SME	Small and Medium Enterprises
SRO-EA	Sub-Regional Office for Eastern Africa
SSA	Sub-Saharan Africa
STMP	Sustainable Tourism Master Plan
TSA	Tourism Satellite Account
TTCI	Travel and Tourism Competitiveness Index
TVET	Technical and Vocational Education and Training
UEFA	Union of European Football Associations
UN	United Nations
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational Scientific and Cultural Organisation
UNWTO	United Nations World Tourism Organisation
USA	United States of America
WTTC	World Travel and Tourism Council

## ACKNOWLEDGEMENTS

This master plan is a product of comprehensive stakeholder consultations across the IGAD region and two tourism expert consultative workshops held in Addis Ababa, Ethiopia and Kampala, Uganda, in June and October 2012 respectively. Furthermore, the master plan benefits from elaborate peer review by a team of tourism experts drawn from IGAD member states.

The process of formulating the master plan was led by Geoffrey Manyara under the direct supervision of Andrew Mold with the overall leadership being provided by Antonio Pedro, the Director of UNECA SRO-EA and Mahbooub Maalim, the Executive Secretary of IGAD. Special thanks go to Joseph Rwanshote and Elsadig Abdalla from the Economic Cooperation and Social Development Division of the IGAD Secretariat for their support and guidance during the master plan formulation process. In addition, gratitude is extended to members of staff of ECA SRO-EA for their encouragement and productive appraisals of the first draft of the master plan.

Finally, IGAD and ECA take this opportunity to acknowledge and thank the official tourism focal points of the IGAD member states, the team of tourism experts and all other esteemed tourism stakeholders including government officials, private sector representatives, members of civil society and academia, for their constructive criticism, insights, information and advice that contributed immensely to the development of this master plan.





*Karura River, Karura Forest, Nairobi, Kenya*





# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

### INTRODUCTION

*“The main aim of the IGAD STMP is to provide member states with a regional framework for sustainable tourism development with a view to contributing to socio-economic development and poverty alleviation and to promoting regional integration.”*

The Sustainable Tourism Master Plan (STMP) is guided by the aim, objectives and principles of the Inter-Governmental Authority on Development (IGAD). The main aim of the IGAD is to *expand the areas of regional co-operation, increase the members’ dependency on one another and promote policies of peace and stability in the region in order to attain food security, sustainable environment management and sustainable development*. The Master plan is further informed by the African Union (AU) Minimum Integration Programme (MIP), an instrument geared towards achieving the wider goal of the African Economic Community. In addition, the AU, through the New Partnership for Africa’s Development (NEPAD) 2004 Tourism Action Plan Africa recognises the important role that tourism can play in socio-economic development and poverty alleviation and that, through trans-boundary activities, it can be an effective vehicle for regional integration. Importantly, the STMP is as a result of strong recommendations of the United Nations Economic Commission for Africa (UNECA) Sub-Regional Office for East Africa’s (SRO-EA) 15<sup>th</sup> Intergovernmental Committee of Experts (ICE) meeting themed, Towards a Sustainable Tourism Industry in East Africa, on the need for a regional framework for tourism development in the region.

On the basis of the above backdrop, the main aim of the IGAD STMP is to provide member states with a regional framework for sustainable tourism development with a view to contribute to socio-economic development and poverty alleviation and to promote regional integration. More specifically the STMP seeks to: outline the importance of tourism development in the region; analyse in detail the prevailing scenario of tourism development; and to provide a detailed roadmap for the implementation of strategies and actions.

The STMP is further guided by the following underlying principles:

- ① tourism development should be sustainable, providing both inter-generational and intra-generational equity;
- ② the master plan should provide a vision for tourism development in the region; the master plan should enhance the competitiveness of the IGAD region as tourist destination;
- ③ tourism development strategies should be in line with the wider national, regional, continental and international development initiatives and economic development plans; and
- ④ tourism development should be guided by sound research.



## SITUATIONAL ANALYSIS

### ECONOMIC ANALYSIS

Globally the tourism industry is now identified as a key driver for socio-economic development. The industry, for instance, generates over USD 1 trillion or close to USD 3 billion a day and contributes about 5% of the global GDP. The importance of the tourism industry varies considerably within the IGAD countries, contributing 2% and 3.8% on the lower end for Eritrea and Sudan respectively, and 11.4% at the higher end for Kenya.

The tourism industry has been and still continues to be a major source of foreign exchange earnings for Ethiopia, Kenya and Uganda (World Bank, 2011). Interestingly, the contribution of the industry for the majority of the IGAD member countries to the foreign exchange kitties has only grown in importance over the last ten years. In 2001, for instance, Ethiopia, Kenya and Uganda earned USD 218 million, USD 536 million and USD 186 million respectively. Moreover, the industry plays an important role in the balance of payments for IGAD member countries. For example, the industry is an important export for Ethiopia, with the industry's share of exports peaking in 2008 at 33.69%, Uganda where the industry contribution stood at about 22% in 2010 and Kenya where the industry constituted 21.44% of the total exports.

The tourism industry is also an important source of both direct and indirect employment especially in the more developed destinations in the region. In line with the volume of employment generated, the value capture per employment is crucially important. The World Travel and Tourism Council (WTTTC) recommends that for every eight international tourist arrivals, at least one direct job should be created. Australia, in this regard, is considered to have a high value capture given that the annual income of per job created is estimated at USD 39 920 compared to USA and South Africa at USD 21 507 and USD 9 907 respectively as of 2009. In the case of the IGAD region, the value capture of the tourism industry varies across the region with USD 2 633 for Eritrea on the lower end, and USD 6 293, USD 5 695 and USD 6 736 for Kenya, Sudan and Uganda respectively in 2009.

The tourism industry has been and continues to be an attraction for investors in the IGAD region, drawn from within and from other foreign sources. The industry's contribution to the total national capital investment, for instance, is projected in 2011 to be approximately USD 0.53 billion, 0.48 billion, 0.47 billion and 0.19 billion for Ethiopia, Kenya, Sudan and Uganda respectively. In addition, the industry's share of the total capital investments, for example, is still significant for countries such as, Ethiopia with an estimated share of 9.68% and Kenya with 7.20% in 2011. Owing to the capital intensive nature of the industry countries opt for foreign direct investment (FDI), though there is concern as to whether this is an appropriate strategy. It is important to note that, to a large extent, the benefits that accrue from FDI depend on the degree of economic and human development and consequently the absorptive and productive capacities.

## In Brief

### 2001

#### Earnings from tourism

Ethiopia USD 218 million

Kenya USD 536 million

Uganda USD 186 million

## TOURISM TRENDS

International tourist arrivals to the IGAD region have been on a growth trajectory over the past two decades. For instance, the total number of international tourist arrivals in 1995 stood at 1.5 million visitors, peaking in 2007 to 3.2 million visitors. It is important to note that although the number of visitors to the region dropped in 2008 and 2009 to 2.9 million and 2.7 million respectively, projections suggest an optimistic future for the industry.

It is expected that Europe will continue to be an important tourist market globally, despite a lower growth rate than the global average. The Chinese market will also constitute a large share of the global market. Though the numbers are still relatively small, Africa and the Middle East, are regarded as the fastest growing markets at 6.2% and 9.9%, generating 27.5 million and 36 million international tourist arrivals respectively in 2010. It is imperative to note that global trends suggest that 80% of the international tourist arrivals travel within their regions and top global destinations are driven by strong domestic tourism demand. For illustration, in the case of Malaysia, which is now ranked among the top ten destinations of the world, hosting 23.6 million international tourist arrivals in 2009, its Singaporean market accounted for more than half of the total international tourist arrivals at 12.7 million, while the domestic market stood at 90.5 million. This is a growing trend in Africa and the challenge for the IGAD region is to develop appropriate products to tap into the respective domestic and regional tourist markets.

Nature-based tourism products continue to play a key role in tourism development within the IGAD region. It is, nevertheless, important to note that the IGAD region is also well endowed with alternative tourism products that have remained relatively under exploited. Ethiopia has, for example, abundant heritage tourism resources comparable to those of Egypt.

## HUMAN CAPITAL AND RESOURCE ANALYSIS

Studies have shown that increasing the average literacy and numeracy skills in an economy leads to a higher per capita GDP. Likewise, the leading tourist destinations of the world have corresponding high literacy rates. Kenya offers an excellent opportunity in the IGAD region, given its fairly high global ranking in terms of the quality of the education system and the availability of research and training services at position 33 and 36 respectively. This is, therefore, a great prospect for the rest of the IGAD region to leverage as the availability of skilled human resources remains a significant challenge for the majority of countries in the region. However, tapping into this opportunity can only be realised through regional integration and formulation of appropriate policies and legislation that foster labour mobility and those that will encourage people to train across the region with minimal restrictions.

## ENVIRONMENTAL ANALYSIS

Scarce resources and rapid population growth have been a source of conflict over natural resources both domestically and in the region. The environmental challenges facing the region have further been exacerbated by emerging climate change issues as exemplified by the current extremities in weather patterns, prolonged droughts and heavy flooding as a result of prolonged rains. Kenya has put in place measures to ensure the sustainability of such resources. Conversely, despite Uganda having the highest number of protected areas and the highest percentage of surface area under protection in the region, environmental regulation is not stringent, enforcement of environmental regulation is weak and environmental treaties are not ratified effectively.

## SAFETY AND SECURITY ANALYSIS

Two sources of information – the Political Instability Index of the Economist Intelligence Unit and the Travel and Tourism Competitiveness Index (TTCI) of the World Economic Forum (WEF) – help to illustrate the prevailing safety and security situation in the IGAD region. First, the political instability index generally ranks member states as high risk with the exception of Ethiopia which is considered to be of moderate risk. Second, the TTCI takes into consideration four parameters in its safety and security considerations i.e. the business costs of terrorism; reliability of police services; business costs of crime and violence; and road traffic accidents. The TTCI, however, ranks Ethiopia at position 102 globally. It ranks poorly for business costs of terrorism and number of road accidents, where it is positioned numbers 100 and 128 out of 139 countries respectively.

It is worthwhile to note that the current regional interventions towards enhancing peace and security are beginning to bear fruit. These include the IGAD's Conflict Early Warning and Response Mechanism (CEWARN), the Comprehensive Peace Agreement (CPA) and the subsequent independence of South Sudan and the current interventions in Somalia. Nonetheless, the success of sustaining tourism development in IGAD will largely depend on the continued and concerted efforts by member countries towards lasting peace and security in the region.

## TOURISM INFRASTRUCTURE

The success of any tourism destination is dependent, to a large degree, on the nature of the facilities and services infrastructure that are available to the tourists. These can be categorised as: primary tourist facilities and services (accommodation/hotels, restaurants, and travel and tour services); secondary tourist facilities and services (shopping, recreation, entertainment and visitor information services) and tertiary tourist facilities and services (health services and care, emergency and safety services, financial services and personal services). Generally, these are not well developed across IGAD and where available, these services and facilities are not very competitive globally. For instance, South Africa has over 202 000 hotels rooms compared to Kenya's 10 600 as per the last census conducted in 2003.

## OTHER RELATED INFRASTRUCTURE

Furthermore, air transport infrastructure, which facilitates access to destinations, is not well developed across the region; with the exception of Ethiopia and Kenya, making travel expensive and time consuming given the need for flight connections such that some member states are not readily accessible to tourists. In addition, despite the importance of ground transport in tourism development, the prevailing road conditions, densities and networks within member states and the IGAD region as a whole, for instance, are of poor quality and mostly inadequate; with the better conditions restricted to urban areas, mostly the capital cities. Moreover, Information and Communication Technology (ICT) is increasingly becoming important in distribution and promotion of tourism products globally, yet the cost remains high in the region. A number of projects are, nonetheless, expected to improve the quality of ICT in the region, for example, the East African Submarine Cable System (EASSy) Project and the South East Asia-Middle East-West Europe (SEAMEWE).

## POLICY, RULES AND REGULATORY FRAMEWORK

The prevailing policy, rules and regulatory framework can either be an obstacle or a catalyst for tourism development in any given destination. Such a framework could, for instance, promote or dampen both FDI and domestic investment, encourage or discourage innovation, relevant skills development, and research and development in the tourism industry. In this regard, the TTCI ranking of IGAD select member countries within this context is very low, which implies that the extant policies, rules and regulatory frameworks are comparatively unfavourable towards enhancing the competitiveness of the region. This is exemplified in the stringent visa requirements for intra-regional travel and for international visitors to the region.

In addition, the bilateral air service agreements between countries which indicate the level and extent of collaboration between the countries - in terms of the routes airlines can fly including cities that can be served within, between and beyond the bilateral partners; the number of flights that can be operated or passengers that can be carried between the bilateral partners; the number of airlines the bilateral partners can nominate to operate services and the ownership criteria airlines must meet to be designated under the bilateral agreement – are fundamental challenges facing the IGAD member states. What is more, while some member states have in place tourism policies, plans and strategies, these are not in line with the spirit of regional integration and where they may reflect some aspects of integration e.g. in the case of Kenya and Uganda, there are still issues not clearly articulated and limitations in scope, such as issues to do with single regional visa and emphasis on traditional markets.

## DISPARITIES IN LEVELS OF TOURISM DEVELOPMENT

Due to the different prevailing issues, past and present, in the respective IGAD member states, there are correspondingly remarkable disparities in the levels of tourism development. Such disparities are manifested in a range of factors including the levels of tourism infrastructure development, tourist arrivals and receipts, levels of human resource development, existing policy, regulatory and institutional frameworks.

There is concern amongst tourism stakeholders across the IGAD region, particularly amongst the relatively underdeveloped states, that the more mature destinations will dominate tourism development in the region. To allay such concerns, the European Union expansion, for instance, provides valuable lessons for IGAD member states. Nevertheless, tourism development priorities of respective member states should be upheld, albeit, within the context of regional integration, drawing upon the tenets of AU's MIP.

## STRATEGIES AND ACTIONS

A number of priority intervention areas are necessary to guarantee competitiveness and which would serve as key frameworks for sustainable and long term tourism growth in the IGAD region. These areas include: policy, regulatory and institutional framework; tourism product development; tourism marketing; human resource development; research and development; tourist safety and security; tourism infrastructure; infrastructure development; and tourism, natural and cultural heritage conservation.

1

First, a conducive policy, regulatory and institutional framework is essential for sustainable tourism development in the IGAD region. Key actions identified for this priority area include: formulation of a regional tourism policy framework; easing the barriers to visitor entry within the region; enhancing destination access by promoting Air Service Agreements and Open Sky policies; and establishing an umbrella tourism council to oversee the implementation of the STMP.

2

Second, tourism product development is an integral part of the industry's competitiveness and should be sustainable and product-led, as opposed to being market-led as is usually the case in the region. In this regard, the STMP provides a framework for tourism product development in the IGAD region though the onus of national tourism product development rests upon member states. Key actions identified for this priority area include: developing tourism related products focusing on quality and sustainability, regional and local community integration and industry involvement to gain maximum economic benefit; enhancing the capacity to strengthen and integrate tourism product development throughout the region; packaging the tourism products to reflect both national and regional identities; creating new products/areas to entice and target new visitors to the destination; and improving the performance of existing products and enhancing visitors' experience.

3

Third and deeply interlinked with tourism product development, marketing is a vital part of destination development. It is envisaged that destination marketing within the IGAD region should be geared towards facilitating the achievement of national tourism policies and plans, which should be coordinated within the regional tourism master plan. In addition, whereas member states will be encouraged to develop their own strategic marketing plans, these should nonetheless be within the context of the regional goal of building up on the uniqueness of each state to complement the wider IGAD destination with a view to enhancing comparative advantage. As such the key actions identified for this priority include: showcasing IGAD tourism product(s) to the world; attracting a greater share of domestic, intra-regional, inter-regional and international tourists to the region; ensuring that attractions are available to

tourists through a variety of mediums to keep up with changing consumer trends; market diversification; establishing public-private partnerships in tourism marketing; developing a regional and domestic tourism marketing strategy; and undertaking comprehensive tourism market research.

4

Fourth, appropriate skills and knowledge are essential towards creating human capital which in turn is critical in ensuring the competitiveness of the tourism industry. In this regard, there are remarkable variations across member states in terms of the prevailing skills and knowledge and the STMP provides an avenue through which opportunities can be leveraged in the IGAD region. In order to ensure a sustained human resource pool, it is necessary that tourism related courses be integrated into national curricula, training be standardised and centres of excellence be developed across the IGAD region. Consequently, key actions identified for this priority area include: expanding Technical and Vocational Education and Training (TVET) opportunities domestically and internationally (International Cooperation arm of IGAD); promote continuous capacity development of all persons working within the tourism sector to promote efficiency and to equip them with up to date skills and knowledge; formulation of appropriate policies and legislation that encourage labour mobility across the region; and establishing centres of excellence in tourism training across the region.

5

Fifth, research and development is a fundamental part of tourism development. Research and development, for instance, can inform appropriate policy formulation, product development, changing consumer trends, marketing strategies and an understanding of the impacts of tourism development and how to manage them. To be effective, research and development will have to be institutionalised across the IGAD region and a stakeholder collaborative approach be adopted. Key actions identified for this priority area include: establishing regional frameworks for innovation and incubation for sustained enterprise development; developing regional mechanisms of collaboration in tourism research and development; and promoting tourism clusters within the IGAD region.

6

Sixth, provision of a safe and secure environment is a critical success factor for tourism development. As already observed, this is a major challenge facing the IGAD region as a whole due to the prevailing perception of insecurity and political instability given the historical and current evidence of both inter and intra-state conflicts mainly driven by conflicts over natural resources and the fact that tourists have been a target as has been the case in Ethiopia, Kenya and Uganda. Owing to the fact that issues relating to safety and security manifest themselves beyond national borders, there is urgent need for concerted regional efforts towards the provision of a safe and secure environment for tourism development. As such, key actions identified for this priority area include: advocating, supporting and cultivating efforts aimed at addressing insecurity in the region; establishment of a regional standard for disaster and risk management; designing and developing a tourism safety and security action plan; and identifying and establishing partnerships for identifying safety and security risks for tourists.



7

Seventh, destination competitiveness greatly relies on the availability and quality of the prevailing tourism infrastructure. Whereas, previously national governments played a key role in the provision of such infrastructure owing to the underdeveloped private sectors, increasingly private-public partnerships are preferred. This notwithstanding, national governments will have to put in place mechanisms to ensure conducive environments to encourage investment in such infrastructure. This is indeed a major challenge facing the majority of IGAD member states. Consequently, the main actions identified for this priority area include: creating a conducive environment to encourage investments in tourism infrastructure; creating awareness on the potential opportunities for tourism infrastructure investment; and mobilisation of resources to support tourism infrastructure development.

8

Eighth, physical infrastructure is essential for tourism development. Provision of such infrastructure, for instance, roads, rail, seaports and airports, electricity, ICT, water and waste disposal systems, can in turn play an important role in encouraging investment in tourism infrastructure. Though the responsibility of developing such infrastructure rests upon the governments of IGAD member states, this should be done in line with the on-going national and intra-regional infrastructure development initiatives. Nonetheless, such initiatives should not be used as the only basis for tourism development, but rather, tourism development initiatives should also serve as an incentive to expand the national and regional infrastructure networks amongst IGAD member states. Key actions identified in this context include: promoting the creation of an enabling transport environment for easy access to tourism products; promoting the development of a regional spatial plan to optimise the development and utilisation of infrastructure facilities and services; facilitating the creation of an enabling transport environment for easy access to tourism products; and strengthening of ICT infrastructure relevant to tourism destination areas.

9

Lastly, tourism development significantly relies upon and can provide motivation for the conservation of both natural and cultural heritage by enhancing the intrinsic ecological values of biodiversity and socio-cultural and economic development through the sustainable exploitation of such resources in the IGAD region. Given the symbiotic relationship between the industry and these resources, it is important that any negative impacts that could accrue from tourism development are minimised. Whilst the onus of conserving such resources rests upon IGAD member states, it will be necessary for IGAD, in conjunction with relevant authorities, to oversee the conservation of cross-border resources. Accordingly, therefore, key actions identified for this priority area include: promoting land-use planning in tourism priority areas to enhance biodiversity conservation; promoting the development of tourism practises that support conservation principles; and development of guidelines for cultural-based tourism development and cultural heritage conservation.









# INTRODUCTION



## 1.1 BACKGROUND

Owing to the incessant droughts and natural calamities that resulted in adverse environmental and economic impacts in the 70s and 80s, the Inter-Governmental Authority on Drought and Development (IGADD), through the assistance of the United Nations (UN), was created in 1986. The organisation initially comprised six member states, Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda. Eritrea was later co-opted in 1993 following its independence and consequent international recognition. Though the initial mandate of IGADD was to combat issues relating to drought and desertification in the Horn of Africa region, the organisation increasingly became a choice vehicle for addressing political and security related matters amongst member states.

However, IGADD did not have an appropriate organisational capacity to effectively deliver on its growing role in the region. Subsequently, in the early 90s, the then heads of states and governments deemed it necessary to restructure IGADD into a new body that would accommodate the growing mandate, thereby giving rise to the Inter-Governmental Authority on Development (IGAD) in 1996. IGAD currently comprises eight member states with the inclusion of South Sudan in 2011. Accordingly, IGAD now focuses on three priority areas:

- 1 Food security and environmental protection;
- 2 Promotion and maintenance of peace and security and humanitarian affairs;
- 3 Economic Development and Integration.

*Informed by the UN Charter and the African Union Constitutive Act, IGAD's strategy is to enhance sustainable economic development among member states through regional economic integration and the promotion of long-term, collective, self-sustaining and integrated socio-economic development. The aim of IGAD, therefore, is to expand the areas of regional cooperation, increase the members' dependency on one another and promote policies of peace and stability in the region in order to attain food security, sustainable environment management and sustainable development.*

### Initial IGAD Member States



Djibouti



Ethiopia



Kenya



Somali



Sudan



Uganda



**1993** The year that Eritrea was co-opted into IGAD.



*IGAD currently comprises eight member states following the inclusion of South Sudan in 2011.*

### *Specifically, IGAD seeks to:*

- ⦿ Promote joint development strategies and gradually harmonise macro-economic policies and programmes in the social, technological and scientific fields;
- ⦿ Harmonise policies with regard to trade, customs, transport, communications, agriculture, and natural resources, and promote the free movement of goods, services, and people within the region.
- ⦿ Create an enabling environment for foreign, cross-border and domestic trade and investment;
- ⦿ Achieve regional food security and encourage and assist efforts of member States to collectively combat drought and other natural and man-made disasters and their natural consequences;
- ⦿ Initiate and promote programmes and projects to achieve regional food security and sustainable development of natural resources and environment protection, and encourage and assist efforts of member states to collectively combat drought and other natural and man-made disasters and their consequences;
- ⦿ Develop and improve a coordinated and complementary infrastructure, in the areas of transport, telecommunications and energy in the region;
- ⦿ Promote peace and stability in the region and create mechanisms within the region for the prevention, management and resolution of inter-state and intra-state conflicts through dialogue;
- ⦿ Mobilise resources for the implementation of emergency, short-term, medium-term and long-term programmes within the framework of regional cooperation;
- ⦿ Promote and realise the objectives of the Common Market for Eastern and Southern Africa (COMESA) and the African Economic Community (AEC);
- ⦿ Facilitate, promote and strengthen cooperation in research development and application in science and technology.

### 1.1.1 THE AU MINIMUM INTEGRATION PROGRAMME

The African Union (AU) Minimum Integration Programme (MIP) is an instrument geared towards achieving the wider goal of the African Economic Community (AEC) which is informed by various treaties and declarations including the Lagos Plan of Action and the Final Act, the Abuja Treaty, and the Sirte Declaration which created the AU as a replacement of the Organisation for African Unity (OAU). While identifying a common ground for regional integration, the MIP advocates for the synchronisation and rationalisation of the various actions and programmes at the REC level with a view to achieving the continental AEC. The MIP further recognises the fact that Regional Economic Communities (RECs) may be at different stages in the implementation of the various actions and programmes and calls for the need to share lessons and best practice and to draw benefits from comparative advantages that may exist across the regional blocs.

*The main objectives, therefore, of the MIP are to:*

- ⦿ Identify the regional and continental projects within the African Union Commission (AUC) and RECs, the implementation of which reposes on the principle of subsidiarity;
- ⦿ Bolster ongoing economic cooperation initiatives between the RECs and identify the measures likely to accelerate the integration in specific sectors or priority areas;
- ⦿ Identify the priority sectors that call for bold coordination and harmonisation measures within and among the RECs;
- ⦿ Emulate the successful integration experiences in certain RECs and to apply them to all the other communities;
- ⦿ Help the RECs to identify and implement the priority activities with a view to attaining the integration stages defined in article 6 of the Abuja Treaty;
- ⦿ Help the RECs to implement the MIP using a clearly identified calendar; and
- ⦿ Develop and implement other support measures to facilitate the creation of a single market around the key sectors.



### 1.1.2 THE AU/NEPAD TOURISM ACTION PLAN

The AU, through the New Partnership for Africa's Development (NEPAD) recognises the important role that tourism can play in socio-economic development and poverty alleviation. Such recognition is based on the industry's economic opportunities in terms of economic diversification, the potential to generate foreign exchange earnings, income, government revenue and employment generation for Africa countries. In addition, NEPAD observes that tourism through trans-boundary activities can be an effective vehicle for regional integration. NEPAD, nonetheless, recognises that African countries face major challenges in their endeavour to embrace tourism development including issues related to: the prevailing policy and regulatory environment; institutional capacity; tourism marketing; human resource development and quality assurance; research and development; and investment. It is in this context that the African Tourism Ministers agreed to the AU/NEPAD Tourism Action Plan in 2004.

The Tourism Action Plan profiles tourism as an avenue through which Africa can transform and develop and seeks to enhance the industry's role as a vehicle for economic development and growth through the establishment of a conducive environment, regional cooperation, advocacy and stakeholder participation.

*Specifically, the strategic objectives of the action plan are to:*

- ⦿ Create an Enabling Regulatory Environment
- ⦿ Strengthen Institutional Capacity
- ⦿ Promote Tourism Marketing
- ⦿ Promote Research and Development
- ⦿ Promote Investment in Tourism Infrastructure and Products
- ⦿ Reinforce Human Resources and Quality Assurance
- ⦿ Establish and Adopt a Code of Conduct and Ethics for Tourism
- ⦿ Mobilise Financial Resources

In order to ensure the effective implementation of the action plan, NEPAD advises that the onus rests upon respective African countries which should create an enabling environment at the national levels. NEPAD sees its role as an overall co-ordination body at the continental level with RECs co-ordinating the implementation of activities at the sub-regional levels.

## 1.2 RATIONALE FOR IGAD SUSTAINABLE TOURISM MASTER PLAN

The 15<sup>th</sup> Intergovernmental Committee of Experts (ICE) meeting themed, *Towards a Sustainable Tourism Industry in East Africa*, under the auspices of the United Nations Economic Commission for Africa (UNECA) Sub-Regional Office for Eastern Africa (SRO-EA) in partnership with IGAD held in February 2011 strongly recommended the need for a regional framework for tourism development in the IGAD region. This was based on the results of two studies entitled, *A Study on the Challenges and Opportunities for Tourism Development in the East African Region* and *Ecotourism in the IGAD Region: An Untapped Potential with Considerable Socio-Economic Potential*. The two studies highlighted the potential role of tourism development in socio-economic development and poverty alleviation and brought to the fore the key obstacles to tourism development in the region. The studies revealed that a unified approach to tourism development could provide the impetus to addressing the challenges and an avenue through which opportunities could be maximised under the umbrella of regional integration.

*The main aim of the STMP, therefore, is to provide IGAD member states with a regional framework for sustainable tourism development with a view to contributing to socio-economic development and poverty alleviation and to promoting regional integration.*

## 1.3 AIM AND OBJECTIVES OF SUSTAINABLE TOURISM MASTER PLAN FOR IGAD

It is on the basis of the 15<sup>th</sup> ICE and in line with the AU/NEPAD Tourism Action Plan and the MIP, that the Sustainable Tourism Master Plan (STMP) is developed. The master plan, further, takes into consideration IGAD's objectives and its guiding principles and is further informed by the principles of comprehensive tourism planning. The main aim of the STMP, therefore, is to provide IGAD member states with a regional framework for sustainable tourism development with a view to contributing to socio-economic development and poverty alleviation and to promoting regional integration.

Specifically, the STMP seeks to:

- Outline the importance of tourism development among member states and within the context of the IGAD region.
- Analyse in detail the prevailing scenarios of tourism development in the IGAD region with a view to identifying challenges and opportunities.
- Identify appropriate strategies and actions that can enhance the competitiveness of the IGAD region as a global tourism destination.
- Provide a detailed roadmap for the implementation of the strategies and actions of the STMP.

## 1.4 KEY PRINCIPLES OF STMP

Generally, the STMP adopts an approach to tourism planning and development whereby the framework for decision-making links the industry to other economic sectors, and one that takes on board the views of relevant stakeholders including government, private sector, academia, civil society and local communities. While the STMP is designed to be goal oriented in nature as opposed to being reactionary, it is also designed to accommodate changes in both the internal and external tourism environment. Specifically, the STMP is guided by the following underlying principles:

*This Master Plan adopts an approach to tourism planning and development whereby the framework for decision-making links the industry to other economic sectors.*

- ① Tourism development should be sustainable, providing equity for both inter-generational, whereby the current exploitation of tourism resources should not compromise the ability of future generations, and intra-generational, taking into account issues relating to enhancing social justice and poverty alleviation.
- ② The tourism master plan should provide a vision for tourism development that incorporates various elements that complement each other in tourism development.
- ③ The master plan should enhance the competitiveness of the IGAD region as a tourist destination by building on the existing unique aspects of member states that should complement the region's overall image and creation of synergies in areas of common tourism interest.
- ④ The tourism development strategies should be in line with the wider national, regional, continental and international development initiatives and economic development plans.
- ⑤ Tourism development should be guided by sound research. The master plan should, therefore, provide a mechanism for skills, knowledge and technology transfer among member states with a view to enhancing sustainability, human capital and regional competitiveness.

## 1.5 DEFINITION OF KEY TERMS

Given its multidimensional nature in terms of the total sum of activities when tourists move from one place to another and global priorities of multinational companies, geo-political forces, global economic manifestations and local complexities at the destinations, the tourism industry can be regarded as an intricate phenomenon. This, therefore, implies that in the endeavour to effectively plan and manage the industry, a robust understanding of the industry's terminology is necessary to further enable the collation of appropriate data. Hence, for purposes of standardisation and conformity, this master plan adopts United Nations World Tourism Organisation's (UNWTO) definition of key terms as below (UNWTO, 2010a)

### 1. Business visitor

A business visitor is a visitor whose main purpose for a tourism trip corresponds to the business and professional category.

### 2. Country of residence

The country of residence of a household is determined according to the centre of predominant economic interest of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her centre of economic interest (for example, where the predominant amount of time is spent), he/she is considered as a resident of this country.

### 3. Destination (main destination) of a trip

The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip. (See also purpose of a tourism trip.)

### 4. Domestic tourism

It comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism trip or part of an outbound tourism trip.

### 5. Employment in tourism industries

Employment in tourism industries may be measured as a count of the persons employed in tourism industries in any of their jobs, as a count of the persons employed in tourism industries in their main job, as a count of the jobs in tourism industries, or as full-time equivalent figures.

### 6. Excursionist (or same-day visitor)

A visitor (domestic, inbound or outbound) is classified as a same-day visitor (or excursionist) if his/her trip does not include an overnight stay.

### 7. Forms of tourism

There are three basic forms of tourism: domestic tourism, inbound tourism, and outbound tourism. These can be combined in various ways to derive the following additional forms of tourism: internal tourism, national tourism and international tourism.

### 8. Inbound tourism

Comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip. This would, therefore, for purposes of this document, include intra-regional tourists i.e. tourists travelling from one IGAD member country to another.

### 9. Internal tourism

Internal tourism comprises domestic tourism plus inbound tourism, that is to say, the activities of resident and non-resident visitors within the country of reference as part of domestic or international tourism.

### 10. International tourism

International tourism comprises inbound tourism plus outbound tourism, that is to say, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.



### 11. Meetings industry

To highlight purposes relevant to the meetings industry, if a trip's main purpose is business/professional, it can be further subdivided into "attending meetings, conferences or congresses, trade fairs and exhibitions" and "other business and professional purposes".

### 12. National tourism

National tourism comprises domestic tourism plus outbound tourism, that is to say, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips.

### 13. Outbound tourism

Comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.

### 14. Place of usual residence

The place of usual residence is the geographical place where the enumerated person usually resides, and is defined by the location of his/her principal dwelling (Principles and recommendations for population and housing censuses of the United Nations).

### 15. Purpose of a tourism trip (main)

The main purpose of a tourism trip is defined as the purpose in the absence of which the trip would not have taken place. Classification of tourism trips according to the main purpose refers to nine categories: this typology allows the identification of different subsets of visitors (business visitors, transit visitors, etc).

### 16. Tourism expenditure

Tourism expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips.

### 17. Tourism industries

Tourism industries (also referred to as tourism activities) are the activities that typically produce tourism characteristic products.

### 18. Tourism Satellite Account (TSA)

TSA can be seen as a set of 10 summary tables, each with their underlying data and representing a different aspect of the economic data relative to tourism: inbound, domestic tourism and outbound tourism expenditure, internal tourism expenditure, production accounts of tourism industries, the Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism demand, employment, investment, government consumption and non-monetary indicators.

### 19. Tourism sector

The tourism sector, as contemplated in the TSA, is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called tourism industries because visitor acquisition represents such a significant share of their supply that, in the absence of visitors, their production of these would cease to exist in meaningful quantity.

### 20. Tourist (or overnight visitor)

A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay.

### 21. Travel / tourism

Travel refers to the activity of travellers. A traveller is someone who moves between different geographic locations, for any purpose and any duration. The visitor is a particular type of traveller and consequently tourism is a subset of travel.

### 22. Trip

A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns: it thus refers to a round trip. Trips taken by visitors are tourism trips.

### 23. Visit

A trip is made up of visits to different places. The term tourism visit refers to a stay in a place visited during a tourism trip.

### 24. Visitor

A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay; otherwise, he is referred to as a same-day visitor (or excursionist).





*Sponges on the reef at Ras Korali, Djibouti*



An underwater photograph of a coral reef. The scene is dominated by various types of coral, including a large, light-colored, branching coral in the bottom left corner and darker, more complex coral structures in the center and right. Numerous small, dark fish are swimming throughout the water column. The water is clear and blue, with sunlight filtering down from the surface, creating a bright, shimmering effect at the top of the frame.

# SITUATIONAL ANALYSIS

## 2.1 ECONOMIC ANALYSIS

Globally the tourism industry is now identified as an important economic activity. For instance, the Organisation for Economic Co-operation and Development (OECD) sees the industry as an important economic growth driver accounting for 30% of the total trade in services, with the community generating 70% of the total global tourist activity (OECD, 2011). Likewise, the World Bank and UNWTO, have recognised the important role the industry could play in realising the development priorities of developing countries, especially those in Sub-Saharan Africa (SSA) where poverty remains a major challenge (World Bank, 2009; UNWTO, 2010).

More and more countries in SSA, including some IGAD member countries such as Djibouti, Ethiopia, Kenya and Uganda, are now embracing tourism as an avenue for development. The global endorsement of the tourism industry is due to its potential to contribute to GDP, foreign exchange earnings, government revenue, investments and employment, among other considerations. Despite this positive outlook for the industry, there has been concern that developing countries have not benefited significantly from the proceeds of the industry owing to leakages of tourism revenue from their economies.

It is imperative that while developing mechanisms to promote the industry, IGAD puts in place measures to ensure that the benefits accruing from the industry go towards addressing the development priorities of its member States.

### 2.1.1 CONTRIBUTION TO GDP

The importance of the tourism industry to the economies of IGAD member countries can be illustrated in terms of the industry's contribution to GDP. The tourism industry has and still continues to play a key role in the region for countries such as Ethiopia, Kenya, Sudan and Uganda. The proportion of GDP ranges between 3.8% at the lower end for countries like Sudan and 9.0%, 10.7% and 11.4% at the higher end for Uganda, Ethiopia and Kenya respectively; countries that have better developed industries in the IGAD region (World Bank, 2012; WTTC, 2012). The industry is also important to the Djiboutian economy where the combination of trade and tourism contribute 18.7% to the country's GDP (ADB et al, 2011). It is worthwhile to note that despite its potential, the industry's contribution to the GDPs of Eritrea and Somalia has remained low over the past two decades. The industry, for instance, contributes less than 2% to the Eritrean economy (Euromonitor, 2010).

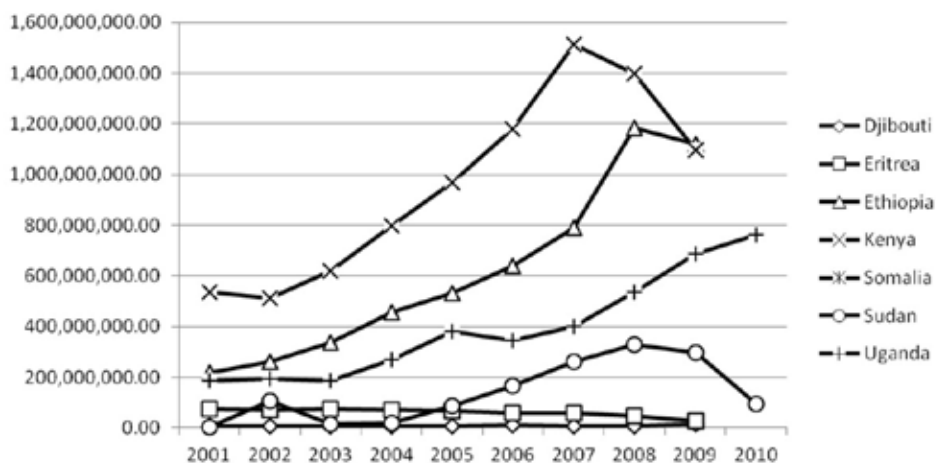
#### 2.1.1.1 FOREIGN EXCHANGE EARNINGS AND EXPORTS IN IGAD

The tourism industry has been and still continues to be a major source of foreign exchange earnings for Ethiopia, Kenya and Uganda (World Bank, 2011). Interestingly, the contribution of the industry for the majority of the IGAD member countries to the foreign exchange kitties has only grown in importance over the last ten years. In 2001, for instance, Ethiopia, Kenya and Uganda earned USD 218 million, USD 536 million and USD 186 million respectively (World Bank, 2011). The earnings from the tourism industry for these countries have generally been on an upward trend generating over a billion dollars for Ethiopia and Kenya in 2009 (World Bank, 2011). On the other hand,

*The global endorsement of the tourism industry as such, is due to its potential to contribute to GDP, foreign exchange earnings, government revenue, investments and employment, among other considerations.*

the prominence of the industry in terms of foreign exchange earnings has mainly stagnated and in some cases experienced downward trends for Djibouti, Eritrea and Sudan. The industry has not had any impact for Somalia in this regard. The graph below details the trends in tourism earnings for the IGAD member countries between 2001 and 2010.

Figure 2.1 IGAD International Tourist Receipts 2001-2010 (USD)

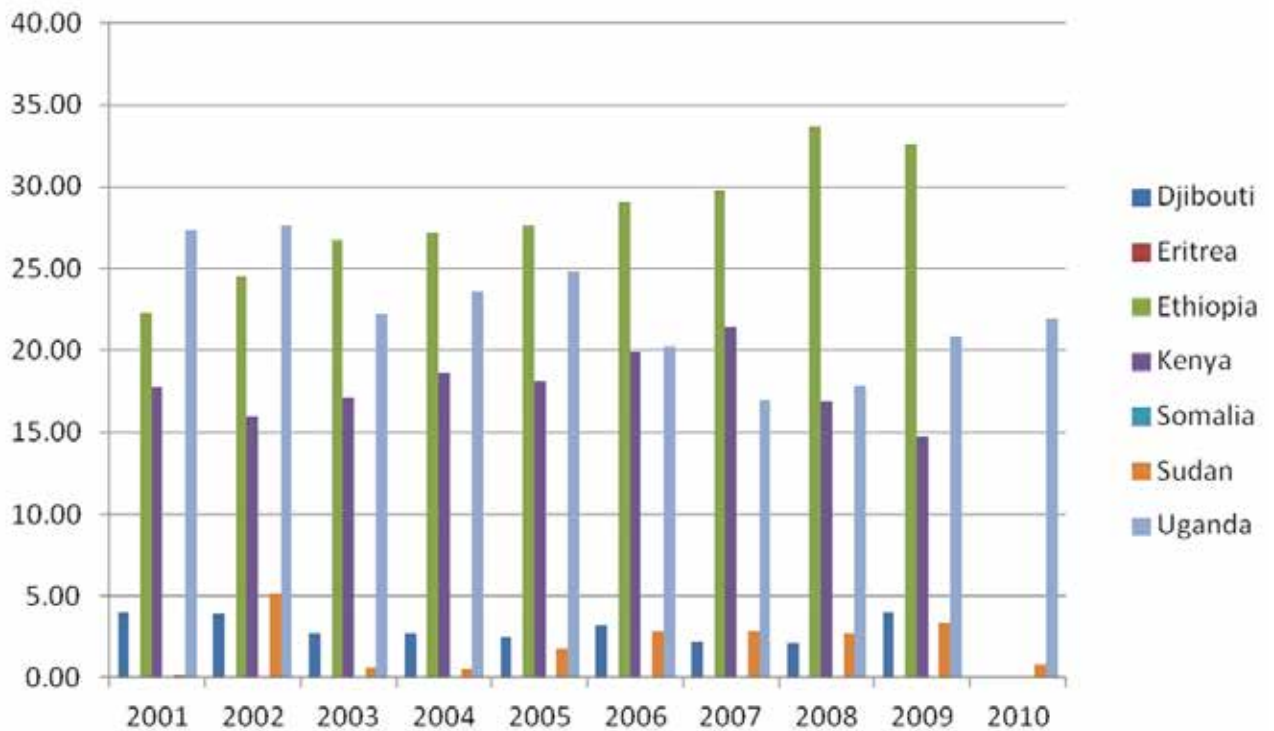


Source: Adapted from World Bank (2011)

Further analysis of the graph reveals that in the case of Sudan, the tourism receipts from 2004 were on an upward trend only to start declining in 2008. This downward trend was also experienced in all IGAD countries, except Uganda from 2008, although in the case of Kenya, this started towards the end of 2007. Generally, a number of factors were responsible for this trend including the global financial crisis, rising fuel costs and, as was the case in Kenya, political and civil unrest (UNWTO, 2008). This suggests that the tourism industry is very susceptible to external factors. It is, nonetheless, important to note that the tourism industry in Uganda could have been immune to the prevailing factors that could have necessitated the downward trend in IGAD.

In addition to being an important source for foreign exchange earnings, the tourism industry also plays an important role in the balance of payments for IGAD member countries. The graph below shows the percentage share of exports for the industry between 2001 and 2010. Clearly, the industry is an important export for Ethiopia, with the industry's share of exports peaking in 2008 at 33.69%, Uganda where the industry contribution stood at about 22% in 2010 and Kenya where the industry constituted 21.44% of the total exports. For Djibouti and Sudan, the contribution of the industry to the total exports has not been significant, rarely going above 5% for the two countries since 2001, while in Eritrea and Somalia, the industry's contribution has been minimal.

Figure 2.2 IGAD International Tourist Receipts Percentage of Total Exports 2001-2010



Source: Adapted from World Bank (2011)

### 2.1.1.2 CONTRIBUTION TO EMPLOYMENT

The tourism industry, as already mentioned, has been promoted by various institutions and governments globally due its ability to generate both direct and indirect employment (World Bank, 2009; UNWTO, 2010; and WTTC, 2011). The industry is currently an important source of employment in the IGAD region. It is, for instance, estimated that in 2011, for every 10 jobs generated, one was in the tourism industry for countries such as Ethiopia and Kenya, where the total employment is projected to be 2.2 million and 0.64 million respectively. Table 2.1 below summarises the 2011 employment projections for select IGAD countries (WTTC, 2011; World Bank, 2012).

*The World Travel and Tourism Council (WTTC) recommends that for every 8 international tourist arrivals, at least one direct job should be created.*



Table 2.1 *Tourism Industry 2011 Direct and Indirect Employment Projections for select IGAD Countries*

	Direct Employment in Tourism		Direct and Indirect Employment through Tourism	
	Number Employed	Percentage Total Employment	Number Employed	Percentage Total Employment
Ethiopia	904 000	3.8	2 198 000	9.3
Kenya	245 000	3.8	643 000	9.9
Sudan	80 000	1.3	207 000	3.4
Uganda*	225 300	3.4	552 000	7.9

Source: WTTC (2011)

\* World Bank (2012)

Whereas an essential goal for tourism development is to generate as much employment as possible and in so doing increase the prominence of the industry's share in terms of addressing the perennial unemployment challenge that confronts many countries globally, more so, in SSA, the value of jobs so created should also be taken into consideration.

The World Travel and Tourism Council (WTTC), for instance, recommends that for every 8 international tourist arrivals, at least one direct job should be created. In addition to this, the value capture for the jobs created should also be considered. For example, Australia is considered to have a high value capture in that the annual income of per job created is estimated at USD 39 920 compared to United States of America (USA) and South Africa at USD 21 507 and USD 9 907 respectively as of 2009 (computed from World Bank, 2011). In the case of the IGAD region, the value capture of the tourism industry varies from one country to another. For instance, the value capture for Eritrea in 2009 stood at USD 2 633 on the lower end, while the value for Kenya, Sudan and Uganda was estimated to be USD 6 293, USD 5 695 and USD 6 736 respectively over the same period.

It is clear that these figures are way below those of Australia and as such appropriate measures should be put in place to strengthen the value capture within the region. This also suggests that deliberate measures need to be undertaken not just with a view to increasing the employment numbers but also with a view to augmenting the value capture of such employment in the IGAD region.

### 2.1.1.3 TOURISM AND CAPITAL INVESTMENT

The tourism industry continues to be an attraction for investors in the IGAD region, drawn from within and from other foreign sources. The industry's contribution to the total national capital investment, for instance, was projected in 2011 to be to the tune of USD 0.53 billion, 0.48 billion, 0.47 billion and 0.19 billion for Ethiopia, Kenya, Sudan and Uganda respectively (WTTC, 2011). In addition, the industry's share of the total capital investments, for example, is still significant for countries such as Ethiopia with an estimated share of 9.68% and Kenya with 7.20% in 2011 (WTTC, 2011).

Owing to the fact that the tourism industry is capital intensive, developing countries such as Kenya have embraced Foreign Direct Investment (FDI) as a strategy to promote tourism development. Countries in the region, including Uganda, are also quickly adopting this strategy by creating conducive environments for FDI, such that between 1996 and 2003, the country attracted an average of USD 220 million per year (UNCTAD, 2008).

There is, however, concern as to whether FDI is an appropriate strategy for development in that it bestows the ownership of crucial tourism resources in the hands of foreigners and that its benefits do not trickle to the domestic economy. As such, this cannot be an appropriate strategy for economic development and poverty alleviation (Dieke, 2005). That FDI can be both beneficial and harmful to the economies of developing countries is not in doubt.

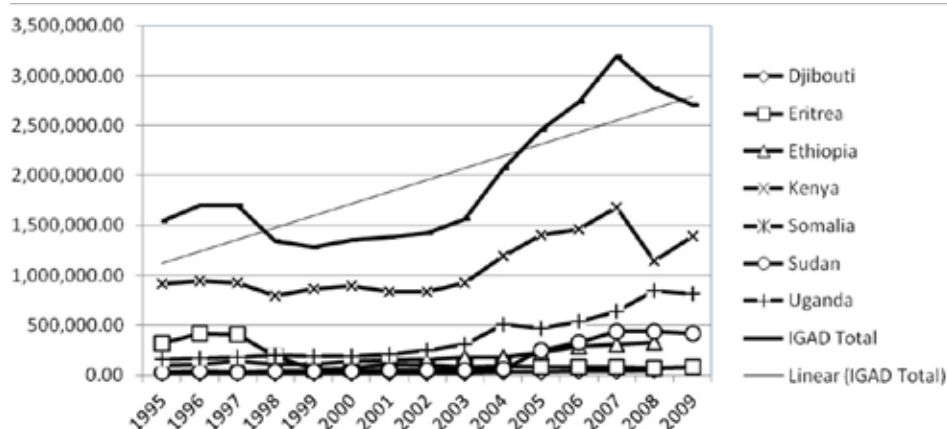
To a large extent, the benefits that accrue from FDI depend on the degree of economic and human development and consequently, the absorptive and productive capacities (UNCTAD, 2008). To this end, developing economies that have higher degrees of economic and human development are more likely to reap benefits from FDI such as linkages with local enterprises, employment of national skilled labour, technology, skills and knowledge transfer. Nonetheless, it is prudent that IGAD member countries formulate appropriate policies to enhance the benefits that could accrue from FDI such as laying emphasis on building human capital and promoting domestic and regional enterprises.

## 2.2 TOURISM TRENDS

### 2.2.1 INTERNATIONAL TOURIST ARRIVALS

The general trend of international tourist arrivals to the IGAD region has been on a growth trajectory over the past two decades. For instance, the total number of international tourist arrivals in 1995 stood at 1.5 million visitors, peaking in 2007 with 3.2 million visitors (World Bank, 2011). It is important to note that although the number of visitors to the region dropped in 2008 and 2009 to 2.9 million and 2.7 million (this excludes figures from Ethiopia and Djibouti) respectively, current projections suggest an optimistic future for the industry. In 2010, for instance, there was an increase in international tourist arrivals to the region with countries such as Eritrea, Kenya and Uganda registering 84 000, 1.5 million and 946 000 visitors respectively (UNWTO, 2012). The graph below summarises the tourism trends in the IGAD region between 1995 and 2009.

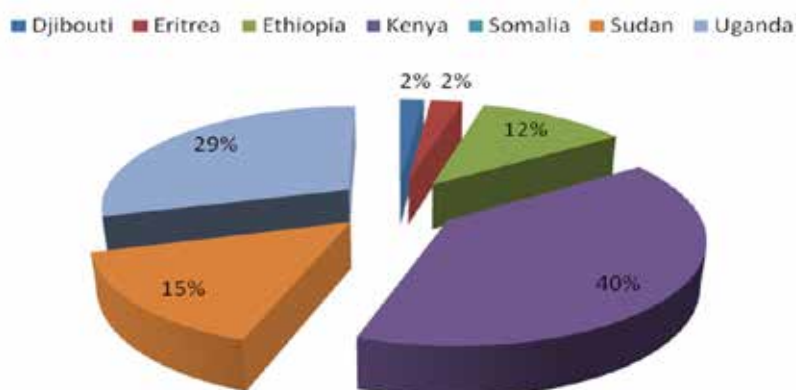
Figure 2.3 International Tourist Arrivals in IGAD Region 1995-2009



Source: Adapted from World Bank (2011)

It is worth noting that, over the years, Kenya has continued to attract the majority of the international tourist arrivals in the IGAD region, such that a slump in the country’s arrivals also has a similar effect in the region as a whole and the converse is also applicable. For instance, in 2008, the regional share of Kenya’s international tourist arrivals was about 40% of the total arrivals (see figure 2.4 below).

Figure 2.4 IGAD Member States Share of International Tourist Arrivals in 2008

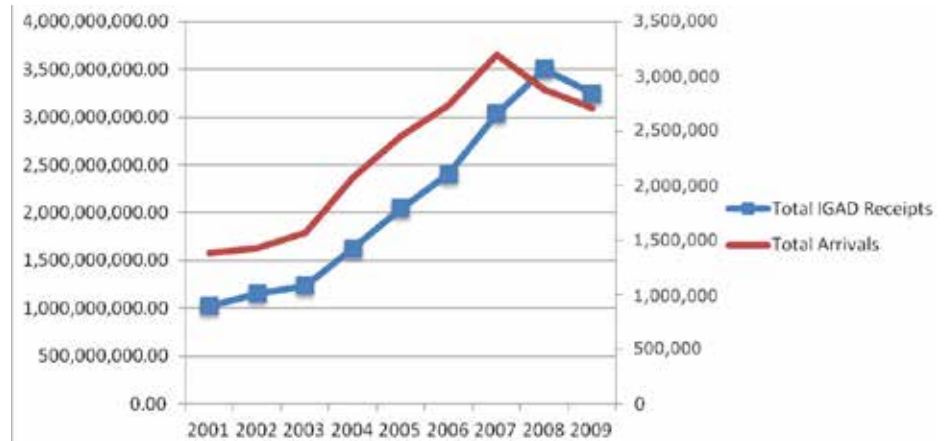


A further analysis of the international tourist arrivals to the IGAD region reveals that, whereas in the mid part of the 90s, tourist arrivals to a country like Eritrea was significant, peaking at 417 000 in 1996, it is the only country in the region that is experiencing a downward trend, without considering Somalia for which data does not exist. Furthermore, and as is the case with international receipts, the dip in international tourist arrivals is as a reaction of the industry to the prevailing external factors (see figure 2.5). For instance, the total international tourist arrivals dropped to 1.34 million and 1.28 million in 1998 and 1999 respectively up from 1.7 million in 1997. This could be attributed to the bombing of the American Embassy in Kenya and Tanzania in 1998 and the subsequent US retaliatory attacks in Sudan and the heightened travel advisories issued by the countries of the source markets. In addition, though not related to the



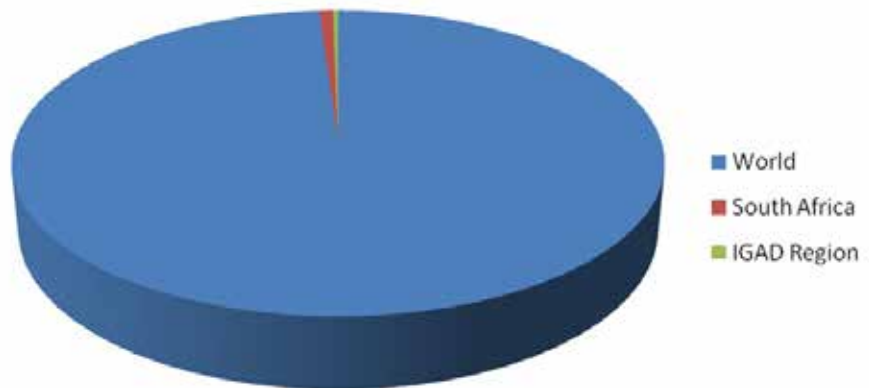
security situation, a similar slump in numbers was also experienced in 2008 and 2009 as already mentioned. This was largely as a result of the prevailing global financial crisis which had adverse effects in the major source markets of America and Europe.

Figure 2.5 Trends in Tourist Receipts and Tourist Arrivals 2001-2009



What is more, it is important to consider that the global proportion of international tourist arrivals to the region remains insignificant; South Africa continues to dominate the Sub-Saharan Africa share accounting for over a quarter of international arrivals. Figure 2.6 below illustrates the proportion of international arrivals to the IGAD region. This suggests that there is plenty of opportunity for the region to tap into the global tourist markets. Nonetheless, in order to sustain international tourist arrivals, IGAD member countries will have to prioritise the enhancement of peace and security in the region. Moreover, to deal with such issues as the global financial crisis, it will be strategic to explore alternative and emerging tourist markets for the region.

Figure 2.6 IGAD Share of International Tourist Arrivals in 2009



## 2.2.2 TOURIST MARKETS

Globally, Europe has continued to constitute a significant share of the international tourist market, accounting for over half of all international tourist arrivals. The region, for instance, accounted for 250 million international tourist arrivals of the global total of 435 million in 1990, 389 million of 675 million in 2000 and 497 million of 940 million in 2010 (UNWTO, 2012). UNWTO projects that although the region's current growth of 2.4% is lower than the global average of 3.4% and is expected to continue to be so, Europe will be an important tourist market globally (UNWTO, 2012). It is also expected that the traditional source markets of the Americas will be important markets in future.

### In Brief

#### 1990

Visitors to Europe	250 million
Global Total	389 million
Global Percentage	57.2

#### 2000

Visitors to Europe	435 million
Global Total	675 million
Global Percentage	57.6

#### 2010

Visitors to Europe	497 million
Global Total	940 million
Global Percentage	52.9

The current trends suggest that Asia-Pacific has emerged to be an important source market and is expected to grow at the current growth rate of 5.6% (UNWTO, 2011). It is, however, expected that the growth of the Chinese market will constitute a large share of this market. The region has grown three fold over the past decades from 58.7 million international tourist arrivals in 1990 to 197.4 million in 2010 (UNWTO, 2011). Although the numbers are still relatively small, Africa and the Middle East, are regarded as the fastest growing tourist markets of the world, growing at 6.2% and 9.9% and generating 27.5 million and 36 million international tourist arrivals respectively in 2010 (UNWTO, 2012).

It is imperative to note that global trends suggest that 80% of the international tourist arrivals travel within their regions (UNWTO, 2012), and as such, the major source markets are expected to be major destinations of the future as well. In addition, the top global destinations are driven by strong domestic tourism demand. For illustration, Malaysia, which is now ranked among the top ten destinations of the world, hosted 23.6 million international tourist arrivals in 2009 (UNWTO, 2012) of which the regional market share was prominent. Singapore alone constituted more than half of the total international tourist arrivals at 12.7 million, compared to the domestic market that stood at 90.5 million visitors over the same period (Malaysia Government, 2010).

Although the European market has traditionally been an important market for Africa and by extension, key countries in the IGAD region including Ethiopia, Kenya and Uganda, interestingly, as of 2009, regional visitors accounted for 46% of tourist arrivals in Africa, compared to 31% from Europe, 4% from the Middle East, 3% from Asia-Pacific and America (UNWTO, 2009). In 2006, for instance, 28% of the total tourist arrivals to Kenya were from Africa, while 45% were from Europe (UNWTO, 2007). Despite the changing trends in domestic, regional and global markets, there is still a tendency, not just within the IGAD region but Africa as a whole, to concentrate marketing efforts and resources in the traditional Western European market, although recently there have been attempts to tap into emerging markets. The challenge for IGAD region is to develop appropriate products to tap into the emerging markets of Asia-Pacific, but more importantly, the African regional tourist market.





*A lion in Maasai Mara, Kenya*





*A rock-hewn church in Lalibela, Ethiopia*



*A mountain gorilla, Uganda*

### 2.2.3 TOURISM PRODUCTS

Nature-based tourism products continue to play a key role in tourism development within the IGAD region. Kenya, for instance, is well known for its safari-based tourism product informed by the 'big five' concept and its Maasai Mara Game Reserve is listed as one of the new Seven Wonders of the World. Uganda is also famed for its mountain gorillas, while Ethiopia too, borrowing from the Kenya experience, is actively exploiting their natural fauna for their respective tourism industries.

The IGAD region is also well endowed with some of the most spectacular land-formations in the world: mountains including the Rwenzoris in Uganda, Mt Kenya in Kenya and the highlands of Ethiopia; water bodies including Lake Victoria and River Nile; the Rift Valley; and the Indian Ocean coastline which runs through Eritrea, Djibouti, Somalia and Kenya. The region, for example, collectively has some of the largest and best beaches in the world. Kenya continues to exploit its coastal resources for tourism development and has emerged as a popular sun, sand and sea destination globally. Djibouti, Eritrea and Somalia all harbour this potential and should the prevailing challenges afflicting these countries be addressed, the region could become a major coastal tourism destination. It is important to point out that, the exploitation of such nature-based tourism products have hitherto and continues to a large extent to be geared towards the traditional Western European tourist market as is the case with Ethiopia, Kenya and Uganda.

The IGAD region is also well endowed with alternative tourism products that have remained relatively underexploited. Ethiopia, for instance, has abundant heritage tourism resources, for which it has been ranked highly globally at position 38, at par with Egypt which is well known globally for its predominantly heritage-based tourism resources, including the pyramids. Despite the high ranking of both destinations, Egypt continues to draw a large number of tourists compared to Ethiopia. In 2008, for instance, there were 12.2 million international tourist arrivals to Egypt compared to 330 000 to Ethiopia (UNWTO, 2012). Although other factors could explain the difference in arrivals, the deduction nonetheless suggests great potential for heritage tourism development in Ethiopia. Indeed, similar potential exists in Sudan, which also has a range of heritage attractions including temples, historical cities and pyramids. This potential could further play a key role in tourism product differentiation within member countries to complement the overall image of the IGAD region as a tourist destination.

*The IGAD region has a comparative global competitive advantage in terms of the prevailing natural resources for tourism development that should be safeguarded*

*Sports tourism has played a major tourism development role in South Africa which has hosted major global events and still continues to actively position itself as a competitive sports destination.*



*Football fans at the World Cup 2010, South Africa*

The ensuing discussion alludes to the importance of nature-based and heritage-based tourism resources in the IGAD region, which to a large extent are oriented to traditional markets. As already mentioned, despite the opportunities that exist within the domestic and region tourist markets, the region has not adequately undertaken steps to develop suitable products. It is important to consider the immense opportunities for alternative product development in the region.

The region, for instance, is collectively poorly ranked as a sports destination and cannot therefore play host to mega events such as the Olympics or the World Cup, let

alone the African Cup of Nations. Sports tourism has, in this regard, played a major tourism development role in South Africa which has hosted major global events and still continues to actively position itself as a competitive sports destination. Furthermore, opportunities that exist in the Meetings, Incentives, Conferences and Exhibitions (MICE) sector are also yet to be exploited mainly due to prevailing infrastructural and logistical challenges. What is more, the region continues to lose potential tourists to destinations such as Dubai, China and South Africa, owing to the lack of integrated tourism resort development, of which the shopping concept is a key attraction.





## 2.3 HUMAN CAPITAL AND RESOURCE ANALYSIS

The prevailing literacy rates and by extension, numeracy skills are critical to the formation of human capital in any given industry or economy. In fact studies have shown that increasing the average literacy and numeracy skills in an economy can lead to higher per capita GDP (Coulombe, 2004). In this regard, though changing, the persistently low literacy and numeracy rates in the IGAD region can be regarded as a major obstacle for tourism development as the success of the industry is heavily dependent upon the availability of relevant skills and knowledge (Lazear, 2004). The global ranking of literacy levels in the region, for instance, have been relatively poor. Kenya is ranked at 66 as the top country regionally, while South Sudan is ranked among the bottom countries at 122, just above Mali (UNDP, 2011). Table 2.2 details IGAD member countries' global ranking and the prevailing literacy rates in 2011 (see also figure 2.7).

Table 2.2 IGAD Global Literacy Ranking and Rates in 2011

	Ranking	Literacy Rate (%)
Kenya	66	84.0
Uganda	84	73.3
Djibouti	89	70.3
Sudan	90	70.2
Eritrea	96	66.6
Ethiopia	121	28.0
Somalia	118	35.9
South Sudan	122	27.0

Source: UNESCO, 2011

As already observed, the availability of an appropriate level of human capital is key to the development of the tourism industry. In fact, the leading tourist destinations of the world have corresponding high literacy rates, and by extension, tourism specific skills. This can be deduced from the global map of literacy rates below. From the map, (figure 2.7) it is evident that the top destinations including France, Spain, USA, China, Italy, United Kingdom and Malaysia, for example, also have correspondingly high literacy rates. Emerging economies of the East also have high literacy rates, as is also the case with countries such as Mauritius in Africa.

In line with this, Singapore has consistently been ranked top globally in terms of the human resource available for tourism development (WEF, 2011). The Singaporean tourism industry, for instance, with over 9 million international tourist arrivals, generated over USD 14 billion in 2010 (UNWTO, 2012). Singapore's high global rating can be attributed to the quality training programmes that are geared towards

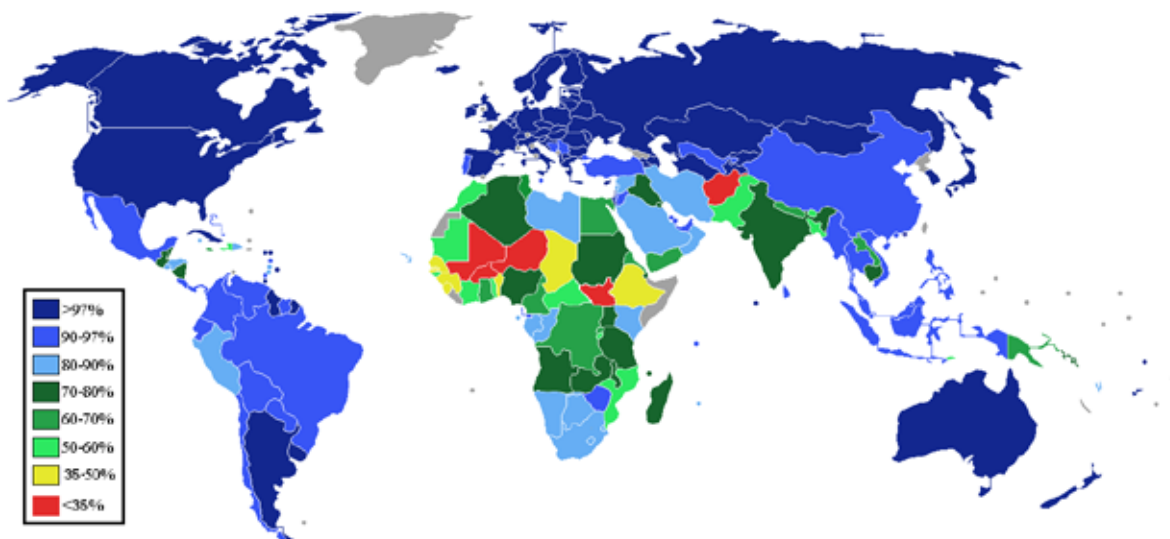




*Singapore had over 9 million tourist arrivals in 2010, generating over USD 14 billion in revenue. Her high global rating can be attributed to the quality training programmes that are geared towards meeting the needs of the industry and the availability of appropriate research for tourism development and innovation.*

meeting the needs of the industry and the availability of appropriate research for tourism development and innovation. Furthermore, the Singaporean government has invested significantly in continuous professional development to ensure high quality staff who have relevant up-to-date skills and knowledge. Figure 2.7 below shows the global literacy rates for 2011.

Figure 2.7 Global Literacy Rates in 2011



Source: UN Human Development Report 2011

In this regard, Kenya offers an excellent opportunity in the IGAD region, as the country is ranked fairly high in terms of the quality of the education system and the availability of research and training services for which it is ranked 32<sup>nd</sup> and 56<sup>th</sup> globally respectively (WEF, 2011). This is, therefore, a great opportunity for the rest of the IGAD region to leverage as the availability of skilled human resources remains a significant challenge for the majority of countries in the region. However, tapping into this opportunity can only be realised through regional integration and formulation of appropriate policies and legislation that encourage labour mobility, skills and knowledge transfer across the region.

The steps taken by the East African Community (EAC) for instance, towards this end can provide valuable lessons for IGAD as these have started bearing fruit and a country such as Uganda is already benefiting from skilled labour transfer from Kenya (EAC, 2006). It is worth mentioning that even in the case of Kenya, there are concerns that the existing tourism training institutions are not meeting the demands of the fast growing industry in terms of both quality and supply. For instance, it is estimated that the industry requires 10 000 graduates annually against the current production of 1 920 and that by 2030 the demand is projected to be 40 000 owing to the Kenyan government ambitious tourism development plans (Muiruri, 2012). In such a scenario it may be good for IGAD to look at establishing centres of excellence in tourism and hospitality training across the region.



## 2.4 ENVIRONMENTAL ANALYSIS

Achieving environmental sustainability continues to be a major challenge in the IGAD region owing to an increase in competition for scarce resources and the rapid population growth which have resulted in conflicts over natural resources both domestically and in the region given that only 4-10% of the land is arable. There has been rapid deforestation and forest degradation, land degradation and desertification, and pollution and biodiversity loss which have been driven by factors such as the increasing demand for wood fuel, expansion of agricultural lands, inadequate resource management and protection, illegal resource extraction (poaching) and overgrazing (IES, 2011). Table 2.3 below highlights some of the indicators of deforestation and biodiversity in the IGAD region. The environmental challenges facing the region have further been exacerbated by emerging climate change issues as exemplified by the current extremities in weather patterns, prolonged droughts and the heavy flooding as a result of prolonged rains (IPCC, 2007).

Table 2.3 Protected Areas in IGAD in 2008

	Forest Area ('000 sq km)		Average Annual Deforestation		Threatened Species				Terrestrial		Marine	
	1990	2007	1990 - 2000	2000 - 2007	Mammals	Birds	Fish	Higher Plants	% of surface area	Number of areas	% of surface area	Number of areas
Djibouti	-	-	-	-	-	-	-	-	-	-	-	-
Eritrea	16	15	0.2	0.2	9	9	14	3	4.3	3	0.0	0
Ethiopia	147	127	0.7	1.1	31	22	2	22	17.5	42	0.0	0
Kenya	37	35	0.3	0.3	27	27	71	103	12.3	284	5.8	11
Somalia	83	70	1.0	1.1	14	12	26	17	0.6	7	0.2	2
Sudan	764	664	0.8	0.9	14	13	13	17	4.6	20	0.0	1
Uganda	49	35	1.9	2.3	21	18	54	38	26.1	732	0.0	0

As already observed, tourism products in the IGAD region are predominantly nature-based. Consequently, the environment is very critical to development of the tourism industry in the region. The region is well endowed with natural resources that are currently being exploited for tourism purposes in Ethiopia, Kenya and Uganda. There are potential untapped natural resources yet to be exploited in countries such as South Sudan and Somalia. In this regard, the Travel and Tourism Competitive Index (TTCI) takes into account the natural resources for tourism development and environmental sustainability as some of the key considerations for destination competitiveness. In the case of natural resources certain key factors are considered at the destination including, the number of World Heritage Natural sites, number of protected areas, quality of the natural environment and total number of known species.

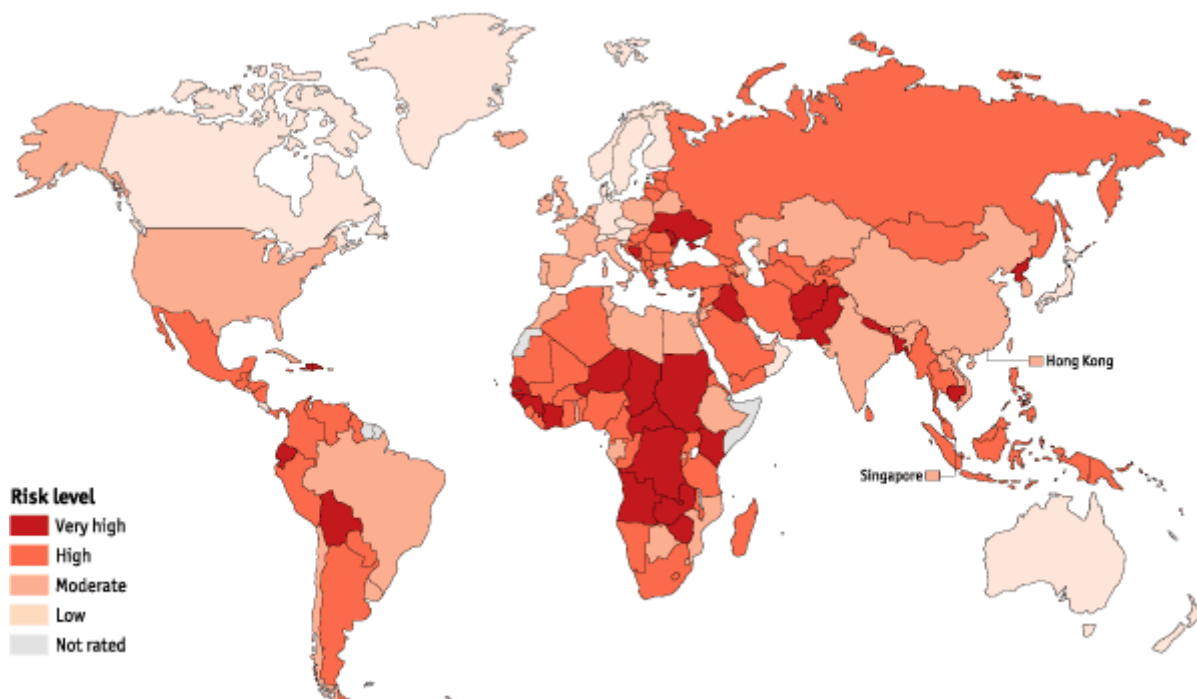


In this context, both Brazil and Tanzania rank as the top two globally, while Kenya, Uganda and Ethiopia are ranked 28<sup>th</sup>, 29<sup>th</sup> and 37<sup>th</sup> respectively (WEF, 2011). This, therefore, suggests that the IGAD region has a comparative global competitive advantage in terms of the prevailing natural resources for tourism development that should be safeguarded. However, the region is not well placed in terms of environmental sustainability and which could erode the competitive natural resource positioning. The TTCI, for instance, in the case of environmental sustainability, takes into account several factors including stringency of environmental regulation, enforcement of environmental regulation, number of threatened species and environmental treaty ratification (WEF, 2011). The TTCI, in this context, ranks Sweden and Switzerland 1<sup>st</sup> and 2<sup>nd</sup> respectively (WEF, 2011). In the IGAD region, only Kenya is ranked highly at position 26 globally, while Ethiopia and Uganda are ranked 93<sup>rd</sup> and 100<sup>th</sup> respectively (WEF, 2011). This implies that in recognition of the potential of its natural resources for tourism development, Kenya has put in place measures to ensure the sustainability of such resources. Conversely, despite Uganda having the highest number of protected areas and the highest percentage of surface area under protection in the region, environmental regulation and enforcement is very weak and environmental treaties are not effectively ratified (WEF, 2011). The same applies for Ethiopia.

## 2.5 SAFETY AND SECURITY ANALYSIS

More than any other economic activity, the success or failure of a tourist destination depends on it being able to provide a safe and secure environment for visitors. Governance based on the rule of law can significantly lower political risk, thereby enhancing stability which is crucial for investment. The IGAD region is generally regarded as highly volatile and risky in terms of safety and security. In fact, the Political Instability Index of the Economist Intelligence Unit (EIU) ranks member countries as mainly high risk with the exception of Ethiopia which is considered to be of moderate risk (EIU, 2010). From figure 2.7 below on the global political risk index, it is clear that the IGAD region constitutes one of the highest risk regions in the world.

Figure 2.8 Global Political Instability Index



Source: Economist Intelligence Unit (2010)



*The Travel and Tourism Competitiveness Index takes into consideration four parameters in its safety and security pillar. These are: business costs of terrorism; reliability of police services; business costs of crime and violence; and road traffic accidents.*



*Night fall in Nairobi, Kenya*







Table 2.4 below further highlights the specific levels of risk for the IGAD member countries and their respective indices, ranging from 0 for no vulnerability, to 10 for very high vulnerability as of 2009.

*Table 2.4 Political Instability in IGAD*

	Level of risk	Index
Djibouti	-	-
Eritrea	High risk	6.7
Ethiopia	Moderate risk	5.1
Kenya	Very high risk	7.5
Somalia	-	-
Sudan	Very High risk	8.0
Uganda	High risk	6.5

Source: Economist Intelligence Unit (2010)

The perception of insecurity in the region has not been baseless given the historical and current evidence of conflicts. The region has, for instance, been afflicted by various conflicts both inter and intra-state, mainly driven by conflicts over natural resources. Competition for the ever diminishing green pastures has been responsible for the majority of conflicts given that the region has 15-20 million pastoralist communities. The proliferation of small arms and light weapons has also turned the region into one where the highest stockpiles of arms are found globally (Young, 2007). It is, for example, estimated that in the IGAD Karamoja cluster alone, 2 653 lives were lost between 2003 and 2006, while more recently thousands of lives have been lost in the Jonglei State of Southern Sudan. The easy access to such small and light arms has further exacerbated urban crime in IGAD.

What is more, the regional inter-border conflicts, such as between Eritrea and Ethiopia, have further compounded the perception of insecurity in IGAD. The Ethiopian and Eritrean crisis has contributed to the escalation of regional conflicts such as the case with Somalia where the two countries are viewed as supporting opposing militant groups (Lyon, 2006). For example, Eritrea has been accused of supporting the Al Shabaab militant group in Somalia as a strategy to addressing its disputes with Ethiopia. The Al Shabaab was suspected to be behind the tourist kidnappings in Kenya which prompted Kenya's military intervention in Somalia with a view to promoting stability in the region. This is not the first time that the tourism industry has been a direct target of conflicts in the region as there have been several other cases such as the 2002 Kikambala tourist hotel bombing in Kenya and the 2007 kidnapping of five British tourists in Ethiopia. In September 2013, Al Shabaab was believed to be responsible for a terrorist attack in Nairobi's Westgate Mall, which left over 70 people dead and scores of others injured. Owing to the prevailing situation of instability in Somalia and the rise of piracy in the Indian Ocean, the once thriving cruise tourism has almost totally collapsed.

*Ultimately, the success of sustaining tourism development in IGAD will largely depend on the continued and concerted efforts by IGAD member countries towards lasting peace and security in the region.*

These factors pose a major challenge towards tourism development in IGAD given the sensitivity of the industry to such external circumstances as evidenced by the near instant reduction in arrivals and the subsequent decline in tourist revenue. Further to this, the region also fares poorly in terms safety globally. The TPCI, for example, takes into consideration four parameters in its safety and security pillar. These are: business costs of terrorism; reliability of police services; business costs of crime and violence; and road traffic accidents (WEF, 2011). Overall, Finland is ranked top in the world owing to its concerted efforts to enhance its safety and security, while in the region, Ethiopia is placed at 102 and Uganda is ranked at 117. Kenya is ranked among the bottom globally at position 139. Table 2.5 below shows the ranking of IGAD select countries on the basis of TPCI's four parameters of safety and security.

*Table 2.5 TPCI Safety and Security Global Ranking for IGAD Select Countries*

	Business costs of terrorism	Reliability of police services	Business cost of crime and violence	Road traffic accidents
Ethiopia	100	59	54	128
Kenya	133	117	124	125
Uganda	131	77	113	96

Source: WEF (2011)

Efforts currently being undertaken by IGAD, particularly, the Conflict Early Warning and Response Mechanism (CEWARN), towards enhancing safety and security are commendable and could go a long way in sustainable tourism development. The finalisation of the Comprehensive Peace Agreement (CPA), the subsequent independence of South Sudan and the current interventions in Somalia are further testaments to the prioritisation of peace and security within IGAD by member countries. Ultimately, the success of sustaining tourism development in IGAD will largely depend on the continued and concerted efforts by IGAD member countries towards lasting peace and security in the region.

## 2.6 HEALTH AND HYGIENE

As already observed, the tourism industry is highly susceptible to external circumstances such as insecurity and economic factors. Equally, issues relating to health and hygiene can influence, either positively or negatively, destination competitiveness. In this context, the TTCI ranks destinations using four health and hygiene parameters: physician density; access to improved sanitation; access to improved drinking water; and hospital beds.

The first parameter takes into account the number of qualified physicians available for every 1 000 people in any given country, while the second looks at the percentage of the population that has access to quality human waste disposal with the ability to prevent contact between humans, animals and insects with such waste. The third parameter takes into account the percentage of the population that can easily access good quality drinking water and the last parameter considers the number of hospital beds for every 10 000 people in any given country.

Based on these parameters, the TTCI ranks Hong Kong and Luxembourg top globally for their respective qualities of health and hygiene, while IGAD member states are ranked at the bottom end with Uganda at 125, Kenya at 130 while Ethiopia is ranked last at position 139. Using the TTCI's four health and hygiene parameters, table 2.6 provides a summary of the health and hygiene indicators for the IGAD member states.

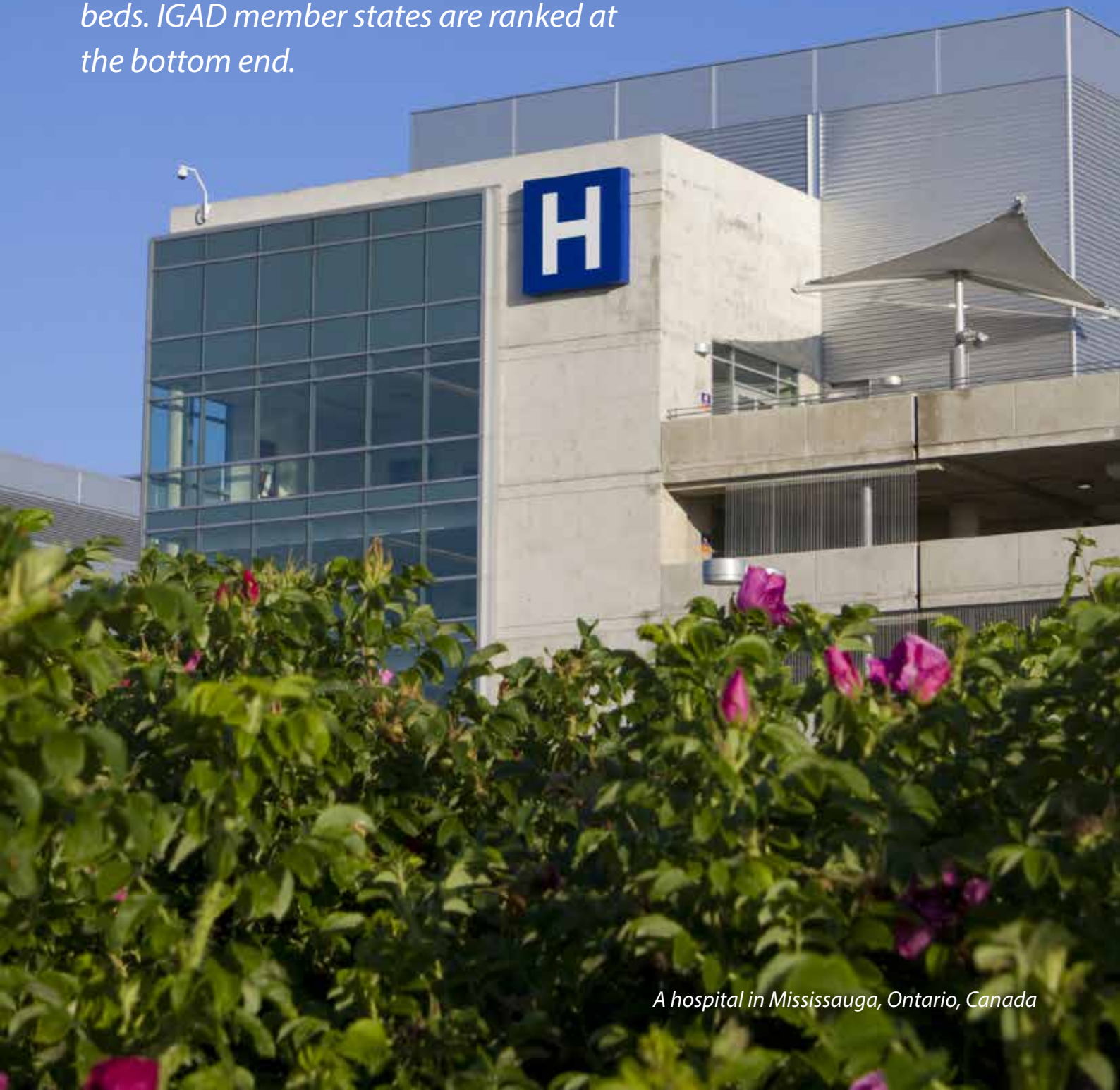
Table 2.6 Health and Hygiene in the IGAD Region

Physicians					
Number	Density/10,000	Population using improved sanitation (2008)	Population using improved drinking water sources (2008)	Hospital beds/10 000 of population (2000-2009)	
Djibouti	185	2.3	56	92	-
Eritrea	215	0.5	14	61	12
Ethiopia	1 806	0.2	12	38	2
Kenya	4 506	1.4	31	59	14
Somalia	300	0.4	23	30	-
South Sudan	-	-	-	-	-
Sudan	10 813	2.8	34	57	7
Uganda	3 361	1.2	48	67	4
Global Average	5 540	11.5	84	94	24

Source: WHO (2011)



*Travel and Tourism Competitive Index ranks destinations using four health and hygiene parameters: physician density; access to improved sanitation; access to improved drinking water; and hospital beds. IGAD member states are ranked at the bottom end.*



*A hospital in Mississauga, Ontario, Canada*

*Concepts such as health tourism are also growing in popularity that countries such as Malaysia and South Africa, are exploiting them as a strategy to diversify their tourism products.*

Table 2.6 above illustrates that the IGAD region is underperforming in almost all the indicators, given that the performance of the member states is way below the global averages. For instance, though 92% of Djiboutians have access to improved sources of drinking water, just below the global average of 94%, the accessibility of physicians, sanitation and availability of hospital beds still remain major challenges facing the country. Likewise, though the number of physicians available in Sudan are almost double the global average of 5 540, the density at 2.8 is nonetheless way below the global average of 11.5.

Generally, it can be deduced from table 2.6 that the region could be comparatively prone to communicable diseases due to poor access to quality sanitation and water-borne diseases due to poor quality sources of drinking water. Moreover, the fact that there are not enough physicians, compounded by brain drain and the lack of sufficient hospital beds, further compromises the ability of member states to effectively deal with health and hygiene issues. From a tourism standpoint, the situation does not augur well particularly in terms of creating a positive destination image for the region. It is important to note that, greatly improving the prevailing health and hygiene among member states is not only beneficial to the citizens, but could also create an incentive for travel into the region. Gastro-tourism, that is, the art of eating good food and tourism, is now increasingly becoming strong motivation for travel across the world and thus creating an avenue for product diversification, a strategy that is commonly employed in Europe. This means that with the prevailing situation, such concepts cannot be effectively developed in the region.

Other concepts such as health tourism are also growing in popularity that countries such as Malaysia and South Africa, are exploiting them as a strategy to diversify their tourism products mainly targeting the western markets.

## 2.7 INFRASTRUCTURE AND SUPPORT SERVICES ANALYSIS

### 2.7.1 TOURISM INFRASTRUCTURE

The success of any tourism destination is dependent, to a large degree, on the nature of the facilities and services infrastructure that are available to the tourists. These can be categorised as: primary tourist facilities and services (accommodation/hotels, restaurants, and travel and tour services); secondary tourist facilities and services (shopping, recreation, entertainment and visitor information services) and tertiary tourist facilities and services (health services and care, emergency and safety services, financial services and personal services). Generally, these are not well developed across IGAD and where available, these services and facilities are not very competitive globally. Owing to this challenge, the TPCI ranks Kenya at position 111 globally, compared to Ethiopia and Uganda at positions 128 and 126 respectively. Conversely, Austria, Cyprus and Italy are ranked as the most competitive tourist destinations, based on a wide range of and good quality services and facilities that allow visitors a wide range to choose from (WEF, 2011).

A key component of the tourism infrastructure is the accommodation infrastructure, yet this remains a major challenge in the IGAD region. The TPCI ranks the key main destinations in the region lowly in terms of the number of hotel rooms available for tourism purposes. In this aspect, Cyprus is ranked top globally in terms of the number

of hotels rooms available for tourism development, while Kenya is ranked 119, with Uganda and Ethiopia ranked 123 and 133 respectively (WEF, 2011). Such low ranking, therefore, implies that the region is locked out of potential opportunities such as mega events that would require the availability of a large number of accommodation facilities such as the World Cup, the Olympics or even major international conferences, such as the Climate Change Conference of Parties.

## In Brief

# 202 000

The number of hotel rooms  
in South Africa\*

\* as at 2009

# 10 600

The number of hotel rooms  
in Kenya\*\*

\*\* as at 2003

# 2 700

The number of hotel rooms  
in Eritrea\*\*\*

# 655

The number of hotel rooms  
in Djibouti\*\*\*

\*\*\* as at 2007

What is more, across the IGAD region, most of the facilities regarded as tourist class hotels are located within the urban centres and mostly in the capital cities of the member countries. It is estimated, for example, that over 80% of such hotels in Uganda are located in Kampala, while out of the estimated 7 927 tourist class hotels in Ethiopia, 4 295 of these are found in Addis Ababa (Mitchell and Coles, 2009). This poses a challenge in tapping into potential opportunities that exist in the tourism-resource rich parts of the IGAD region, particularly, the rural areas.

The TTCI low ranking of the region can be attributed to the comparatively poor quality and to a large extent, the few numbers of hotel rooms available. In addition, such hotels are concentrated in countries such as Ethiopia, Kenya and Uganda. Kenya, for instance, has the bulk of the hotel rooms, with an estimated 10 600 rooms as of 2003 (this figure should be higher now) compared to 655 rooms in Djibouti, 2 767 rooms in Eritrea and almost none in Somalia (Pro-invest, 2007).

The IGAD region is consequently not competitive in accommodation infrastructure especially when compared with key destinations such as South Africa which has 202 000 number of hotel rooms (SA Tourism, 2009). It is mainly for this reason that South Africa has been able to attract and host major global events. That a single African destination has more than ten times the number of hotel rooms a region comprising eight countries, should serve as motivation for tourism development. This further means that owing to scarcity of such facilities, the general regional price is comparatively high whereas the quality is not commensurate, thereby making the IGAD region a relatively expensive tourism destination, particularly in the less developed member states such as Djibouti and South Sudan. It is, however, encouraging to note that the demand for hotel rooms is, nonetheless, on the increase in the IGAD region and there are concerted efforts by member countries to increase their respective number of hotel rooms. As a result, the current number of hotels under construction in the region has increased tremendously. For example, there are about 4 460 rooms currently under construction in Ethiopia. In Kenya, the success of the country's development blueprint, of which tourism is expected to play a key role, requires a significant increase in the number of hotels. Past events, such as the Commonwealth Heads of Government Meeting in 2007 in Uganda, have created a demand for the construction of 4 000 hotel rooms (Uganda Ministry of Tourism, Wildlife and Antiquities), while conducive investment environments have attracted major global hotels chains to the region such as the 253 room Djibouti Palace Kempinski.



## 2.7.2 TRANSPORT INFRASTRUCTURE

Transport infrastructure is an integral part of the tourism system that deals with bringing tourists to destinations, a means of getting around the place and a means of exit once after their sojourn. It is imperative to note that the transport system of a destination is far more significant than is usually considered because it has an impact on the overall tourist experience. The transport system can influence how people travel and why they choose different forms of vacations, destination choice-sets, and modes of transport (Page and Lumsdon, 2004). Moreover, the management of such modes of transport have been viewed as being an integral part of the international tourism system linking air, sea and land modes that in turn facilitate the movement of tourists in the destination (Sorupia, 2005).

## 2.7.3 AIRPORT TRANSPORT INFRASTRUCTURE

The quality of air transport infrastructure eases access to and from countries accounting for 51% of all arrivals in 2010 (UNWTO, 2012), as well as facilitating movement to destinations within countries especially in cases where ground transport is unreliable. It is further projected that air transport for tourism purposes will grow at a faster rate compared to other ground transport forms (UNWTO, 2012). The quality of air transport infrastructure is gauged in terms of both the quantity of air transport, as indicated by the available seat kilometres both international and domestic, the number of departures, airport density, the number of operating airlines, the quality of the air transport infrastructure both for domestic and international flights and international air transport network (WEF, 2011). In this regard, Canada, USA and Australia are ranked as the top three in this order globally. In the IGAD region, the quality of air transport infrastructure could be regarded as being fairly modest in terms of the various attributes of air transport infrastructure. Table 2.7 below shows the ranking for select IGAD member countries.

Table 2.7 *Air Transport Infrastructure Global Ranking for Select IGAD countries (2011)*

Attribute	Ethiopia	Kenya	Uganda
Quality of air transport infrastructure	48	57	100
Available seat kilometres (domestic)	59	47	90
Available seat kilometres international	67	51	97
Departure per 1000 population	104	96	124
Airport density	117	98	129
Number of operating airlines	108	48	86
International air transport network	47	59	82
Overall ranking	87	72	119

Source: WEF (2011)

From Table 2.7, it is clear that both Ethiopia and Kenya are ranked comparatively well in certain attributes of air transport infrastructure. Ethiopia is ranked 48 globally in terms of the quality of its air transport infrastructure which could be attributed to the 2<sup>nd</sup> terminal at Bole International Airport which is built to international standards. Kenya is ranked fairly highly in terms of available seat kilometres both domestically and internationally at positions 47 and 51 respectively. Worked out in terms of the number of seats available on each domestic flight multiplied by the distance in kilometres, in the first instance and as the number of seats available on each international flight multiplied by the distance in kilometres in the second instance, implies that the total average for all scheduled domestic and international flights in Kenya is globally competitive. This is evident in the growing demand for both domestic and international flights in the country. The region, however, fares poorly for airport density which is measured by the number of airports; it should have at least one scheduled flight per million population. For example, Uganda is ranked 129 globally. Further analysis of Table 2.7 shows only Kenya has a considerable high number of scheduled flights originating from the country by various operating companies.

Specifically, Djibouti has only one international airport with flights mainly operated by Daallo Airlines to Paris, London, Dubai, Addis Ababa, Nairobi, Jeddah and several destinations in Somalia. Eritrea is served by Asmara International as the main airport and is complemented by both Assab and Massawa International Airports, though scheduled international flights to these airports are limited. Eritrea is served relatively well by international flights operated by the national carrier, Eritrean Airlines that flies to Amsterdam, Milan, Frankfurt, Rome, Nairobi and Jeddah. Other international airlines operating in Eritrea include Egypt Air, Lufthansa, Saudia, Yemenia and Ethiopian Airlines. Though plagued by instability and war, there is considerable air traffic to and from Somalia mainly to the country's three international airports, namely, Mogadishu, Berbera and Hargesia. The country is mainly served by Daallo Airlines and there are currently proposals by airlines such as Turkish airlines to start operating scheduled flights to Somalia. Sudan and now South Sudan are served by two international airports, Khartoum and Juba respectively. The national carrier for Sudan is Sudan Airways which plies a number of African destinations including Addis Ababa, Cairo, Nairobi and Tripoli. A number of international airlines also operate from Khartoum including British Airways, Egypt Air, Emirates, Ethiopian Airlines, Gulf Air, Kenya Airways, KLM, Qatar, Syrian Arab Airlines, Turkish Airlines and Yemenia Airways. Though comparatively new, Juba International Airport is now served by several international airlines including Sudan Airways, Kenya Airways, Jet Link, Fly 540, Egypt Air and Ethiopia Airlines.

Uganda, one of the major tourist destinations in IGAD, only has one international airport, Entebbe with international passenger air services operated by Precision Air, British Airways, Ethiopia Airlines, Brussels, Kenya Airways, Rwandair and the more recently re-established Air Uganda. With over 3.7 million passenger air traffic as at 2009, Ethiopia is served by two international airports; Bole International Airport and to a lesser extent Aba Tenna D Yilma. The former is increasingly becoming an international hub for major airlines including Ethiopian Airlines (which now flies to most African and a number of international destinations), British Airways, KLM, Egypt Air, Kenya Airways, Lufthansa, Saudia, Sudan Airways and Yemenia. The latter only caters for small airlines flying mostly to Arabia. With an estimated passenger air traffic of 8.2 million in 2011, Kenya is arguably the busiest IGAD member state and to some extent, African country, in terms of air transport as already discerned from table 2.7. The country has four international airports, namely, Jomo Kenyatta, Moi, Eldoret and

more recently Kisumu. Kenya is served by several international passenger airlines including the national carrier Kenya Airways, which flies to most of the African capitals and several international destinations. Other airlines include British Airways, KLM, Lufthansa, Turkish Airlines, Qatar, Emirates and Egypt Air, among others. In addition, Moi International Airport mostly caters for chartered airlines mainly supplying tourists to the coastal region of the country.

Air travel to and within IGAD remains comparatively expensive both in terms of ticket prices and airport charges. As such, access to these services remains prohibitive to the majority of people within IGAD and also to potential airlines or businesses that wish to ply the IGAD routes. Ticket prices, for instance, range between USD 200 and 300 for short distances and USD 600 to 800 for the longer distances. In other parts of the world such as the Americas, Europe and Asia, such high prices apply to intercontinental flights, especially given the rise of the low cost carriers in these regions. It is imperative that factors necessitating the high cost of air transport are urgently addressed. Furthermore, connectivity remains a major challenge across IGAD with few direct flights to the key destinations in the region, while some parts of IGAD largely remain inaccessible due to lack of air transport infrastructure.

## In Brief

### USD 200-300

The average cost of airline tickets for short travel distances within the IGAD region

### USD 600-800

The average cost of airline tickets for longer travel distances within the IGAD region

## 2.7.4 GROUND TRANSPORT

Though accounting for 49% of the total tourist arrivals, ground transport is an important part of the tourism system in any given destination because it complements air transport in providing access to the various tourist activities and attractions. Road transport constitutes the most commonly utilised mode of ground transport in terms of facilitating access to and from destinations and accounting for 41% of all tourist arrivals (UNWTO, 2012). Consequently, the quality of road transport and road density (measured in kilometres of road per 100 square kilometres of land) is an important aspect of destination competitiveness. Generally, the prevailing road conditions, densities and networks within members states and the IGAD region as a whole are of poor quality and mostly inadequate; with the better conditions restricted to urban areas, mostly the capital cities. For instance, whereas there are roads connecting the member states, such as from Djibouti to Assab in Eritrea and onto Dikhil to access Ethiopia, or part of the Trans-East African Highway linking the Nairobi and Addis Ababa via Moyale, the condition of these roads is mostly poor and travel requires use of rugged vehicles. Table 2.8 illustrates the prevailing situation in terms of road transport in the IGAD region.



Table 2.8 Quality of Road Transport in IGAD

Access, supply side	Access, demand side (vehicle fleet/1000 people (vehicle fleet/1000 people		Quality		
	Road network (km) 2000-08	Road density – ratio to total land (road km/1000 sq km (of land area) 2000-2008	Commercial vehicles 2000-2008	Passenger vehicles 2000-2008	Ratio of paved roads to total roads
Djibouti	3 065	14.0	-	-	45.0
Eritrea	4 010	3.0	11.0	6.0	21.8
Ethiopia	44 359	4.0	3.0	1.0	13.7
Kenya	63 265	11.0	21.0	15.0	14.1
Somalia	22 100	3.0	-	-	11.8
Sudan	11 900	1.0	28.0	20.0	36.3
Uganda	70 746	29.0	7.0	3.0	23.0

Source: World Bank, 2011a

The use of other modes of ground transport is relatively low globally with both rail and water transport accounting for 2% and 6% of total tourist arrivals in 2010 (UNWTO, 2012). This does not imply that their relative low utility should be synonymous with less importance as some destinations, such as islands, rely heavily on water transport, and in some cases rail transport such as the Orient Express or the Nairobi-Mombasa railway, can be attractions in themselves. In this regard, though most member states have rail transport systems, such as the Djibouti-Ethiopia Railway or the Asmara-Massawa railway in Eritrea or the Rift Valley Railway connecting Kenya and Uganda, the train engines and wagons are mostly old and the train schedules are very unreliable. The use of water transport for tourism purposes is very limited in IGAD and is more actively used in Kenya to access islands such as Lamu and for recreational purposes. The potential of cruise tourism has further been restricted in the Indian Ocean by the onslaught of piracy due to the instability in Somalia thereby limiting tourist activities in sea ports such as Massawa and Assab in Eritrea, Berbera, Bossaso, Kismayu, Marka and Mogadishu in Somalia, and Mombasa in Kenya. Lake Victoria, though having great potential for cruise tourism, is also unexploited.

Owing to the infrastructural challenges that currently face IGAD member states, a number of projects have been proposed; some of which are already being implemented. Though not specifically targeting the tourism industry, these projects have the potential of not only improving the quality of ground transport, but also contributing to greater regional integration in IGAD through better infrastructural connectivity.





*Ground transport is an important part of the tourism system in any given destination because it complements air transport in providing access to the various tourist activities and attractions*



*A street in Kampala, Uganda*



As already mentioned, the Trans-East African Highway connects the capitals of Ethiopia and Kenya, and is part of the bigger Trans-Africa Highway that runs from Egypt through Sudan to the north, and Tanzania, Zambia, Zimbabwe and Botswana to the south. In addition, Djibouti and Uganda have been co-opted as associate member countries to the project. Several other projects are also currently being implemented including the Northern Corridor Transport Improvement Project and Lamu Port South Sudan Ethiopia Transport (LAPSSET) corridor. The former, comprising water, air, rail and road transport infrastructure runs from Mombasa in Kenya to the Great Lakes region, through Uganda with proposals to have links to Sudan and Ethiopia. LAPSSET, also comprising water, air, rail and road transport, is part of the Kenyan government's Vision 2030 flagship projects that seeks to, among other reasons, better connect the country to South Sudan and Ethiopia through the construction of a new port in Lamu, modern rail, and road networks. Implementation of these projects will be beneficial to tourism not just for transport infrastructure, but also for emerging opportunities. In the LAPSSET project, for instance, Kenya proposes to construct three resort cities in Lamu, Isiolo and Turkana.

### 2.7.5 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The significance of ICT in the tourism industry cannot be overstated given the increasing importance of the online environment for the distribution and promotion of the travel and tourism products. ICT infrastructure encompasses penetration rates through the internet, telephone lines and broadband, which provide a sense of the society's online activity. It also includes a specific measure of the extent to which the internet is used by businesses in carrying out transactions in the economy (WEF, 2011). Access to good technology not only raises tourism competitiveness by increasing attractiveness of the destination as a comfortable destination to high-end tourists but also raises the attractiveness of the destination as an investment location for tourism investors whose capital finances supply expansion in the tourism sector. In this aspect, the TCI ranks some of the IGAD member states very poorly. Ethiopia is, for instance, ranked among the poorest globally in terms of its ICT infrastructure based on the extent of internet use by businesses, number of internet users, broadband internet subscribers and number of mobile telephone subscribers at positions 134, 136, 136 and 139 out of 139 countries respectively. Table 2.9 provides details of some aspects of the ICT infrastructure amongst the IGAD member states.

*TCI ranks some of the IGAD member states poorly in terms of their ICT infrastructure based on the extent of internet use by businesses, number of internet users, broadband internet subscribers and number of mobile telephone subscribers.*

*A woman talking on the phone*



Table 2.9: ICT Infrastructure in IGAD in 2009

	Telephone subscribers /100 people	Fixed broadband internet subscription (USD per month)	Costs of 3-minute call peak hours	
			Fixed line	Cellular
Djibouti	16.9	56.3	0.09	0.54
Eritrea	3.7	-	0.02	0.35
Ethiopia	6.0	517.6	0.02	0.21
Kenya	50.3	38.8	0.11	0.31
Somalia	8.1	-	-	-
Sudan	37.2	26.1	0.00	0.18
Uganda	29.4	41.9	0.18	0.50

Source: World Bank, 2011a

Table 2.9 above shows that, with the exception of Kenya, telephone subscription is still relatively low among IGAD member states compared to the leading destinations in Africa such as Mauritius with 114.9, Tunisia with 105 and South Africa with 102 subscriptions for every 100 people. In addition, broadband costs are still considerably high in the IGAD countries and in the case of Ethiopia, almost out of reach for the majority of Ethiopians with a monthly subscription fee of USD 517.6. Although the fixed line costs are comparatively low in the IGAD region, the fact that subscriptions are relatively low implies that these services are not accessible to the majority of people. What is more, the mobile calling rates are still considerably high, a factor that may be limiting in terms of access to the majority of people.

Nonetheless, the situation is gradually changing with member states adopting proactive policies to improve their ICT infrastructure. Kenya, for instance, has recognised the importance of ICT in economic development and has prioritised the sector as one of the key areas to help it achieve goals of its strategic Vision 2030. Among other proposals, the government has now embarked on an ambitious plan to build a technology city which is also expected to have a positive impact on tourism in Kenya in terms of product diversification. There are also a number of projects across Africa on ICT which could enhance the destination competitiveness of the IGAD region including the NEPAD Africa e-Payment Gateway Project and the two submarine cable projects, the East African Submarine Cable System (EASSy) Project and the South East Asia-Middle East-West Europe (SEAMEWE) project.

First, the NEPAD Africa e-Payment Gateway is an e-tourism project intended to benefit the African continent by reducing the costs of doing business. The project is intended to provide African businesses, citizens as well as governments with efficient and affordable access to electronic commerce platforms. The objective is to bring revenue directly into Africa by using an African owned and operated infrastructure that will

directly impact the GDP of African economies. Further, it aims to provide each country with the ability to increase tourism and small and medium enterprise (SME) sector revenues without incurring the high costs charged by existing third party platforms residing outside of Africa (ITRealms, 2009). The project is a joint partnership between African and international investors initially targeting the tourism sector but broad in scope to cater for SMEs in other non-tourism sectors that do not have the resources to market and conduct electronic commerce through the internet independently.

At present, Africa's tourism and cultural assets are marketed mainly by entities outside of Africa that have access to or own the technology to conduct e-commerce. In some cases this does not always provide an equitable share of revenue for their various partners in Africa. The African e-Payment Gateway will enable direct payments into each country and provide the partners outside Africa the ability to market untapped regions of the continent that have been previously overlooked.

Second, in the past most African countries' telecommunication carriers heavily relied on radio or satellite systems to carry the bulk of their international traffic. With the advent of optical fibre cable systems and the inherent quality and increased bandwidth that they provide, carriers have switched to submarine cables as their primary medium of communication. The EASSy project, for instance, is an optimum means to improve the communication sector in the region, allowing more people access at the same time and at cheaper rates (ADB, 2007). With a length of 9 900 km, the project aims to connect about twenty coastal countries and landlocked countries of Eastern and Southern Africa to the rest of the world through a network of submarine optic fibre cables. It is envisaged that the project will have significant benefits for the citizens of the region such as: providing better quality services at reduced operational costs and user charges; providing more reliable international communications; providing competitive prices for national and international connectivity; stimulating investment and economic growth; increasing employment opportunities; and easing access to education and broad knowledge such as medicine. In addition, the project is likely to have an indirect effect of attracting more tourism to current tourist centres because of the ease of communication (ADB, 2007).

On the other hand, the SEAMEWE project, though mainly meant to connect Asia with Europe is also expected to benefit countries to the North of the IGAD region. It is, for instance, expected that with Djibouti being a landing point of both SEAMEWE and EASSy cables, other countries in the region, including Ethiopia, could benefit given that the two countries are already connected via a fibre optic cable. It is further expected that, as with the case of EASSy, SEAMEWE will also further drive down the costs of ICT in the IGAD region.

In brief, a competitive ICT infrastructure is a key prerequisite for tourism competitiveness in the modern world and certainly the NEPAD eTourism, EASSy and SEAMEWE projects are good efforts towards this end. The success of a competitive ICT infrastructure, nonetheless, rely on: strong and sustained political commitment to the informatisation and development of the ICT sector from the highest echelon of the government; public informatisation training programmes which should be implemented in order to bridge the digital divide and at the same time boost the self sustaining demand among a large segment of the population; competitive environment for telecom service providers; initiatives undertaken by governments to develop the basic ICT technologies (Kim, 2009). In order for the above to work smoothly and produce the envisioned results, there is need for sustainable sources of funding for ICT products,



services and infrastructure development. This can be done through the government budget contribution, donor funding, telecommunications service operators' contribution, auction price for radio wave frequency and franchising.

## 2.8 POLICY, RULES AND REGULATORY FRAMEWORK ANALYSIS

The prevailing policy, rules and regulatory framework can either be an obstacle or a catalyst for tourism development in any given destination. Such a framework could, for instance, promote or dampen both FDI and domestic investment, encourage or discourage innovation, relevant skills development, and research and development in the tourism industry. In this regard, the TPCI ranking of IGAD select member countries is quite low, which implies that the extant policies, rules and regulatory frameworks are comparatively unfavourable towards enhancing the competitiveness of the region. Table 2.10 below shows some of the TPCI considerations in the policy, rules and regulatory framework and the respective ranking for select IGAD member states. The table further shows the same indicators for Mauritius which serves as a benchmark.

Table 2.10 TPCI Policy, Rules and Regulations Ranking for Mauritius and IGAD Select Member States 2011

	Overall Rank	Prevalence of foreign ownership	Property rights	Business impact of rules on FDI	Visa requirements	Openness of bilateral air service agreements	Transparency of governments policy making	Time required to start a business	Costs to start a business
Mauritius	27	72	36	8	8	106	24	13	38
Ethiopia	93	125	60	79	136	57	100	35	79
Kenya	103	69	103	84	95	119	109	105	110
Uganda	100	35	94	27	102	104	69	88	125

Source: WEF 2011

Table 2.10 provides information that is crucial in determining the suitability of the prevailing policies, rules and regulations necessary for the determination of the IGAD region's destination competitiveness. For instance, taking into consideration the prevalence of foreign ownership, it is apparent that the policies, rules and regulations in Ethiopia do not promote such ownership of tourism resources, whereas, in the case of Uganda, with a global ranking of 35, the country appears to have put in place measures that have led to an increase in foreign ownership. Though caution needs to be exercised in this context, such prevalence could be a marker of confidence in the national economy and certainly as in the case of Uganda can lead to increase in FDI. In this regard, with a high global ranking of 27, it is apparent that the extant rules on FDI are having positive impacts on businesses in Uganda as is the case with Mauritius which is ranked 8<sup>th</sup> in the world. In addition, when compared to Mauritius, IGAD member states are not viewed as having strong policies or regulations that could enhance property rights. Kenya and Uganda, for example, are ranked 103<sup>rd</sup> and 94<sup>th</sup> respectively, a factor which has adverse effects on the competitiveness of these countries.

*Within the context of the IGAD region, the challenges have been that member states have not sufficiently engaged in bilateral air service agreements owing to the fact that these countries have not adopted an 'open-skies policy'.*

A key obstacle facing IGAD member states for destination competitiveness as seen from table 2.9, is the issue of visa requirements; Ethiopia ranked bottom third globally compared to the Mauritius global ranking at position 8. This suggests that Mauritius is one of the most competitive destinations in the world in this context meaning that she has put in place measures to enhance travel into the country through visa exemptions or by relaxing her rules to enable potential tourists to obtain visas upon arrival. This is, indeed, a major issue even among IGAD member states whereby visa requirements are still very stringent and this has proved to be an impediment towards regional integration. This needs to be addressed urgently by undertaking bold steps towards removal of such a barrier to travel within the region and also moving towards a single tourist visa as is the case with the Schengen states in Europe. Such strategies could lead to enhancing IGAD destination competitiveness.

Bilateral air service agreements between countries indicate the level and extent of collaboration between the countries. Bilateral air services agreements/arrangements contain the routes airlines can fly including cities that can be served within, between and beyond the bilateral partners; the number of flights that can be operated or passengers that can be carried between the bilateral partners; the number of airlines that bilateral partners can nominate to operate services and the ownership criteria airlines must meet to be designated under the bilateral agreement. This clause sometimes includes foreign ownership restrictions and tariffs (i.e. prices).

Some agreements require airlines to submit ticket prices to aeronautical authorities for approval (it is not current practice for Australian aeronautical authorities to require this) and many other clauses addressing competition policy, safety and security. With the exception of Ethiopia, the openness of the bilateral air services agreements in Kenya and Uganda, appear not to be suitable, with global rankings of 119 and 104 respectively, towards enhancing the competitiveness of these countries. Ranked globally at 57, it would seem that the prevailing policies or regulations in Ethiopia are relatively conducive towards attracting major airlines making the country an international hub with direct flights to a number of destinations. For example, whereas there are direct flights to and from key destinations such as USA, Kenya is still negotiating to have the same. This would suggest an absence of a bilateral air services agreement between Kenya and USA which in turn means that Kenyan commercial airline companies cannot fly into the US airspace and vice versa, such that access to these countries is through a third country that may have an open sky policy with either country. Within the context of the IGAD region, the challenges have been that member states have not sufficiently engaged in bilateral air service agreements owing to the fact that these countries have not adopted an 'open-skies policy'. This is a major impediment to tourism growth, especially in the regional segment. In Europe and Asia, for instance, the openness of their bilateral air services agreements, together with the growth of the low cost carrier airlines, has led to a boom in tourism in these regions (O'Connell and Williams, 2005). Benchmark countries like Australia, Malaysia and Indonesia are popular destinations owing to the fact that these countries have adopted an open-skies policy and have a liberalised environment within their respective transport sectors.

Moreover, Table 2.10 reveals that in Ethiopia and Kenya, tourism policy formulation process is not comparatively transparent given the global rankings of 100 and 109 respectively. Indeed, tourism policy formulation process should be a very consultative process that takes into consideration the view of stakeholders so as to minimise conflicts that may arise from tourism development. Furthermore, at least from an investment perspective, the prevailing policies, rules and regulations, save for Ethiopia to some extent, are not conducive for business start-ups in both Kenya and Uganda in terms of the time it takes to start a business and the costs involved. Table 2.11 provides the global ranking of IGAD member states in terms of the ease of doing business.

Table 2.11 *Ease of Doing Business Global Ranking for IGAD Member States*

	Ease of doing business	Starting a business	Getting credit	Protecting investors	Trading across borders
Djibouti	170	179	177	179	37
Eritrea	180	182	177	111	165
Ethiopia	111	99	150	122	157
Kenya	109	132	8	97	141
Somalia	-	-	-	-	-
South Sudan	-	-	-	-	-
Sudan	135	126	166	155	151
Uganda	123	143	48	133	158

Source: World Bank (2012a)

The Doing Business World Bank report of 2012 covering 183 countries generally ranks the IGAD region poorly as can be deduced from table 2.11 above. From the table, Kenya is the most favourable place to do business in IGAD at position 109, while Eritrea, ranked fourth from the bottom globally, is the most difficult. It is worth noting that, whilst this report looks at the various policies, rules and regulations in terms of their impacts on businesses from a general perspective, they nevertheless have a bearing on tourism development. For example, Kenya is ranked 8<sup>th</sup> globally for ease of getting credit. This implies that investors are able to access financing to fund their respective ventures with relative ease, a factor that has seen an increase in both foreign and domestic investment in the country over the recent past, especially in the hospitality sector (Juma, 2011; Maina, 2011). On the other hand, Eritrea is ranked second last in the world in terms of the ease of starting a business which implies that the prevailing policy and legislative framework is a hindrance to business start-ups because of bureaucratic red-tape. To start a business in Eritrea, for example, there are 13 procedures that have to be undertaken, a practice that takes a minimum of 84 days before business operations can commence. In contrast, only 2 procedures are required in Rwanda (ranked 45<sup>th</sup> globally) and business operations can start within 3 days.



What is more, with the exception of Djibouti, which is ranked 37<sup>th</sup> globally for ease of cross-border trade, the rest of the member states appear not to have in place appropriate policies that encourage trading across borders. In Djibouti, for instance, one would need to process 5 documents in order to export, a procedure that takes 18 days and the same applies in the case of importation. Furthermore, the costs of exporting and importing a container are relatively low at USD 836 and 911 respectively. Comparatively, though the documents required for export and import in Sudan, for instance, are 7, it takes 32 days to export and 46 days to import goods, while the costs of both exporting and importing a container are more than double those of Djibouti at USD 2 050 and USD 2 900 respectively. Such barriers to trade can be a hindrance to investment given the high costs of doing business, which further impacts negatively on the region's competitiveness.

It is, nonetheless, worth noting that in a number of IGAD states, tourism development is guided by various tourism specific plans, policies and regulations. Kenya, for instance, has in place an elaborate tourism development plan under the broader framework of Vision 2030, the country's current development blueprint, while Djibouti is currently developing a tourism strategic plan embedded within the country's national strategic plan. Similarly, a tourism master plan is currently being developed in Uganda. Currently, it appears that it is only Kenya and Uganda that have in place tourism specific bills which propose the creation of various regulations and institutions to guide tourism development in the respective countries. In addition, it is only Ethiopia, Kenya and Uganda, within the IGAD region that have formulated tourism policies, though tourism development in Djibouti is guided by a set of guidelines. Generally the key objective of these tourism policies is to promote tourism as a vehicle for economic development and poverty alleviation, without compromising the environmental and socio-cultural dimensions of sustainability, through the execution of various strategies embedded in product development, marketing, capacity development, infrastructure development and financing.

Despite the presence of such plans, policies and regulations within some of the member states, it is important to note that, at least within the context of regional integration, a number of issues are not clearly articulated or aligned. First, notwithstanding the fact that in both Kenya and Uganda, for instance, the tourism policies recognise the importance of regional integration within the auspice of EAC, the scope is to a large extent only limited to marketing the region (EAC) as a single destination in the traditional tourist markets. No strategies, for example, are proposed to promote tourism within the EAC. That said, there are now steps being undertaken towards standardisation of hotel classification, free labour mobility and knowledge transfer. Moreover, the issue of an EAC tourist visa, though strongly recommended by the private sector and the various tourism ministers in the region, is still under consideration pending a number of issues that need to be addressed including the concern of loss of revenue by some member states. Second, the prevailing policy frameworks in IGAD appear to be heavily skewed towards the traditional tourist markets and further seem to promote traditional nature-based tourism products. Third, perhaps, with the exception of a few countries, there appears not to be a strong role research could play in tourism development, though emphasis is focused on technical training as a strategy to enhance appropriate skills and knowledge development. Nonetheless, the need for tourism satellite accounts has been well advocated for. Last, the policy frameworks also appear skewed towards promoting FDI ostensibly because of the capital intensity nature of the industry, yet current evidence suggests that there is great potential in considering domestic investment within the same breadth.

## 2.9 DISPARITIES IN LEVELS OF TOURISM DEVELOPMENT

Due to the different prevailing issues, past and current, in the respective IGAD member states, there are correspondingly remarkable disparities in the levels of tourism development. These range from the relatively underdeveloped states including Somalia, South Sudan and Sudan, to the comparatively moderately developed states such as Djibouti and Eritrea, to the arguably more mature and developed destinations – Ethiopia, Kenya and Uganda. Such disparities are manifested in a range of factors including the levels of tourism infrastructure development, tourist arrivals and receipts, levels of human resource development, existing policy, regulatory and institutional frameworks.

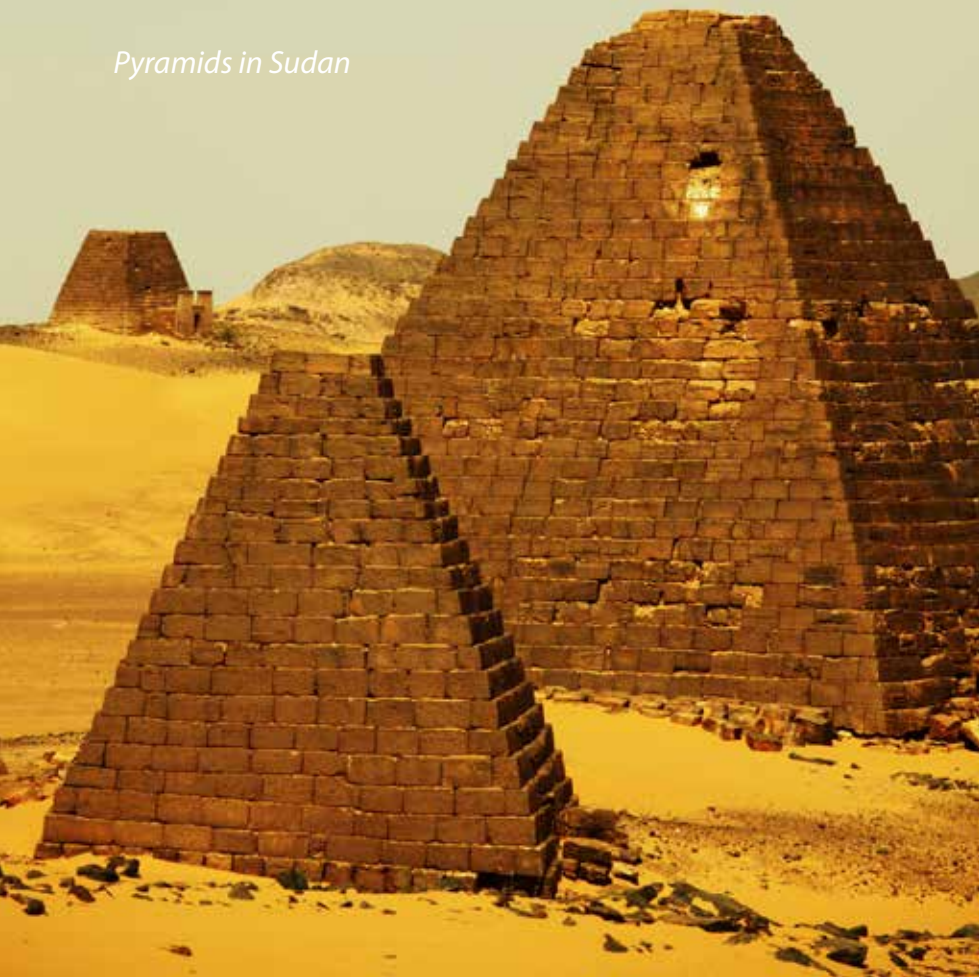
There is concern amongst tourism stakeholders across the IGAD region, particularly, amongst the relatively underdeveloped states that the more mature destinations, more so Kenya, will dominate tourism development in the region, for instance, in terms of usurping employment opportunities that may arise. Indeed, similar concerns have previously been expressed elsewhere, for example, following the enlargement of the European Union (EU) to accommodate new member states mainly drawn from the Eastern bloc in 2007, whereby, the more developed states feared free labour mobility would have adverse effects on their respective economies (Breuss, 2009). The impact of the EU enlargement has, on the contrary, resulted in the rapid economic growth and development of the new entrants and in some cases resulted in reverse migration (Breuss, 2009). The case of the EU can provide valuable lessons for IGAD member states to dispel such concerns. Nonetheless, the tourism development priorities of respective member states should be upheld, albeit, within the context of regional integration, drawing upon the tenets of AU's MIP, so as to ensure that accruing benefits are geared towards enhancing the level of tourism development across the region.



*A night view of Kampala, Uganda*



*Pyramids in Sudan*



*Ruins of Aksum, Ethiopia*





# STRATEGIES AND ACTIONS



*Zebras in the Kenyan savannah*

### 3.1 IGAD TOURISM STRATEGY

The former IGAD Strategic plan 2004-2008 initially echoed a need for policy harmonisation, capacity building, development of information systems, and research and technology development. The plan highlighted the fact that these key priority areas were critical for regional tourism development within IGAD countries. However, it need not be over-emphasised that tourism product development within the IGAD region needs to be guided by fundamental precepts of sustainability, regional competitiveness and effective institutional frameworks that will sustain tourism growth and development in the region.

Regional tourism integration in IGAD provides unique advantages for realising and responding to product opportunities offered by spatial and comparative advantages in the region. IGAD is located at the core of a vibrant and dynamic tourism region in Africa part of which has considerably realised its economic integration efforts. The current efforts as laid out by the AU/NEPAD African Action Plan (AAP) and the AUC MIP in the promotion of regional and continental integration anchored by NEPAD's guiding principles has provided key guidelines towards enhancing socioeconomic integration. This guiding vision has been subsequently adopted by RECs<sup>1</sup> and as such can only be realised in the long term through a tourism master plan.

Thus the IGAD STMP seeks to enhance a synchronisation of ongoing sectoral strategies and plans within the framework of the IGAD region as well as sub-regional initiatives. Through well enhanced IGAD tourism planning, the region can develop goals, priority areas and action plans for the realisation of a competitive and sustainable regional service-driven economy as well as provide a comprehensive implementation strategy for tourism growth in the region.

A number of priority intervention areas are necessary to guarantee regional competitiveness and which would serve as key frameworks for sustainable and long term tourism growth. These areas include but are not limited to:

- Policy and Regulatory Framework
- Tourism Product Development
- Tourism Marketing
- Human Resource Development
- Research and Development
- Tourist Safety and Security
- Tourism Infrastructure
- Infrastructure Development
- Tourism, Natural and Cultural Heritage Conservation

<sup>1</sup> Such as the Economic Community of West African States (ECOWAS); Common Market for Eastern and Southern Africa (COMESA); Economic Community of Central African States (ECCAS); Southern African Development Community (SADC); Community of Sahelo Saharan States (CEN-SAD); East African Community (EAC); Arab Magreb Union (AMU/UMA); and subsequently the Intergovernmental Authority on Development (IGAD).

## 3.2 PRIORITY AREA 1: POLICY, REGULATORY AND INSTITUTIONAL FRAMEWORK

### 3.2.1 INTRODUCTION TO THE PRIORITY AREA

As already observed, the prevailing policy, regulatory and institutional frameworks could either impede or foster tourism growth and development in any given destination. The appropriateness of such instruments could nurture a conducive environment through which destinations' competitiveness could be enhanced. Such an environment could, for example, lead to higher visitor numbers, promote investment, innovation, human resource development, research and development.

### 3.2.2 KEY ISSUES OF PRIORITY AREA

The element of policy and regulatory framework has been noted as a key obstacle to destination competitiveness among IGAD member states especially in terms of visa requirements which are still very stringent. Further, the tourism policy formulation process in some member states is arguable not founded on best practice in the sense that the due processes of consultation involving relevant stakeholders has not adequately been undertaken. In addition, from an investment perspective, the prevailing policies, rules and regulations, save for Ethiopia to some extent, are not conducive for business start-ups, especially in terms of the time it takes to start a business and the costs involved, resulting in the poor ranking of the IGAD region according to the Doing Business World Bank report of 2012.

It is worth noting that in a number of IGAD states, tourism development is guided by various tourism specific plans, policies and regulations. For instance, Kenya has in place an elaborate tourism development plan under the broader framework of Vision 2030, and the Tourism Act, while Djibouti is currently developing a strategic tourism plan embedded in the country's wider strategic plan and a tourism master plan is currently being developed in Uganda under the National Development Plan 2010/14. Despite the presence of such plans, policies and regulations within some of the member states, it is important to note that, at least within the context of regional integration a number of issues are not clearly articulated or aligned.

Further, perhaps, with the exception of a few countries, the role of research in tourism development is not prominent, though emphasis is focused on technical training as a strategy to enhance appropriate skills and knowledge. Nonetheless, the need for tourist satellite accounts has been well advocated for. Moreover, the policy frameworks appear to be skewed towards promoting FDI ostensibly because of the capital intensive nature of the industry, yet current evidence suggests that there is great potential in considering domestic investment within the same breadth.



### 3.2.3 ACTIONS

#### A OBJECTIVE: FORMULATION OF A REGIONAL TOURISM POLICY FRAMEWORK

##### *Formulate a regional tourism policy*

IGAD needs to develop a harmonised regional tourism policy leveraging on the tourism industry assets of each member country. This tourism policy formulation process should be a consultative process that takes into consideration the view of tourism stakeholders within the region so as to minimise conflicts that may arise during tourism development and to enhance regional ownership and sustainability of tourism development in the region.

#### B OBJECTIVE: EASE THE BARRIERS TO VISITOR ENTRY WITHIN THE REGION

##### *Reduce the number of barriers to visitor entry within the region*

Appropriate policies and legislations should be formulated to ensure that the region puts in place measures to enhance travel into the region through visa exemptions or by relaxing rules to enable potential tourists to obtain visas upon arrival in any member country. Bold steps are needed to remove both barriers to travel within the region for citizens of member states and also to move towards a single tourist visa as is the case with the Schengen states (also under consideration in EAC), strategies that could both lead to enhancing IGAD destination competitiveness. This may require sensitisation workshops targeting immigration and customs officials on the importance of tourism development and their respective role in facilitating such development.

#### C OBJECTIVE: ENHANCING DESTINATION ACCESS BY PROMOTING AIR SERVICE AGREEMENTS AND OPEN SKY POLICIES

##### *Review existing bilateral air services agreements*

Bilateral air service agreements between countries indicate the level and extent of collaboration between the countries. There is need for IGAD member states to establish bilateral air services agreements with key and emerging global tourist sources markets to facilitate direct flights and to review existing arrangements. To realise this goal, it would be necessary for the IGAD member countries to adopt an 'open-skies policy'. This has worked for countries like Australia, Malaysia and Indonesia which have become popular destinations owing to the fact that they have adopted an open-skies policy and have a liberalised environment within their respective transport sectors. Nonetheless, it is worth noting that, in order to maximise the benefits of such a strategy, IGAD member states should be encouraged to establish world class air transport infrastructure.

## D OBJECTIVE: ESTABLISH AN UMBRELLA TOURISM COUNCIL TO OVERSEE THE IMPLEMENTATION OF THE STMP

### *Define and establish the roles of the tourism council*

An institutional framework will be necessary to oversee the implementation of the STMP and should seek to facilitate institutional linkages, communication, strategic partnerships and alignment of tourism stakeholders in the region. IGAD should, therefore, undertake steps to establish a regional tourism body under the interim name of the IGAD Tourism Commission that will coordinate the development of tourism in the region and to clearly define its role. To facilitate the work of the commission, a number of committees or working groups comprising relevant stakeholders should be established including: the tourism product development committee; marketing committee; quality and standards committee; human resource development committee; tourist safety and security committee; research and development committee; and immigration committee.

## 3.3 PRIORITY AREA 2: TOURISM PRODUCT DEVELOPMENT

### 3.3.1 INTRODUCTION

Tourism product development is key towards enhancing the industry's capacity to remain agile, productive and competitive. Product development consists of enhancing the physical, experiential and emotional elements of a place which contribute to the overall destination's experience. The tourism product is an amalgamation of five major components i.e. attractions, facilities at the destination, accessibility of the destination, the image of the destination as well as the price to the consumer. The product development process is the molding of such assets to meet the needs of customers. It is largely focused around the creation of new tourism products or the revitalisation of existing ones. The development of such tourism products is commonly referred to as the production of positive and memorable experiences. Tourism product development should be sustainable and product-led, as opposed to being market-led. The product-led approach entails the development of products that a destination feels would be appropriate in meeting its comparative advantage and development priorities. This leads to the development of unique tourism products.

There is need to continuously improve the quality and diversity of tourism attractions, facilities at the destination, the image of the destination, value for money as well as their accessibility. Governments are expected to create an enabling environment for product development. Relevant National Tourism Organisations (NTOs) should coherently assess the need to develop institutional frameworks and enhance capacity for product development. The private sector is also a key stakeholder and there is need to ensure that there is adequate incentive and policy framework centred on innovation and enterprise development.

*Tourism product development should be sustainable and product-led, as opposed to being market-led. The product-led approach entails the development of products that a destination feels would be appropriate in meeting its comparative advantage and development priorities. This leads to the development of unique tourism products.*





Jat Airways

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Belgrade tourism fair, Serbia

### 3.3.2 FRAMEWORK FOR THE PRIORITY AREA

There is need to enhance existing product development efforts by providing an overall framework for action towards tourism product development in the region. To this end, the IGAD STMP provides a framework for developing tourism products, to enhance national efforts of member countries. It needs to be emphasised that the onus of tourism product development rests upon member states and should ideally involve co-ordinating efforts behind viable, sustainable national tourism projects geared towards the broader regional framework to develop the IGAD region as a successful tourism destination. In this context, IGAD should strive to create a conducive environment for regional tourism product development. Aligning marketing, investment (including capital) and business development around product priorities is expected to have a greater impact in the region. Such a strategy should provide a framework and policy guidance for the long-term development of the tourism product in the IGAD region. This should cover areas that include:

Capital investment in the tourism product;

- Provision of infrastructure and services relevant to the tourists;
- The physical environment;
- Packaging and presentation;and
- Service standards and excellence

### 3.3.3 KEY ISSUES IN THE PRIORITY AREA

As already mentioned, whereas the responsibility of tourism product development rests upon member states, IGAD should play a regional coordinating role to ensure that this is in line with AU/NEPAD Tourism Action Plan and AU MIP. Although the traditional nature-based tourism products will continue to play a key role in tourism development, increasingly product diversification will be instrumental in tapping into new and emerging markets for the IGAD region as a destination. Here, diversification calls for a paradigm shift from the traditional tourism development approach to one that is guided by innovation and creativity in the development of not only leisure products, but also the niche tourism products such as culture-based tourism, sports, business, conference and health, geared towards the domestic, regional and international tourist markets. It is worth noting that there are serious constraints to tourism product development in the IGAD region that must be accounted for in the elaboration of sustainable tourism products. For instance, the pattern of tourism resource use potential, tourism development, and the level of existing tourism performance in the region is uneven. Nevertheless, this need not be a challenge, but an opportunity for the less developed member states to leverage opportunities in the more developed states, and for the developed states to extend opportunities for tourism development in the less developed states. The recommendations of the MIP could further be adapted to address these issues. The region is also environmentally vulnerable, a situation further aggravated by the interaction of “multiple stresses” and low adaptive capacity. It is crucial that this reality is properly recognised before tourism products are generated.

*Although the traditional nature-based tourism products will continue to play a key role in tourism development, increasingly product diversification will be instrumental in tapping into new and emerging markets for the IGAD region as a destination.*



### 3.3.4 ACTIONS

The focus on product development is mainly exploring potential, enhancing, expanding and diversifying IGAD tourism products to improve and promote sustainability, competitiveness, increase investment, promote regional integration and meet the development priorities of member states. To achieve this, the following specific objectives and actions will be pursued:

- A OBJECTIVE: DEVELOP TOURISM RELATED PRODUCTS FOCUSING ON QUALITY AND SUSTAINABILITY, REGIONAL AND LOCAL COMMUNITY INTEGRATION AND INDUSTRY INVOLVEMENT TO GAIN MAXIMUM ECONOMIC BENEFIT

#### *Developing cohesive regional and national tourism service standards and excellence*

An emphasis on service excellence and service standards is integral towards tourism product development in the region. The situational analysis identifies the need to enhance the quality of the tourism offerings in the region. This can be enhanced through the adoption of international service standards, benchmarks and voluntary certification schemes that address service quality, sustainability as well as service excellence. While promoting tourism growth in the region, it is vital to ensure that such growth is based on customer-focused services that are world-class. Further, the promotion of industry products and service standards that are customer-focused is critical towards enhancing the competitiveness of the region.

#### *Developing IGAD Region tourism Certification and Accreditation focusing on quality, sustainability, local community integration and industry involvement*

There is need to promote the adoption of international certification schemes for protected areas, tourism products, facilities and services for regional IGAD tourism. IGAD Tourism Certification schemes are vital instruments for enhancing sustainable tourism practice and development. Effective and credible schemes need to be complemented by education, regulation and comprehensive land use planning.

- B OBJECTIVE: TO ENHANCE CAPACITY TO STRENGTHEN AND INTEGRATE TOURISM PRODUCT DEVELOPMENT THROUGHOUT THE REGION

#### *Promoting wider regional, national and local stakeholder collaboration*

Wider regional, national and local stakeholder collaboration as well as private public partnerships are important towards achieving long-term sustainable development. This ensures that the regional member states are able to build an inclusive industry, promoting closer integration efforts of stakeholders. Nonetheless such tourism efforts in IGAD should be inclusive and there is need for closer working relationships between the state actors and non-state actors as well as communities and non-governmental organisations (NGOs).



### *Assess the quality and standard of existing and potential tourism products*

In order to increase the competitiveness of the region's tourism industry, IGAD should evaluate the scope and diversity of existing as well as potential tourism resources. The product offer should be indigenous and appropriate, while also meeting ever changing customer needs. By identifying existing and, particularly, potential attractions, IGAD will acquire the necessary capacity to identify suitable products in line with the opportunities offered by the region. This needs to be reviewed and updated regularly. A product development framework combined with comprehensive market research and feasibility studies will best enhance the sustainability of tourism products in the IGAD region.

### *Development of National Tourism Product Development Schemes*

A tourism product development scheme founded under a regional framework would be key towards enhancing the development of niche products. Such a scheme would provide a vital impetus for regional tourism product development within IGAD. The key roles of such a scheme would be the provision of adequate financial incentives to stimulate investment, provision of education and training services to communities and national authorities with a view to promoting tourism entrepreneurship as well as setting quality standards on facility development and other related infrastructure within the member states.

### *Ensure sustainable tourism product development*

To ensure sustainable tourism, it is essential that IGAD coordinates and plans the product development carefully, as well as installing mechanisms to ensure products are managed in a sound and viable way. This includes identifying targets for the volume and value of the sector, and for performance against other indicators relating to sustainability. Sustainability is often thought to reduce the number of opportunities and products available to exploitation. Few tourism products are, however, inherently unsustainable. In almost all cases, the impact depends on the nature and location of the operation. Different types of products have different strengths and weaknesses. For instance, development of nature-based tourism products will require a minimalistic approach to tourism development to ensure sustainability, hence, sound understanding of carrying capacities, whereas conference tourism or mega events, would require employment of sustainable mass tourism strategies. It is now a fact that if well managed, mass tourism can be sustainable and can boost infrastructure development and have greater positive impacts on economic development and poverty alleviation, in particular, where the use of local suppliers and recruitment of workers from the region is emphasised, thereby enhancing the forward and backward linkages of tourism. Deliberate efforts, nonetheless, have to be put in place to minimise leakages of tourism revenue, such as encouraging the reinvestment of such revenue, and building national and regional capacity to run and manage facilities at levels ranging from operations to managerial. In addition, a conducive environment will also be necessary to boost domestic and regional investment in the development of tourism products. It is imperative that whatever approach is preferred, the ultimate goal should be to address the development priorities of member states.

*By identifying existing and particularly potential attractions, IGAD will acquire the necessary capacity to identify suitable products in line with the opportunities offered by the region*

#### *Developing intra-regional tourism products*

There is need to promote intra-regional tourism through promotion of intra-regional product development. This will be a vital impetus for tourism development within the IGAD region. Such products should be geared towards tapping into the regional markets as well as the international markets. It is imperative that such development should be informed by sound research so as to ensure that appropriate products are developed. It is expected that the promotion of intra-regional tourism would stimulate regional trade and investments within the region.

#### *Developing regional institutional support for product development*

The development of regional institutional support is important towards the development of sustainable tourism products within the IGAD region. The development of such an institution could further provide support towards promoting tourism entrepreneurship in the region. In this context, there is need to promote active public private partnerships as a stimulant for enhancing such support. The development of support programmes for youth and women tourism enterprises is important towards integrating tourism efforts at the local level.

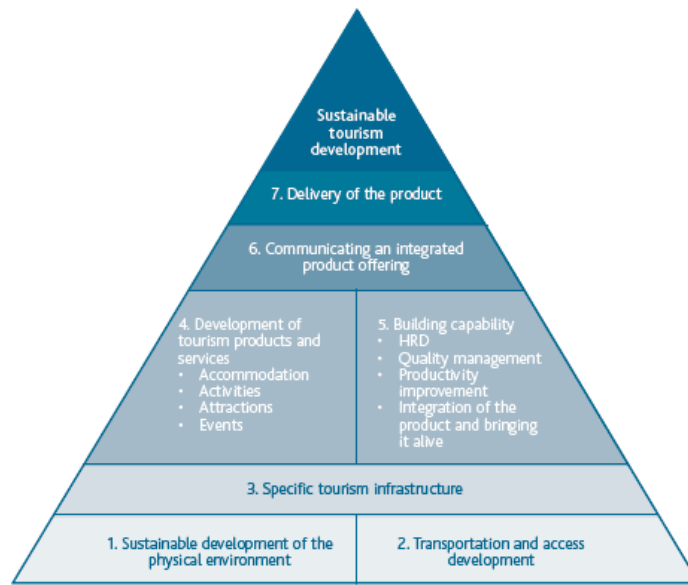
#### *Establishment of a regional tourism product development working group*

Establishment of a high level tourism product development working group comprising relevant tourism stakeholders drawn from the region including the relevant support agencies is critical towards informing appropriate tourism product development.

#### *Develop guidelines for structuring national tourism product development efforts*

There is need to structure tourism product development efforts nationally, with a view to addressing fundamental aspects of the physical environment, transportation and access development, development of specific infrastructure, development of tourism products and services, building resource capacity, communicating an integrated product offering, and finally delivering the product. These structural efforts will guarantee a sustainable framework for tourism product development within the IGAD region.

Figure 3.1 A structural approach towards national tourism product development



*Development of a Regional and National Tourism Accreditation Programme*

There is need to lift regional and national industry standards by setting up benchmarks for tourism practices that can be adopted by the tourism sectors. An IGAD Regional Tourism Accreditation Working Group would be essential for this purpose to ensure that quality is enhanced. This effort would enhance market leverage amongst the private sector players as they would get a compliance certificate and quality mark or brand recognition in the markets.

**C OBJECTIVE: ENHANCING PRODUCT IMAGE NATIONALLY, REGIONALLY AND INTERNATIONALLY THROUGH BRANDING AND POSITIVE MARKET COMMUNICATION**

*Develop product image and profile*

The image of the tourism products and the destination in general are aspects closely linked to the competitiveness of the destination. It accentuates the attractiveness as well as profile of the IGAD region as a tourism destination. There needs to be regional efforts to stimulate demand for tourism in the region. International trends have indicated that destination image significantly influences tourist choice of destination. Therefore regional and national efforts to improve the image of IGAD member states would be feted as key towards enhancing IGAD’s regional tourism competitiveness.



### *Branding the IGAD region as a single tourism destination*

The value of the IGAD region as a regional destination can be well enhanced through branding. Branding the IGAD tourism destination as a unique region with diverse innovative products will also enhance IGAD's positioning as a top ranking destination.

#### D OBJECTIVE: PACKAGING THE PRODUCT TO REFLECT BOTH NATIONAL AND REGIONAL IDENTITIES

### *Leverage local distinctiveness and national identities with a view to enriching the IGAD regional image*

Promoting local distinctiveness and national identities is key towards enhancing differentiation and positive experiences. Putting a brand strategy in place would be effective towards developing regional identities and differentiating the variety of industry products while at the same time complementing the overall tourism image of the IGAD region.

#### E OBJECTIVE: CREATING NEW PRODUCTS/AREAS TO ENTICE AND TARGET NEW VISITORS TO THE DESTINATION

### *Development of niche products in the region*

The development of niche tourism products such as cruise tourism, eco, adventure, resort, culinary, health and sports, is central towards a diversification strategy and widening of the market-base. It is important that IGAD member states establish an industry and product development committee which will be charged with guiding the development of niche products and developing market research on product innovation and development. A similar committee has had successful implications on tourism product development in Australia and Canada.

#### F OBJECTIVE: IMPROVING THE PERFORMANCE OF EXISTING PRODUCTS AND ENHANCING VISITORS' EXPERIENCE

There is need to enhance the performance of existing tourism products. This can only be achieved through the adoption of unique approaches to product development that are centred on innovation and creativity.

### *Promoting a product-cluster approach to national tourism product development*

The current under-utilisation of accommodation and visitor attractions in the IGAD region should be addressed by better presentation, more integrated packaging, co-operative marketing and targeted public sector incentives to encourage innovation and re-investment by the private sector. A product cluster approach is recommended (for example, golf tourism or a multi-product such as golf and health) plus an

innovation fund to encourage fresh ideas. As a priority, there is need to fill significant gaps in tourism product stock, including establishing dedicated national conference centres and enhancing the capacity of the region to host mega-events, for example, the World Cup, by encouraging the construction of world-class sports facilities, etc.

### *Improve and increase the value and volume of the product offering*

Due to constraints in the region, an uneven pattern of tourism has developed. Whereas certain areas are subject to a thriving tourism industry, others are cut off from the benefits derived thereof. Among the many challenges the region faces, war, poverty and environmental vulnerability are the most critical. This situation is further aggravated by the interaction of multiple “stresses” and low adaptive capacity. Against this backdrop, tourism interventions should strategically aim to reduce poverty, create local employment and preserve the environment. Achieving this end will require a sustainable product development as already observed, product diversification and the up-scaling of tourism development in countries that are currently lagging behind in the region.

### *Diversification of product offerings*

IGAD should support initiatives that encourage the development of new and innovative tourism products and the utilisation of resources that are not yet being harnessed. Product diversification can lessen dependence on a small number of markets and market segments. Furthermore, through the presence of a significant range of visitor attractions, restaurants, retail outlets, and events provided by local enterprises, the potential level of visitor spending and the economic value retained is likely to be augmented.

The benefits of creating a mix of tourism products are in this sense multiple. However, they rely on the ability to develop a creative and innovative range of products. As much as quantity will mitigate adverse effects of market dependence, having one or more flagship products may help advance the industry. Major destinations can act as attractors thus bringing tourists into the region. Clusters and circuits can also help spread the benefits of tourism across the countries. Diversification should, therefore, not come at the expense of major existing attractions, rather should be complementary. Product development should have a good fit with the product range already in place, and serve to augment and extend the appeal of the destination. In that way it will enhance the overall tourism experience of the region and contribute to its competitive positioning. Both Ethiopia and Sudan have abundant heritage tourism resources, which could greatly complement and differentiate the overall image of the region as a tourist destination.

Another form of tourism that potentially may attract people to the region is conference tourism, also referred to as MICE. The MICE segment is exhibiting encouraging growth potential, with Russia, India and China likely to drive the market. Yet, conference tourism is not an unheard of phenomenon in Africa either; Kenya is ranked as the 4<sup>th</sup> most popular meeting place on the continent. In spite of the success story of Kenya, however, few countries in the IGAD region have followed suit, and the potential for improvement is evident. For instance, the new AU facility and the growth of the hotel industry in Addis Ababa, present Ethiopia with an opportunity to exploit its MICE



*IGAD should support initiatives that encourage the development of new and innovative tourism products and the utilisation of resources that are not yet being harnessed.*



*A reef in the Red Sea, on the Eritrean coastline*



potential. Uganda is also currently developing a MICE strategy to tap this conference tourism potential.

Accordingly, in order for such tourism to develop, IGAD should develop a conference tourism strategy and establish a regional promotion center to actively market the region as a MICE destination. It would, furthermore, require travel restrictions to be eased and it would also call for a general infrastructure facelift. It is worth noting that, these efforts, if successfully implemented, have the potential to spread the benefits of tourism beyond urban centres and into rural areas and potentially boost other forms of tourism.

### *Diversify product development to areas currently not defined as high tourist attraction areas*

As important areas and countries in the IGAD region lag behind in terms of tourism development, IGAD should facilitate and encourage the development of tourism products in areas where potential resources have not yet been exploited, particularly the rural areas at the local levels and in countries such as Djibouti, Eritrea, Somalia, South Sudan and Sudan, at the national levels. As a principle, it should also be noted that tourism development can take place in any given environment such as deserts (the case of Dubai). In this process, IGAD should utilise major destinations in the region as catalysts of tourism. As emerging destinations may find it difficult to offer similar attractions, it is important that strategic regional partnership between existing destinations and emerging ones are established. Supporting small enterprises and clusters to take advantage of growing markets and economies of scale is another measure. The concept is that product quality, international competitiveness, and hence sustainability, increase as linkages and synergies become stronger and more dynamic. Another strategy would entail the division of the region into tourism zones, to allow emerging attractions to exploit the attractiveness and competitive edge of existing destinations. These are all efficient and necessary means, but will require regional coordination mechanisms and planning efforts.

Based on the above, IGAD should assess the current quality and standards of the tourism product in respective member states, both existing and potential, in terms of its diversity (natural, cultural, recreational, conference facilities). As part of the strategy and policy formulation process, IGAD should thereafter, in consultation with partners, make strategic choices about the general level and shape of tourism products that may be appropriate for the region or specific destinations. This includes identifying targets for the volume and value of the sector, and for performance against other indicators relating to sustainability. Eventually, research into markets and segments need to be undertaken to ensure products are in line with market demands. This needs to be reviewed and updated regularly.

### *Development of tourism products that will promote regional integration in IGAD*

While sport and tourism, as two distinct elements of the leisure industry, clearly have great significance in their own right, so-called sports tourism has gained prominence over the last two decades. For example, the annual Union of European Football Associations (UEFA) competition, has continued to attract a large number of regional European and overseas visitors and a global television audience, and has become a crucial ingredient of their tourist image.

In Africa, South Africa has experienced a dramatic increase in tourism, attributed in part to the hosting of a number of high profile sporting events, such as the Fédération Internationale de Football Association (FIFA) World Cup, hosted in 2010, crowning the events so far. Marathon, rugby, sailing, cycling, surfing, golf and football are among the sports hosted in the country. Provided that the right conditions are put in place, they all have the potential to be organised elsewhere in Africa as well.

The benefits in terms of regional integration of such events are also potentially high, particularly when taking place in more than one country. The world's biggest cycling event "Tour de France", which currently extends itself beyond the borders of France and into neighbouring countries, is proof of this. The race has helped to accelerate regional integration, cooperation and coordination. What is more, hosting sporting events is also a means for countries to reposition themselves in an increasingly competitive global marketplace. In this regard, the joint hosting of the Africa Cup of Nations by Equatorial Guinea and Gabon in 2012 and the 2002 FIFA World Cup by Japan and South Korea, serve as examples of joint regional initiatives to enhance competitiveness in hosting mega sporting events. In line with this, there is need to promote regional sporting events in the IGAD, such as, the Council of East and Central Africa Football Associations (CECAFA), which have the potential of enhancing regional integration.

In order to maximise sport tourism's potential, it is pertinent that IGAD attract investments and businesses linked to sport tourism, and further develop cooperative relationships with sport governing bodies, sponsors, business associations and government departments, and make strategic decisions pertaining to its differential branding of distinctive localities and activities. It is furthermore critical that IGAD focuses its vision on a realistic sport tourism positioning platform to achieve desired objectives and outcomes. It is also important to note that sport tourism events linked to multiple activities and held in areas of considerable tourism interest, such as the beachfront or cities, draw significantly more people.

## 3.4 PRIORITY AREA 3: TOURISM MARKETING

### 3.4.1 INTRODUCTION

Marketing strategy is essential in order to make destination products popular. It is deeply interlinked with product development, and by extension a key component of destination development. Likewise, whereas product development relates to the physical generation of attractions, marketing enhances the processes of communicating the value and appeal to potential customers. Notably, this involves anticipating the needs and wants of target markets, and ultimately satisfying them more effectively than competitors. This priority area focuses on objectives and strategic interventions to sell expectations of the IGAD region as a tourism destination in the traditional markets, but more especially in the region itself and in the emerging tourist markets. Making existing and potential IGAD destinations more attractive should bring significant economic benefits by stimulating domestic and cross-border travel through a range of initiatives geared towards enhancing the tourism awareness of IGAD citizenry on the great potential that exists and the benefits that would accrue from the consumption of tourism resources. Marketing the IGAD region would, therefore, require the cooperation of key stakeholders and should be seen as a long term process aimed at creating an appealing strong regional tourism image.

### 3.4.2 FRAMEWORK FOR THE PRIORITY AREA

Destination marketing within the IGAD region should ideally facilitate the achievement of the national tourism policy and plans, which should be coordinated within the regional tourism master plan. Instead of traditionally concentrating on increasing visitation, marketing strategy needs to recognise wider and more unique needs and limitations of each destination, as well as their inherent geographical, socio-economic and environmental characteristics. In addition, whereas member states will be encouraged to develop their own strategic marketing plans, these should nonetheless be within the context of the regional goal of building up on the uniqueness of each state to complement the wider IGAD destination with a view to enhancing comparative advantage.

*Instead of traditionally concentrating on increasing visitation, marketing strategy needs to recognise wider and more unique needs and limitations of each destination as well as their inherent geographical, socio-economic and environmental characteristics.*

### 3.4.3 KEY ISSUES RELEVANT TO THE PRIORITY AREA

The situational analysis reveals that in spite of changing trends in domestic, regional and global markets, there is a tendency in Africa to concentrate marketing efforts in the traditional Western European market. While this tourist market traditionally has been and will continue to be important, new markets are emerging. As new travellers increasingly comprise a growing proportion of world tourism, marketing should also target these emerging markets. Equally important is building a holistic image of the region as one vast and appealing destination with a wide range of experiences for corresponding wide range of potential tourists. The pursuit of a strategy marketing the IGAD region as a single destination will enable IGAD countries to draw upon the diversity across the region to strengthen their competitive edge and in so doing enhance their comparative advantage. It will give the countries a more eventful, appealing and powerful image, as well as a strong institutional boost to highlight the variety of the IGAD tourism experience. The perception of the IGAD countries as a collection of tourist destinations are aspects closely linked to the competitiveness of tourism. Given the intensity of global competition and the potential of a number of African countries as sources for tourists in this region, it is essential to carry out actions aimed at stimulating tourist demand for IGAD member states. This will require regional integration and collaboration across borders, but will potentially be rewarding in terms of increased arrivals.

Towards this end, it is necessary to develop a regional brand identity. All over the world, governments are branding and rebranding themselves. With increased competition, branding has become an efficient way of setting destinations apart. As the IGAD region in many cases is associated with disasters, armed conflict and poverty, branding will provide IGAD with an opportunity to reinvent this image. Moreover, a strong positive regional brand has the potential to boost intra-regional tourism and promote a sense of domestic pride in regional qualities and attractions.



### 3.4.4 ACTIONS

#### A OBJECTIVE: SHOWCASE IGAD TOURISM PRODUCT(S) TO THE WORLD

##### *Market and promote IGAD region as a single destination*

Tourist attractions in the region all have specific marketing mechanisms for their products. IGAD should facilitate marketing of the region as a single and collective tourism destination, with multi-faceted attractions and world class standards and facilities. This will require institutional and country alignment. A regional marketing forum is, therefore, proposed to coordinate and integrate marketing initiatives. The NTOs can then act as unifying forces, coordinating the activities of the other players in the private sector and also stimulating joint efforts.

##### *Develop a strong and attractive IGAD brand*

Building market awareness is crucial for the development of destinations. Few travellers will pay money to visit a destination they do not have a clear image of. IGAD should, in light of this, create, in collaboration with the member states, a true IGAD brand to complement promotional efforts at national and regional levels and enable IGAD destinations to distinguish themselves from other international destinations. IGAD should encourage member countries to collectively use the brand in exhibitions, promotional materials, media, and in meetings and in their campaigns to promote IGAD as a single tourism destination. To ensure that expectations arising from the promotional work are effectively and consistently met, alignment within the various countries' tourism sectors is a prerequisite and may require a brand awareness communication plan.

#### B OBJECTIVE: ATTRACT A GREATER SHARE OF DOMESTIC, INTRA-REGIONAL, INTER-REGIONAL AND INTERNATIONAL TOURISTS TO THE REGION

With current trends suggesting that Asia-Pacific is turning into one of the most important source markets in the world, IGAD should tailor its tourist products to also target this segment of the global market. In addition, IGAD should promote and facilitate greater domestic, intra-regional and inter-regional travel, as Africa and the Middle East are considered the fastest growing tourist markets of the world today. It is important to note that most international travel generally takes place within the traveller's own region.

##### *Develop a regional marketing strategy*

IGAD should devise a detailed marketing and promotional plan for the region, taking into account the quality and quantity of tourism products, the diversity of domestic, regional and international source markets, image and positioning, branding, quality and distribution of promotional materials (including e-marketing) and institutional mechanisms for marketing and promotion including public-private partnerships, aimed at diversifying its marketing efforts.

To achieve this end, extensive regional tourism research of existing attractions in the region and of potential target markets, needs to be undertaken. A review of past and present tourist patterns in the region gives a rudimentary idea of the kind of tourists the region attracts. This, coupled with market segment analysis, will allow IGAD to identify and target markets outside the traditional Western European market. The more finely segmented the market, the greater the likelihood that targeted campaigns will reach distinct groups of visitors. This strategy should also entail a media and advertising plan, clearly identifying the domestic and international mediums and campaigns in which IGAD can reach the targeted markets.

#### *Market the region at relevant tourism shows, exhibitions and other programmes*

Tourism exhibitions and shows are useful stepping stones for less developed destinations, to introduce themselves to a wide range of tour operators, tourists, travel agents and the like. It is critical in such settings that IGAD is presents itself as a single destination. One way to go about this, is to collectively organise an IGAD tourism area in international tourism fairs to continuously promote IGAD as a single tourism destination. Furthermore, the numerous meetings and conventions organised by IGAD provide an opportunity to promote and market tourism across the member states.

#### *Develop appropriate pricing mechanisms to enhance destination competitiveness*

Price is an integral part of the marketing mix and as detailed in the situational analysis, the pricing of the tourism products and services across IGAD is not very competitive as there is no value for money. It is essential that IGAD spearheads the adoption of pricing strategies across the region that are commensurate to the prevailing quality and standards and are benchmarked globally. Appropriate pricing strategies can be an effective marketing tool.

**C OBJECTIVE: ENSURE THAT ATTRACTIONS ARE AVAILABLE TO TOURISTS THROUGH A VARIETY OF MEDIUMS TO KEEP UP WITH CHANGING CONSUMER TRENDS**

#### *Develop a Destination Management System and IGAD Tourism Portal*

Destination Management Systems (DMS) provide an avenue through which tourism products can be distributed through various channels and, therefore, can be effective marketing media. Such media provides detailed information on the destination and can used by consumers to make reservations and bookings and with an effective branding strategy, can also enhance consumer confidence in purchasing any given tourism product. DMS has particularly been an effective tool in the development of SMEs in Europe. IGAD, in consultation with the relevant stakeholders, should look into the development of a DMS aimed at promoting the region and in particular, SMEs that may not have the capacity to market their products in the global platforms.

In addition, IGAD should facilitate the creation of a user friendly and informative tourism portal, marketing the attractions of the region. Destination web sites have become among the most critical elements of any tourism programme or destination. With the fast pace of ever changing technology, there is a continual need to invest in web site development, navigation, content and usability by the traveller. Regular user reviews need to be conducted to make sure that the site is meeting the needs and expectations of users. As prospective travellers become more segmented in their interests there may also be a need for more niche content in the web site.

#### D OBJECTIVE: MARKET DIVERSIFICATION

##### *Expanding market opportunities to Eastern Europe, Africa and Asia*

IGAD should provide a platform through which member states can diversify their market opportunities to tap into the new and emerging tourist markets. Diversification to non-traditional markets such as Brazil, Russia, India, China and South Africa (BRICS) is essential to ensure a wider reach. Furthermore, the projected growth of the middle class in Africa, provides opportunities for market diversification. Such concerted efforts should be accompanied by appropriate tourism product development.

##### *Establish IGAD Market Presence in emerging markets*

To enhance wider representation abroad, there is need to develop regional marketing offices in the new and emerging markets. This may require the establishment of strategic alliances comprising member states' destination marketing organisations (DMOs) such that resources are utilised effectively. Such a marketing strategy would be very effective as it adds a lot of synergy to individual marketing efforts.

#### E OBJECTIVE: PUBLIC PRIVATE PARTNERSHIPS IN TOURISM MARKETING

##### *Intensifying tourism marketing collaborations with the private sector institutions*

There is need to intensify public-private sector partnership as an effective marketing and promotion force under the auspices of a regional IGAD Tourism Association, NTOs, sectoral associations and other relevant sectoral bodies.

##### *Establish an IGAD tourism marketing and promotion fund*

The establishment of a regional fund for joint marketing and promotion of tourism is essential in the endeavour to develop tourism within IGAD. This may require set contributions from member states. In addition, the private sector involvement in sourcing funds is critical. There is also need to build private sector buy-ins to tourism marketing and promotion. The development of a strong regional IGAD brand will make such a task easier.



## F OBJECTIVE: DEVELOPING A REGIONAL AND DOMESTIC TOURISM MARKETING STRATEGY

### *Promotion of domestic and regional tourism within member states*

There is need to promote the domestic and regional tourism visitations within and across the IGAD member states. This can be carried out by setting up individual bodies focusing on domestic and intra-regional tourism as opposed to the national tourist boards that focus on the international tourism markets.

## G OBJECTIVE: UNDERTAKE COMPREHENSIVE TOURISM MARKET RESEARCH

### *Carry out research to provide sound tourist market information that will in turn inform appropriate marketing strategies and decisions*

Marketing research is an essential tool in marketing destinations in that it is an avenue through which market intelligence can be gathered and from which, consequently, informed marketing strategies can be developed. Tourism marketing research can provide empirical data in several areas including the changing consumer trends, forecasting future tourist markets, market segmentation and respective elasticity of demand, and identification of new and emerging markets. Importantly, marketing research should be undertaken continuously i.e. before, during and after visitation, as this will ensure that there is constant understanding of the marketing environment which will inform appropriate actions. In addition, to enhance the efficacy of tourism marketing research, it will be essential to coordinate the research activities of the various stakeholders. From a regional perspective, therefore, IGAD should coordinate the research activities of respective member states with a view to collating these to better inform the marketing of the IGAD region as a competitive destination. This will require institutionalisation for effective coordination and could be anchored in the proposed IGAD tourism commission.

## 3.5 PRIORITY AREA 4: HUMAN RESOURCE DEVELOPMENT

### 3.5.1 INTRODUCTION TO PRIORITY AREA

The prevailing rates of literacy and by extension, numeracy skills are critical to the formation of human capital in any given industry or economy. There is ample evidence to show that increasing the average literacy and numeracy skills in an economy can lead to higher per capita GDP. The availability of an appropriate level of human capital is imperative in the development of the tourism industry. In fact, and as illustrated in the situational analysis, the leading tourist destinations of the world have corresponding high literacy rates and by extension, tourism specific skills. Though changing, the persistently low literacy and numeracy rates in the IGAD region can be regarded as a major obstacle for tourism development as the success of the industry is heavily dependent upon the availability of relevant skills and knowledge.

The intra-regional variations in the global ranking of literacy levels within the region, whereby member states such as South Sudan are ranked poorly and while others such as Kenya are ranked top in the region, both pose a challenge, while at the same time provide an opportunity for enhancing human capital across the IGAD region. As observed in this regard, Kenya offers an excellent opportunity in the IGAD region because it is ranked fairly high for the quality of the education system and for the availability of research and training. This presents a great opportunity for the rest of the IGAD region to leverage in its abilities to enhance the quality and quantity of labour provided in the region.

### 3.5.2 FRAMEWORK FOR THE PRIORITY AREA

The responsibility of developing the human resource base rests upon relevant education authorities in the respective member states. Nonetheless, in order to ensure a sustained human resource pool across the region, member states should be encouraged to integrate tourism related courses into the general national curricula with a view to nurturing relevant basic skills and knowledge at a very early stage. Moreover, it will be necessary to ensure the standardisation of such skills and knowledge across the IGAD region.

### 3.5.3 KEY ISSUES OF PRIORITY AREA

The availability of skilled human resource remains a significant challenge for the majority of countries in the IGAD region. Nevertheless, there are opportunities that exist in the region. However, these can only be exploited through regional integration and the accompanying formulation of appropriate policies and legislation that encourage labour mobility across the region. The steps taken by the EAC, for instance, towards this end can provide valuable lessons for IGAD as these have started bearing fruit. Countries such as Uganda and Rwanda are already benefiting from skilled labour mobility and knowledge sharing and transfer from Kenya. As already noted, despite the potential for other countries to leverage Kenya's human resource, the country also faces a deficit in such resources. In such a scenario, therefore, it would be appropriate for IGAD to look into establishing centres of excellence in tourism and hospitality training across the region.

### 3.5.4 ACTIONS

- A OBJECTIVE: EXPANDING TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) OPPORTUNITIES DOMESTICALLY AND INTERNATIONALLY (INTERNATIONAL COOPERATION ARM OF IGAD)

#### *Promote manpower capacity development across the IGAD region*

This can be enhanced through student work induction programmes and management training programmes. There is a tangible need to enhance the level and quality of training on the job within the IGAD countries. IGAD can also play a coordinative role through formation of an industry liaison committee that is able to provide adequate policy frameworks and provide a general direction as far as training and human resource development is concerned.

- B** OBJECTIVE: PROMOTE CONTINUOUS CAPACITY DEVELOPMENT OF ALL PERSONS WORKING WITHIN THE TOURISM SECTOR TO PROMOTE EFFICIENCY AND TO EQUIP THEM WITH UP TO DATE SKILLS AND KNOWLEDGE

*To harmonise tourism training amongst IGAD member states*

There is need to harmonise and promote inclusive tourism training within and across IGAD countries. Such an endeavour would enhance the practicability of training and its abilities to meet the needs of the industry. There is also need to target indigenous communities living in the tourism dispersal areas with a view to enhancing their skills and knowledge so as to enable them to effectively exploit opportunities that will arise from tourism development. In addition, it will be necessary to enhance the nature and forms of inclusiveness such that the training also meets the developmental needs of the communities within tourism dispersal areas.

*Promote wider community education and support in tourism development through training*

There is need to mobilise resources for the promotion of scholarship and providing vital community support on enterprise development, tourism development and training. This would ensure that there is a vital support system for the communities that surround the dispersal areas. This may further require benchmarking existing opportunities both within IGAD and beyond to ensure the human capital is globally competitive.

- C** OBJECTIVE: FORMULATION OF APPROPRIATE POLICIES AND LEGISLATION THAT ENCOURAGE LABOUR MOBILITY ACROSS THE REGION

*Reduction of barriers to intra-regional migration and movement of labour*

With the intra-regional variations in the literacy levels and with some of the member countries having more skilled workers than others, the countries with less skilled work force can benefit from skilled manpower in the other member countries. It is deemed necessary that appropriate policies and legislation that encourage labour mobility across the region be instituted.



## D OBJECTIVE: ESTABLISHING CENTRES OF EXCELLENCE IN TOURISM TRAINING ACROSS THE REGION

### *Establishment of Centres of Excellence within the IGAD region*

To ensure the realisation of quality training for the industry within the region, it is necessary that model centres of excellence, benchmarked on the best practices in the world, be established in each of the IGAD member states. To begin with, necessary policies and legislations should be formulated to allow the IGAD countries to utilise recognised centres of excellence in the region such as Kenya Utalii College (KUC) which is currently the only UNWTO recognised centre of excellence in the region, for tourism human resource training. Further measures are needed to develop more centres of excellence across the IGAD region.

## 3.6 PRIORITY AREA 5: RESEARCH AND DEVELOPMENT

### 3.6.1 INTRODUCTION TO THE PRIORITY AREA

Research and development should be regarded as being a fundamental aspect in tourism development within IGAD because it focuses on informing policy and guiding tourism development and investment efforts as well as addressing sustainability concerns and the destination's competitiveness. The IGAD region faces obstacles in addressing global challenges which infringe upon its development. Research and development should be a key priority area for the region as it endeavours to become a competitive tourism destination.

There is need to develop such efforts by facilitating public-private partnerships in tourism research and development. The foundation for such cooperation should be based on research and information. Ideally, it should emphasise the analysis of new and emerging market trends and inbound and outbound data on arrivals, as already observed. In addition, research should enable an understanding of tourist expenditure, various impacts of tourism development including economic, social-cultural, and environmental, and facilitate the establishment of tourism monitoring and evaluation indicators. In this line, the institutionalisation of tourism research and development frameworks is critical within IGAD member states. This will, in the long term, provide a sustained platform for informing policy and tourism development in the region.

### 3.6.2 FRAMEWORK FOR THE PRIORITY AREA

As already mentioned above, tourism research and development within the IGAD region needs to be institutionalised. There needs to be a collaborative and multi-stakeholder driven regional framework for research and development whose key

functions should be to inform strategic direction and formulation of policies for the region that address the sustainability concerns as well as the competitiveness of the region. This should be driven by the need to develop knowledge centres and an information pool for tourism within the region. Additionally, the respective member states' contribution to tourism research and development needs to be well enhanced and harmonised.

### 3.6.3 KEY ISSUES IN THE PRIORITY AREA

Tourism development within the IGAD region needs to be driven by sustained innovation and research. Hitherto, unlike in other sectors such as agriculture, research has not played a key role in informing tourism development in the IGAD member states. In order to attain sustained socio-economic tourism development within the IGAD region, there needs to be a renewed focus on science, technology and innovation that will enable the generation and conversion of relevant knowledge into action and service provision. The quality and quantity of research generated from relevant Higher Educational Institutions (HEIs), will be key pillars to support such envisioned growth.

It should be noted that the unique features of tourism services as compared to other industrial models makes tourism quite distinctive and in need of innovative research. In particular, tourism products are experiential products *par excellence*, validated *ex post facto* by consumers, who commit their experiences to memory and thereafter build upon them. This creates an urgent need for customisation and innovation to enhance the experience and perception of the tourism product. Tourism activity is also deeply rooted spatially on other unique features such as the surrounding environs, facilities and encounters. There is, therefore, need to engage tourism research and policy to such levels that consider the spatial and experiential aspects of the tourist experience and share with private and national actors on the manner in which the products are to be developed, marketed and distributed optimally.

### 3.6.4 ACTIONS

#### A OBJECTIVE: ESTABLISH REGIONAL FRAMEWORKS FOR INNOVATION AND INCUBATION FOR SUSTAINED ENTERPRISE DEVELOPMENT

*Promote the approaches to innovation as a framework for enterprise development within IGAD member states*

There is need to promote approaches to innovation such as, the "life cycle" approach, which is centred upon three major phases in enterprise development: incubation (where innovative products are incubated in virtual demand and supply environs), take-off (where the extension of the market, patents and intellectual property rights are

established) and saturation (as the market becomes more structured, segmentation, differentiation and branding strategies are enhanced and developed). At the end of the cycle, saturation implies and includes market limits and banality of the product. Other approaches to innovation such as the value chain that entails a three tier process, idea generation, conversion of the idea(s) into products or processes or practices, and diffusion of the idea(s), could also be considered.

### *Establish National Incubation Centres (NICs) and hubs of innovation in tourism*

The establishments of centres of incubation and hubs of innovation is critical in the promotion of practical research that will have a significant impact on the regional tourism-based economies. It is imperative that, based on the earlier considerations, tourism development be guided by practical research as well as sustainable models that are centred upon science, technology and innovation.

## **B OBJECTIVE: DEVELOP REGIONAL MECHANISMS OF COLLABORATION IN TOURISM RESEARCH AND DEVELOPMENT**

### *Develop regional centres of excellence in tourism research and development*

The development of regional centres of excellence in tourism research and development within the IGAD region will serve as focal points for institutional support and collaboration between member states. This will create a more cohesive framework for tourism development in the region. Ideally, the centres of excellence should be anchored in already existing institutions of higher learning with vast experience in undertaking tourism research and with commensurate resources, particularly, human resources.

### *Enhancing wider collaboration and cooperation between IGAD member states in areas such as information exchange and knowledge sharing*

One of the major challenge facing third world countries is the inability to effectively participate in global conventions and the lack of factual information to articulate these countries' respective priorities. For instance, the current climate change debate and the proposal to impose carbon tax on long haul travel, will have an impact on countries such as Kenya which rely heavily on such travel. Research can, therefore, play a key role informing key positions in the global deliberations and, given that the issues that confront member states in IGAD are similar, there needs to be a means for enhancing regional collaboration and cohesiveness to better make a case that will go towards addressing the region's tourism development priorities.



## C OBJECTIVE: PROMOTING TOURISM CLUSTERS WITHIN THE IGAD REGION

### *Develop tourism clusters*

As IGAD countries jostle for market space in an era of globalisation where distance is no longer a barrier, IGAD needs to embrace tourism micro-clustering as a model for regional development. This involves enhancing the competitive advantage of a region through specialisation and servicing a distinct niche market is akin to the one village one product development approach. Whereas the tourism service providers develop co-operative and complementary interactions to service this market, their interactions with their markets enhances their specialisation and further improves their market potential.

*More than any other economic activity, the success or failure of a tourist destination depends on the ability to provide a safe and secure environment for visitors.*

## 3.7 PRIORITY AREA 6: TOURIST SAFETY AND SECURITY

### 3.7.1 INTRODUCTION TO THE PRIORITY AREA

More than any other economic activity, the success or failure of a tourist destination depends on the ability to provide a safe and secure environment for visitors. What is more, owing to its sensitivity to insecurity and instability and its linkages with other sectors, the collapse of the tourism industry tends to have an adverse multiplier effect in other sectors, as was the case in Kenya in 2008 following the post election violence. In general, issues relating to safety and security are an impediment to development in general, but more so, to tourism development in the IGAD region. The need exists to not only ensure a safe environment for the visitors but more so, for governance based on the rule of law in order to lower political risk, thereby creating stability that would be conducive for tourism investment. Tourist safety and security within IGAD should basically be aimed at ensuring the safety of the visitors to the region and in so doing boost the region's competitiveness standing in the global tourist market. Safety and security has also been known to act as an incentive for tourism investment, a key component of destination competitiveness. It is thus important that appropriate and deliberate efforts be initiated to address tourist safety and security within the IGAD region.

### 3.7.2 KEY ISSUES OF PRIORITY AREA

As earlier noted, the IGAD region is generally regarded as highly volatile and risky in terms of safety and security. In fact, the political instability index of the EIU rates member countries as mainly high risk with the exception of Ethiopia which is considered to be of moderate risk. This has seen the region fare poorly in terms of being perceived as lacking safety and security globally. This perception can wholly be attributed to the historical and current evidence of both inter- and intra-state conflicts in the region mainly driven by conflicts over natural resources and the fact that tourists have been a target as has been the case in Ethiopia, Kenya and Uganda. These factors pose a major challenge to the overall competitiveness of the tourism industry in IGAD given the sensitivity of the industry to such externalities.



*Fishermen in the port of Mogadishu, Somali*

### 3.7.3 FRAMEWORK FOR THE PRIORITY AREA

There is urgent need for concerted regional efforts to address issues relating to tourist safety and security. Countries such as Kenya and Uganda have established dedicated tourist police units for this purpose, and other member states should be encouraged to emulate this strategy. Nevertheless, a regional coordinating mechanism, comprising relevant law enforcement agencies, should be established to better coordinate the general inter and intra state security and the specific tourist safety and security issues across the IGAD region.

### 3.7.4 ACTIONS

#### A OBJECTIVE: ADVOCATING, SUPPORTING AND CULTIVATING EFFORTS AIMED AT ADDRESSING INSECURITY IN THE REGION

##### *Leverage existing initiatives to better address issues of regional tourism*

Several efforts have been initiated in the past to address the causes of insecurity within the IGAD region including the inter-border conflicts and the proliferation of small arms and light weapons that have particularly exacerbated urban crime within the region. Notable initiatives currently being implemented include those currently being undertaken by IGAD, particularly, CEWARN and the current interventions in Somalia. IGAD needs to play a front line role in supporting and initiating broad based efforts towards responding to the insecurity causative factors in the region. The success of sustaining tourism development in IGAD will largely depend on the continued and concerted efforts by IGAD member states towards lasting peace and security in the region.

#### B OBJECTIVE: ESTABLISHMENT OF A REGIONAL STANDARD FOR DISASTER AND RISK MANAGEMENT

##### *Develop a regional standard for risk management*

Given the sensitivity of the industry, any current discussion about the safety and security of tourists must include an appreciation of risk management as a concept, and the steps required to systematically address potential problem areas confronting visitors. A regional standard for risk management should be drafted providing a step-by-step framework for taking control of risks and their impacts. Such a framework would include establishing the risk context, risk identification, risk analysis and evaluation, and risk treatment.

##### *Establish Tourist Victim Support Service*

As is the case in Ireland, tourist victim support service is a unique service for tourists who have been robbed, attacked or otherwise victimised during their stay in the

*Several efforts have been initiated in the past to address the causes of insecurity within the IGAD region including the inter-border conflicts and the proliferation of small arms and light weapons that have particularly exacerbated urban crime within the region.*



destination. The main types of crimes dealt with are pick pocketing, thefts from cars and handbag snatches. IGAD needs to ensure the establishment of this victim support service at each of the member countries and centrally coordinated at the regional office.

### C OBJECTIVE: DESIGN AND DEVELOP A TOURISM SAFETY AND SECURITY ACTION PLAN

#### *Formulate a tourism safety and security action plan*

A tourism safety and security action plan should be designed to enable the region to deal with potential risks and disasters such as visitors being misled by fraudulent advertising, muggings, attacks in tourist spots or hijackings, murder, rape, robberies, kidnapping and major transport disasters and freak accidents. A Regional Tourism Safety and Security Action Plan is a logical consequence of the development of a national policy on this subject. Such a plan should address the following main areas:

Identification of potential tourist risks according to types of travel, affected tourism sectors, and locations:

- Detection and prevention of offences against tourists;
- Protection of tourists and residents from illicit drug trafficking;
- Protection of tourist sites and facilities against unlawful interference;
- Establishment of guidelines for operators of tourist facilities in the event of unlawful interference;
- Responsibilities for dealing with the press and other media, at home and abroad;
- Information to be provided to the international travel trade on safety and security issues;
- Organisation of crisis management in the event of a natural disaster or other emergency;
- Adoption of safety standards and practices in tourist facilities and sites with reference to fire protection, theft, sanitary and health requirements;
- Development of liability rules in tourist establishments;
- Safety and security aspects of licensing for accommodation establishments, restaurants, taxi companies, and tour guides;
- Provision of appropriate documentation and information on tourist safety to the public, for both outgoing and incoming travellers;
- Development of national policies with regard to tourist health, including reporting systems on health problems of tourists;

- Development of tourist insurance and travel assistance insurance; and
- Promotion, collection and dissemination of reliable research statistics on crimes against travellers.
- Implementation of a safety and security action plan should further be enhanced by setting up a database of model programmes, useful practices and reliable data on problems affecting tourists. In addition, accurate, neutral and reliable data is important for improving the response of tourism authorities to safety and security problems.

#### *Establish tourist police units or departments*

Given the sensitivity of the tourism industry and tourists to safety and security related issues, member states should be encouraged to establish dedicated tourist police units or departments. In addition, due to the fact that some of the tourist safety and security concerns are cross-border, a regional mechanism needs to be put in place to facilitate collaboration of such police units with a view to enhancing both the national and regional tourist safety and security. Countries that already have such units in place could be used, through exchange programmes, to provide valuable lessons in this regard and in addition to benchmarking with other global units.

#### *Allocation of adequate resources to support tourist safety and security*

Owing to the importance of the tourism industry in economic growth and development, and as mentioned, its sensitivity to insecurity and consequent negative impacts that could emerge as a result as has been the case in a number of IGAD member states, adequate resources should be allocated to support tourist safety and security initiatives.

#### **D OBJECTIVE: IDENTIFY AND ESTABLISH PARTNERSHIPS FOR IDENTIFYING SAFETY AND SECURITY RISKS FOR TOURISTS**

#### *Establish partnerships to facilitate the identification of tourist safety and security issues*

Forming and coordinating partnerships are two fundamental requirements for organising safety and security in tourism. These partnerships should involve:

- All national government agencies and departments, led by those concerned primarily with tourism;
- Tourism destination communities;
- Tourism industry representatives; and
- The media

One way to accomplish this coordination is to establish a multi-sector tourist safety and security committee under the IGAD Tourism Council. The tourist safety and security committee, with representation in each member state, in line with UNWTO recommendations that every country develop a national policy on tourism safety commensurate with the prevention of tourist risks, should coordinate the establishment of IGAD regional standards for the same. Government agencies and tourism industry sectors to consider for membership on the Regional Safety and Security Committee country chapters include:

- Individual national tourism administration/tourist board;
- National police;
- Immigration;
- Transportation;
- Health;
- Foreign affairs;
- Civil defence;
- Airlines and transportation company associations;
- Hotel associations;
- Tour operators' associations;
- Travel agents' associations;
- Other travel and tourism representatives;
- Retail trade organisations; and
- Tourism safety and security oriented research and documentation centres.



*For some countries in the region where the private sector is still in its nascent stage, such as South Sudan, the government may need to invest in tourism infrastructure to spur tourism growth and development.*



*A construction site in Juba, South Sudan*



## 3.8 PRIORITY AREA 7: INVESTMENT IN TOURISM INFRASTRUCTURE

### 3.8.1 INTRODUCTION TO THE PRIORITY AREA

As already observed, tourism infrastructure here refers to the facilities and services within a destination that are necessary to enhance the experiences of tourists, sometimes referred to as tourism supra-structure. Tourism infrastructure is of critical importance not just in terms of availability of such facilities and services, but also in terms of their quality. The availability and quality of the prevailing tourism infrastructure is important in boosting the competitiveness of destinations. What is more, this is one of the key aspects that tourists take into consideration when choosing holiday destinations. This aspect also features prominently amongst organisers of mega events when making decisions on the suitability of destinations to host such events.

### 3.8.2 FRAMEWORK FOR THE PRIORITY AREA

It is worthwhile to note that, unlike previously when governments invested in tourism infrastructure owing to the then underdeveloped private sector, this is increasingly not necessary. However, for some countries in the region where the private sector is still in its nascent stage such as South Sudan, the government may need to invest in tourism infrastructure to spur tourism growth and development. Nevertheless, member state governments should all lay emphasis on creating a conducive environment such as providing appropriate infrastructure for the private sector to invest in the development of tourism infrastructure. Nevertheless, such development should be informed by some form of local, national or regional framework so as to ensure that such investments are in line with the broader goals of local, national and regional tourism development agendas.

### 3.8.3 KEY ISSUES OF THE PRIORITY AREA

As already observed, the IGAD region performs poorly in terms of the prevailing tourism infrastructure, a factor that has made the region globally uncompetitive. This presents both a challenge and an opportunity for tourism development in the region. On the one hand, owing to the inadequate supply of tourism infrastructure, the region cannot compete effectively with other destinations of the world, while on the other, and given the global focus on and economic optimism in the region, ample attractive opportunities exist to foster both domestic and foreign investment in the tourism sector. It is, nevertheless, important to note that the current perception of political instability and threats from terrorism could slow down the investments in the tourism sector.



### 3.8.4 ACTIONS

#### A OBJECTIVE: CREATE A CONDUCIVE ENVIRONMENT TO ENCOURAGE INVESTMENTS IN TOURISM INFRASTRUCTURE

*Establish an appropriate policy, legal and institutional framework to support tourism infrastructure development*

Working closely with key stakeholders, IGAD should encourage member states to formulate policies that will encourage the private sector to invest in tourism infrastructure development. Given the capital intensive nature of most tourism infrastructure, such policies could advocate for tax breaks and duty waivers. This will also require a comprehensive and transparent legal framework that will be necessary to spur investment in tourism infrastructure development. IGAD should, moreover, encourage member states to reduce the bureaucratic red tape that is a major challenge for business start-ups in the region. In addition, an institutional framework may be necessary to coordinate, monitor and ensure that such investment is in line with the broader goals of tourism development. It will be important, for instance, for member states to monitor and evaluate the effectiveness of such investment in tourism infrastructure so as to further inform appropriate policy formulation and to provide information that will encourage more investment.

*Encourage member states to create necessary conducive business environment in tourism infrastructure*

To encourage investment in tourism infrastructure development, member states will have to show commitment in providing appropriate support infrastructure, such as transport, water and energy. Though not originally for tourism development, such projects as the LAPSET can be used as avenues to promote investment in tourism infrastructure. This may require raising awareness through workshops on the potential opportunities for investment in tourism development.

#### B OBJECTIVE: CREATE AWARENESS ON THE POTENTIAL OPPORTUNITIES FOR TOURISM INFRASTRUCTURE INVESTMENT

*Organise regular regional/ national tourism investment forums*

In order to raise awareness on the investment opportunities that exist in the region, IGAD should work closely with member states to organise regional tourism investment forums targeting potential investors drawn from both the region and from international sources.



### *Encourage collaboration with existing investment institutions or establishment of tourism investment institutions*

A number of member states now have national investment authorities which provide general information on the investment opportunities in the respective countries. Given that their focus is not mainly on tourism, it will be necessary to collaborate with such authorities to profile tourism highly. As this may require further raising awareness on the potential tourism development opportunities that exist in the region, IGAD should coordinate sensitisation workshops for such authorities and other relevant bodies and encourage member states to establish tourism specific investment authorities or departments where appropriate.

## C OBJECTIVE: MOBILISE RESOURCES TO SUPPORT TOURISM INFRASTRUCTURE DEVELOPMENT

### *Encourage lending institutions to support tourism infrastructure development*

A major challenge facing tourism infrastructure development is the lack of adequate credit facilities in the region. IGAD should therefore strive to create awareness through training workshops targeting the various lending institutions on the range of opportunities that exist and the need to avail such credit facilities. In addition, IGAD should encourage member states to establish tourism specific lending institutions that will avail affordable credit facilities. Furthermore, being a REC, IGAD is in a better position to lobby, for example, the AfDB and World Bank to have tourism as a priority for lending.

## 3.9 PRIORITY AREA 8: INFRASTRUCTURE DEVELOPMENT

### 3.9.1 INTRODUCTION TO THE PRIORITY AREA

Generally, the relationship between infrastructure and tourism development should be viewed from two perspectives. On the one hand, infrastructure should be seen as a means to facilitating tourism development. On the other hand, some infrastructural development initiatives, though not originally built for tourism purposes, such as bridges and dams, have evolved to become major tourist attractions. Projects such as the world's tallest bridge, the Millau Viaduct in France, the world's longest bridge, the Jiaozhou Bay Bridge in China, the London Tower Bridge in the United Kingdom and the Hoover Dam in the USA provide some examples to illustrate this fact.

Nevertheless and preferably, before embarking on any form of tourism development, there should be appropriate support infrastructure in place. Ideally, this should also be regarded as a strategy to providing a conducive environment for investors wishing to exploit opportunities that may arise from tourism development. Though some tourism development initiatives, such as independent resorts may not fully require connection with the, say, national or regional infrastructure networks such as roads, railways and airports, they nonetheless need to have some infrastructure in place including access to water and waste disposal systems.

### 3.9.2 FRAMEWORK FOR THE PRIORITY AREA

The responsibility of developing infrastructure rests upon the governments of IGAD member states which should spearhead such initiatives to support tourism development in the region. This should be done in tandem with the on-going regional infrastructural initiatives to promote both national and intra-regional tourism development in IGAD. It is, nonetheless, important to note that such on-going initiatives should not be used as the only basis for tourism development, but rather, tourism development initiatives should also serve as an incentive to expand the national and regional infrastructure networks.

### 3.9.3 KEY ISSUES OF PRIORITY AREA

Infrastructural development meant to support tourism specific development initiatives, remains a major challenge for IGAD member states in terms of both availability and quality. The region, for instance, has poor rail, road, air and water transport systems.

### 3.9.4 ACTIONS

- A OBJECTIVE: PROMOTE THE CREATION OF AN ENABLING TRANSPORT ENVIRONMENT FOR EASY ACCESS TO TOURISM PRODUCTS

*Lobby for the on-going cross-regional infrastructure development initiatives to support tourism development in the IGAD region*

Owing to the current infrastructural challenges that currently face IGAD member states, a number of projects have been proposed and some are already being implemented. Though not specifically targeting the tourism industry, these projects have the potential of not only improving the quality of ground transport, but will also contribute to greater regional integration in IGAD through better infrastructural connectivity. IGAD should therefore work closely with relevant authorities or organisations responsible for the implementation of such regional infrastructural development initiatives to ensure that tourism development initiatives are integrated. This may require creating awareness on the importance of tourism development and the accompanying role of relevant infrastructure.

*Lobby for the development of long-term infrastructure relevant to tourism*

In order to mobilise resources from domestic sources, IGAD should work closely with relevant ministries and organisations to strengthen the national capital markets as vehicles for equity financing and for issuance of long-term bonds including those for funding infrastructure. This may, further, require appropriate legal and regulatory framework in order to enhance confidence and credibility of the capital markets.

**B OBJECTIVE: PROMOTE THE DEVELOPMENT OF A REGIONAL SPATIAL PLAN TO OPTIMISE THE DEVELOPMENT AND UTILISATION OF INFRASTRUCTURE FACILITIES AND SERVICES**

*Lobby for the development of strategic plans for infrastructure to support tourism development in the region*

There is need to develop a strategy for infrastructure development within the IGAD region that addresses the sustainable use of such facilities and services. Sustainability concerns amongst its users ensure that the needs of the communities as well as the tourists are taken into account. There is need to ensure a multi-stakeholder approach in planning for the facilities and services.

**C OBJECTIVE: FACILITATE THE CREATION OF AN ENABLING TRANSPORT ENVIRONMENT FOR EASY ACCESS TO TOURISM PRODUCTS**

*Lobby for improvement of infrastructure relevant to tourism development*

Working closely with relevant authorities and organisations, IGAD should encourage member states to upgrade their road and rail transport systems to promote tourism development in the region. In addition, IGAD should develop a strategy to promote such transport systems for use amongst tourists. Rail tourism, for instance, is currently underutilised in the region as a means of tourist transport. There is therefore the need to investigate and develop rail transport to increase transport offerings in the region.

**D OBJECTIVE: STRENGTHENING OF ICT INFRASTRUCTURE RELEVANT TO TOURISM DESTINATION AREAS**

*Advocate for effective and appropriate ICT infrastructure*

With the advent of the information age and the ever increasing competition for global opportunities, countries are left with no choice but to embrace approaches that will enhance their respective global competitive advantages. ICT is now regarded as an important avenue through which countries can achieve this goal. It is, therefore, crucial that IGAD spearheads the advocacy for the development of effective and appropriate ICT infrastructure with a view to enhancing the global comparative advantage of member states in the region.



## 3.10 PRIORITY AREA 9: TOURISM, NATURAL AND CULTURAL HERITAGE CONSERVATION

### 3.10.1 INTRODUCTION TO PRIORITY AREA

Tourism in IGAD can be used as an effective force in the conservation of both natural and cultural heritage, for the benefit of the industry by enhancing the intrinsic ecological values of biodiversity, and for socio-cultural and economic development through the sustainable exploitation of unique cultures in the region. Recognising that a large proportion of tourism depends directly on natural resources, and that much is focused on protected areas, tourism is identified as one of the key sectors that could guide policy direction in the management and implementation of biodiversity conservation measures. In line with this and the prevailing issues brought about by climate change, tourism can be a mitigating vehicle in that it can provide an incentive for local communities to protect their natural resources, such as forests which act as carbon sinks.

There is need for IGAD to promote integration of biodiversity conservation and tourism to improve service delivery, eliminate duplication of activities and reduce impact of tourism development in the destination. In addition, there is need to ensure that tourism development does not impact negatively in local cultures. A key strategy to achieve this would be the development of a monitoring and evaluation tool for the tourism development in the region.

### 3.10.2 FRAMEWORK FOR THE PRIORITY AREA

The onus of protecting the natural, on which tourism development depends, and cultural heritage resources, rests upon IGAD member states. IGAD should, however, coordinate the conservation of such resources, especially those that are cross-border. In line with this, IGAD should work closely with relevant authorities and organisations whose major mandate is conservation, to ensure that various policies on the protection of natural resources across the IGAD region are not in conflict, especially as far as tourism development is concerned. The framework developed by United Nations Educational, Scientific and Cultural Organisation (UNESCO) could be used to provide guidance on the management of such resources.

### 3.10.3 KEY ISSUES OF THE PRIORITY AREA

As already mentioned, tourism development across the IGAD region is predominantly nature-based, yet the natural resources on which the industry heavily relies are to some degree either threatened or under great pressure. Factors including human encroachment, human-wildlife conflicts and climate change, have exerted undue pressure on the natural resources. These factors are further escalated by the lack of clear or ineffective policies to avert such pressure on the natural resources, especially where such resources are cross-border. Likewise, there is concern that the current models of cultural and heritage tourism may not be sustainable given the lack of clear ethical guidelines in the region.

*Enda Mariam Coptic Cathedral, Asmara, Eritrea*



### 3.10.4 ACTIONS

#### A OBJECTIVE: PROMOTE LAND-USE PLANNING IN TOURISM PRIORITY AREAS TO ENHANCE BIODIVERSITY CONSERVATION

There is need to enhance biodiversity conservation efforts through proper land-use planning and management to ensure that parks have limited facilities for recreation and accommodation.

##### *Develop sustainable guidelines for land-use plans in tourism priority areas*

IGAD should formulate and adopt a regional strategy for conserving the natural resources in the IGAD region. With the vast majority of biodiversity on land and water outside protected areas however, it is necessary for biodiversity conservation efforts to extend beyond national parks and protected areas. Improved land-use planning at all levels, national, provincial, and local, is recommended as an important action for more effective conservation of biodiversity.

To control the rate of biodiversity loss and to increase production, best practice conservation technologies must be adapted to the African context to complement indigenous approaches. Neither indigenous nor modern conservation methods are sufficient on their own, but rather such approaches should be complementary to adequately support biodiversity conservation and in turn enhance sustainability. It is imperative to note that, such an approach can only succeed with local community participation. Local communities must have a say and be part of the process of developing and implementing such innovative systems. Local people too must be the principal beneficiaries.

##### *Establish regional mechanisms to enhance conservation*

Direct economic incentives within IGAD that, for instance, include provision of tax breaks for communities or businesses involved in biodiversity conservation should be encouraged. Secure land and resource tenure can stimulate investment (of both human energy and financial resources) in conservation of natural resources. Also, disincentives should be applied to actions destructive of biodiversity. Further, IGAD should oversee the formulation of appropriate monitoring and evaluation tools. In line with this, IGAD should spearhead the establishment of regional mechanisms that will enhance the enforcement pro-conservation rules and regulations with a view to ensuring that any form of tourism development compliments efforts towards enhancing biodiversity.

##### *Support the development and implementation of biodiversity conservation plans in tourism priority areas*

Given that the prevailing tourism product across the IGAD region is predominantly nature-based and hence heavily relies on the conservation of biodiversity resources which in some cases are cross-border, it will be necessary that appropriate conservation plans are developed and implemented. IGAD should provide the necessary support



for member states to develop and implement such plans with a view to enhancing both the national and regional biodiversity conservation.

**B OBJECTIVE: PROMOTING THE DEVELOPMENT OF TOURISM PRACTICES THAT SUPPORT CONSERVATION PRINCIPLES**

*Encourage benchmarking against recognised responsible tourism best practises*

IGAD should explore the possibilities and potential areas for the development of alternative tourism products such as ecotourism or green tourism, whose main goal is to encourage conservation of natural resources. In order to effectively execute this strategy, IGAD should create tourism awareness amongst local communities living adjacent to areas of environmental conservation interest and also work closely with other relevant stakeholders to facilitate the development of such tourism products. This could be facilitated by benchmarking recognised responsible tourism development best practice across the world.

**C OBJECTIVE: DEVELOP GUIDELINES FOR CULTURAL-BASED TOURISM DEVELOPMENT AND CULTURAL HERITAGE CONSERVATION**

*Establish regional ethical guidelines to facilitate the development and utilisation of cultural-based tourism products*

In line with sustainable tourism product development, cultural-based products present a wonderful opportunity to develop unique destinations across the IGAD region. However, caution needs to be exercised in this endeavour as inappropriate exploitation may have adverse effects on the local cultures. Working closely with key stakeholders, IGAD should coordinate the formulation of guidelines to inform the development of such products. This may, among other considerations, entail creating awareness on the Global Code of Ethics on Tourism developed by UNWTO.

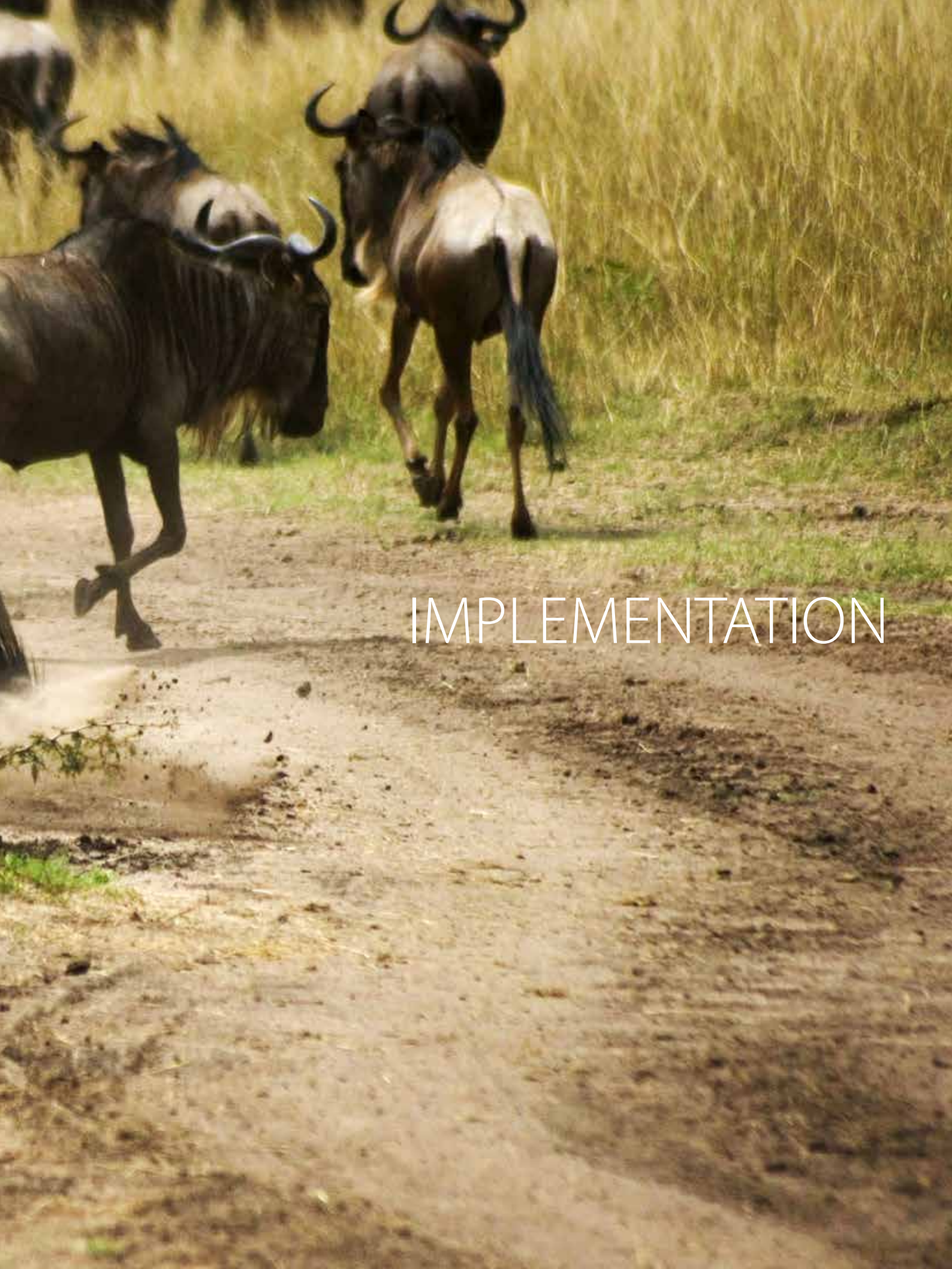
*Identify potential cultural heritage sites for conservation*

One of the factors used in enhancing the competitiveness of destinations is the number of UNESCO recognised world cultural heritage sites. The IGAD region has a number of sites that could be classified as world cultural heritage sites but are yet to be recognised because they do not meet the criteria set by UNESCO. Some parameters of the UNESCO criteria require the justification as to why a given site should receive the world recognition and how it will be managed or conserved. Ideally, this should be executed at the national level, but IGAD should coordinate such efforts at the regional level with a view to establishing a unique global tourism image for the region.



*Zebra and wildebeest in Maasai Mara, Kenya*





IMPLEMENTATION



## PRIORITY AREA 1: POLICY, REGULATORY AND INSTITUTIONAL FRAMEWORK

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Formulation of a regional tourism policy framework	Formulate regional tourism policy	Regional tourism policy formulated	2 years	Regional tourism policy framework in place	IGAD/Member states/Regional tourism stakeholders	500 000
B. Easing the barriers to visitor entry within the region	Reduce the number of barriers to visitor travel within the region	Visitor travel barriers removed	5 years	Reduction in barriers	IGAD/Member states	100 000
C. Enhancing destination access by promoting air service agreements and "Open Sky" Policies	Review existing bilateral air services agreements	Bilateral air services agreements reviewed	5 years	At least one bilateral service agreement per member state	IGAD/Member states	200 000
D. Establish an umbrella tourism council to oversee the implementation of the STMP	Define and establish the roles of the tourism council	Regional tourism institution established	2 years	Council constituted and operational	IGAD/Member states/Regional tourism stakeholders	50 000

## PRIORITY AREA 2: PRODUCT DEVELOPMENT

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Develop tourism related products focusing on quality and sustainability, regional and local community integration and industry involvement to gain maximum economic benefit	Developing cohesive regional and national tourism service standards and excellence	Quality of the tourism offerings in the region enhanced, through the adoption of international service standards, benchmarks and voluntary certification schemes	5 years	Set of tourism standards developed/ adopted	IGAD	100 000
	Developing IGAD regional tourism certification and accreditation focusing on quality, sustainability, local community integration and industry involvement	Tourism certification schemes developed	5 years	Certification and accreditation schemes adopted	IGAD/Regional tourism stakeholders	80 000

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
B. Enhance capacity to strengthen and integrate tourism product development throughout the region	Promoting wider regional, national and local stakeholder collaboration	Close working relationships between state actors and non state actors established	5 years	Number of collaborations formed (meetings & initiatives)	IGAD/Regional tourism stakeholders	200 000
	Assess the quality and standard of existing and potential tourism products	A product development framework combined with comprehensive market research and feasibility studies developed	5 years	Inventory directory produced/ printed/ online	IGAD/Regional tourism stakeholders	200 000
	Developing and promoting national tourism product development schemes	National tourism product schemes developed	6 years	Schemes developed	IGAD/Member states	200 000
	Ensure sustainable tourism product development	Targets for the volume and value of the tourism sector, and for performance against other indicators relating to sustainability identified	5 years	% change in number of visitors and in spend per visitor	IGAD/Member states	300 000
	Developing intra-regional tourism products	Intra-regional tourism products developed	6 years	Number of products promoted	IGAD/Member states	300 000
	Developing regional institutional support for product development	Regional support institution developed	6 years	Mechanisms adopted	IGAD	200 000
	Establish a regional tourism product development working group	Regional working group developed	6 years	Meetings held, initiatives launched	IGAD/Regional tourism stakeholders	60 000
	Develop guidelines for structuring of national tourism product development efforts	National tourism products guidelines developed	5 years	Number of national guidelines developed	IGAD/Member states	170 000



Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
C. Enhancing product image (nationally, regionally and internationally) through branding and positive market communication	Develop product image and profile	Product image and profile developed	5 years	Products profiled and catalogued	IGAD/Member states	50 000
	Branding the IGAD region as a single tourism destination	Single tourism destination brand developed	10 years	A recognised brand	IGAD/Members states	450 000
D. Packaging the product to reflect local distinctiveness and national identities	Leverage local distinctiveness and national identities with a view to enriching the IGAD regional image	Local distinctiveness and national identities promoted through the development of a place branding strategy	8 years	Unique local products	IGAD/Member states	115 000
E. Creating new products/areas to entice and target new visitors to the destination	Develop niche products in the region	Niche products developed	6 years	Niche local products	IGAD/Member states	50 000

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
F. Improving the performance of existing products and enhancing visitors experience	Promoting a product-cluster approach to national tourism product development	Performance of existing products enhanced	8 years	Average spent and duration of stay increased (longer stay at the destination)	IGAD/Regional tourism stakeholders	250 000
	Improve and increase the value and volume of the product offering	Performance of existing products enhanced	8 years	Number and value (monetary) of product offerings	IGAD/Regional tourism stakeholders	400 000
	Diversification of product offerings	New and innovative tourism products developed, MICE strategy developed	8 years	Number of new products	IGAD/Member states	400 000
	Diversify product development to areas currently not defined as high tourist attraction areas	Tourism products in areas where potential resources have not yet been exploited developed	8 years	Two new products per country operational	IGAD/Member states	250 000
	Development of tourism products that will promote regional integration in IGAD	Tourism products enhancing regional integration developed	10 years	One event that involves all or most of the states	IGAD/Member states	500 000

## PRIORITY AREA 3: TOURISM MARKETING

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Showcase IGAD tourism product/s to the world	Establish a forum to market and promote the IGAD region as a single destination	A regional marketing forum established to collaborate, coordinate and integrate marketing initiatives	5 years	Number of meetings with tangible outputs held	IGAD/Member states	1 000 000
	Develop a strong and attractive IGAD region brand	IGAD brand developed and increased alignment between tourism sectors	5 years	Recognised regional brand	IGAD/Member states	1 000 000
B. Attract a greater share of domestic, intra-regional, inter-regional and international tourists to the region	Develop a regional marketing strategy	Regional marketing strategy framework developed	5 years	Implementable regional marketing strategy framework	IGAD/Regional tourism stakeholders	200 000
	Market the region at relevant tourism shows, exhibitions and other programmes	Strategy developed to market the region at relevant tourism shows and exhibitions in order to increase visibility and coverage of the region	6 years	Presence at relevant tourism exhibitions and other marketing programmes	IGAD/Regional tourism stakeholders/ Member states	1 000 000
	Develop appropriate pricing mechanisms to enhance destination competitiveness	Appropriate pricing strategy developed	6 years	Implementable pricing strategy framework	IGAD/Member states/ Regional tourism stakeholders	50 000
C. Ensure that attractions are available to tourist through a variety of mediums to keep up with changing consumer trends	Develop a destination management system and IGAD tourism portal	Destination management system and IGAD tourism portal developed	6 years	Working website and destination management system and online marketing initiatives in place	IGAD/Member states	20 000



Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
D. Market Diversification	Expanding market opportunities to Eastern Europe, Africa and Asia	Framework developed to ensure member states tap into new markets	8 years	Number of new markets identified and targeted by member states	IGAD/Member states	800 000
	Developing IGAD regional marketing presence in emerging markets	Regional marketing presence in new and emerging markets established	4 years	Presence of IGAD members in emerging markets	IGAD/Member states	50 000
E. Public private partnerships in tourism marketing	Intensifying tourism marketing collaborations with the private sector institutions	Market collaborations with the private sector	5 years	Number of collaborations and extend support in partnerships	IGAD/Member states/Regional tourism stakeholders	150 000
	Establish an IGAD tourism marketing and promotion fund	IGAD tourism marketing and promotion fund established	8 years	Number of partnerships, amount contributed	IGAD/Member states	200 000
F. Developing a regional and domestic tourism marketing strategy	Promotion of domestic and regional tourism within member states	Individual bodies focusing on domestic and intra-regional tourism set up	5 years	Number of domestic marketing programmes	IGAD/Member states	200 000
G. Undertake comprehensive tourism market research	Carry out research to provide sound tourist market information that will in turn inform appropriate marketing strategies and decisions	Comprehensive market research of the markets of the respective member states generated	6 years	Market reports and implemented actions from the market research report	IGAD/Member states	200 000

## PRIORITY AREA 4: HUMAN RESOURCE DEVELOPMENT

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Expanding TVET opportunity domestically and internationally (through the international cooperation arm of the IGAD)	Promote manpower capacity development across the IGAD region	Enhanced industry involvement in manpower capacity development enhanced	3 years	Number of forums Number of training centres/programmes	IGAD/Regional tourism stakeholders	250 000
B. Promote continuous capacity development of all persons working within the tourism sector to promote efficiency and to equip them with up to date skills and knowledge	Harmonise tourism training within IGAD Countries	More highly skilled manpower trained	5 years	Number of institutions offering to harmonise curricula Harmonised curricula	IGAD/Member states/Regional tourism stakeholders	790 000
	Promote wider community education and support in tourism development through training	Enhance country knowledge to support in tourism development mobilised	1 year	Number of sensitisation forums (especially for youth and women)	IGAD/Member states	800 000 (100 000 per country, with 10 000 per forum)
C. Formulation of appropriate policies and legislation that encourage labour mobility across the region	Reduction of barriers to intra-regional migration and movement of labour	Policies and legislation on immigration developed to allow easier movement of labour	3 years	Number of countries with legislation Number of bilateral agreements	IGAD/Member states	250 000
D. Establishing centres of excellence in tourism training across the region	Facilitate the establishment of centres of excellence within the IGAD region	Centres of excellence established in each of the IGAD member states	5 years	Number of centres of excellence	IGAD/Member states	412 500

## PRIORITY AREA 5: RESEARCH AND DEVELOPMENT

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Establish regional frameworks for innovation and incubation for sustainable enterprise development	Promote approaches to innovation as a framework for enterprise development within IGAD member states	Appropriate approaches promoted within IGAD member states	2 years	Repository centres per country	IGAD/Regional tourism stakeholders	1 500 000
	Establish National Incubation Centres (NICs) and hubs of innovation in tourism	National Incubation Centres (NICs) and hubs of innovation established	2 years	One incubation centre per country	IGAD/Member states/Regional tourism stakeholders	1 500 000
B. Develop regional mechanism of collaboration in tourism research and development	Develop regional centres of excellence in tourism research and development	Regional centres of excellence in tourism research developed	5 years	Number of centres of excellence developed per country	IGAD/Regional tourism stakeholders	1 600 000
	Enhancing wider collaboration and cooperation between IGAD member states in areas such as information exchange and knowledge sharing	Wider collaboration and cooperation between IGAD member states in areas such as information exchange and knowledge sharing	3 years	Number of agreements signed Number of collaborative outputs	IGAD/Regional tourism stakeholders	3 300 000
C. Promoting tourism clusters within the IGAD region	Development of tourism clusters	Increase number of clusters developed	4 years	Number of tourism clusters developed	IGAD/Regional tourism stakeholders	4 000 000

## PRIORITY AREA 6: TOURIST SAFETY AND SECURITY

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Advocating, supporting and cultivating efforts aimed at addressing insecurity in the region	Leverage existing initiatives to better address issues of regional tourist safety and insecurity	Existing initiatives leveraged to better address issues of tourist safety and insecurity	2 years	Number of meetings	IGAD/Member states	250 000
B. Establishment of a regional standard for disaster and risk management	Develop a regional standard for risk management	A regional standard for risk management developed and adopted	3 years	Consultancy Validation meetings Number of countries adopting the standards	IGAD/Member states/Regional tourism stakeholders	8 500 000
	Establish tourist victim support and counselling services	Victim support and counselling services developed	3 years	Consultancy action plan Valuation meetings Number of countries adopting the action plan	IGAD/Member states/Regional tourism stakeholders	250 000
C. Design and develop a tourism safety and security action plan	Formulate a tourism safety and security action plan	A tourism safety and security action plan developed	3 year	Consultancy action plan Valuation meetings Number of countries adopting the action plan	IGAD/Member states/Regional tourism stakeholders	250 000
	Establish tourist police units/departments	Tourist police units/departments established	1 year	Meetings Number of countries introducing departments	IGAD/Member states/Regional tourism stakeholders	250 000
D. Identify and establish partnerships for identifying safety and security risks for tourists	Design and develop partnerships to facilitate the identification of tourist safety and security issues	Partnerships to facilitate the identification of tourist safety and security issues established	3 year	Number of partnerships Number of meetings Validation meetings to design the terms of reference	IGAD/member states/regional tourism stakeholders	500 000
	Advocate for the allocation of adequate resources to support the safety and security action plan	Adequate resources allocated	1 year	% increase in allocation of resources		50 000



## PRIORITY AREA 7: INVESTMENT IN TOURISM INFRASTRUCTURE

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Create a conducive environment to encourage investments in tourism infrastructure	Lobby for the establishment of an appropriate policy, legal and institutional framework to support tourism infrastructure development	Appropriate policy, legal and institutional framework to support tourism infrastructure development established	3 years	Appropriate legal, policy and institutional framework to support tourism infrastructure developed in member states	IGAD/Member states/Regional tourism stakeholders	80 000
	Lobby for member states to provide necessary conducive business environment to encourage investment in tourism infrastructure	Conducive environment provided to increase investment in tourism infrastructure	5 years	Number of tourism investment bottlenecks removed Number of investment incentives provided	IGAD/Member states	800 000
B. Create awareness on the potential opportunities for tourism infrastructure investment	Organise regular regional/ national tourism investment forums	Regular regional/ national tourism investment forums organised	5 years	One investment forum organised each year rotational in member states	IGAD/Member states/Regional tourism stakeholders	1 000 000
	Encourage collaboration with existing investment institutions and establishment of non-existing investment infrastructure	Greater collaboration or establishment of national investment institutions	5 years	Number of investment projects actualised through collaboration Number of institutions established	IGAD/Member states	120 000
C. Mobilise resources to support tourism infrastructure development	Lobby for lending institutions to support tourism infrastructure development	Lending institutions encouraged to supporting infrastructure	5 years	Number of tourism investments projects financed Number of collaborating financial institutions in tourism investment	IGAD/Member states/Regional tourism stakeholders	120 000

## PRIORITY AREA 8: INFRASTRUCTURE DEVELOPMENT

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Promote the creation of an enabling transport environment for easy access to tourism products	Lobby for the on-going cross-regional infrastructure development initiatives to support tourism development in the IGAD region	On-going cross-regional infrastructure development initiatives to support tourism development in the IGAD region	5 years	Inventory report of the current and proposed cross-regional initiatives in relation to tourism development report on key tourism infrastructure needs	IGAD/Member states	275 000
	Lobby for improvement of infrastructure relevant to tourism development	Transport infrastructure relevant to tourism development improved	5 years	Two identified infrastructure projects included in the member states infrastructure development programmes	IGAD/Member states	200 000
	Lobby for the development of long-term infrastructure financing mechanisms	Long-term bonds and equity financing for infrastructure relevant to tourism issued	3 years	Long term bonds and equity financing for the two identified projects approved	IGAD/Member states/Regional tourism stakeholders	400 000
B. Promote the development of a regional/national spatial plan to optimise the development and utilisation of infrastructure facilities and services	Lobby for the development of strategic plans for infrastructure to support tourism development in the region	Strategic plans for infrastructure to support tourism development created	3 years	Strategic plans for development of spatial plan developed	IGAD/Member states/Regional tourism stakeholders	280 000
C. Facilitate the creation of an enabling transport environment for easy access to tourism products	Lobby for improvement of infrastructure relevant to tourism development	Transport infrastructure relevant to tourism development improved	3 years	Number of infrastructure relevant to tourism improved	IGAD/Member states	120 000
D. Strengthening of ICT relevant to tourism destination areas	Advocate for effective and appropriate ICT infrastructure	Well developed ICT infrastructure	2 years	Appropriate and effective ICT infrastructure developed	IGAD/Member states	120 000

## PRIORITY AREA 9: TOURISM, NATURAL AND CULTURAL HERITAGE CONSERVATION

Strategy	Action	Output	Time frame	Performance indicator	Responsible	Budget (USD)
A. Promote land-use planning in tourism priority areas to enhance biodiversity conservation	Development of sustainable tourism guidelines for land-use planning in tourism priority areas	Guidelines for land use planning in tourism priority area	1 year	Sustainable tourism guidelines for land use planning in tourism priority areas developed	IGAD/Member states/Regional tourism stakeholders	200 000
	Lobby for the development of land-use plans in tourism priority area	Land-use plans in tourism priority area developed	5 years	Number of land use plans in tourism priority areas developed	IGAD/Member states/Regional tourism stakeholders	240 000
	Lobby for regional mechanisms to enhance conservation	Regional mechanisms to enhance conservation developed	5 years	Number of trans-boundary agreements signed and ratified	IGAD/Member states/Regional tourism stakeholders	800 000
	Support the development and implementation of biodiversity conservation plans in tourism priority areas	Appropriate biodiversity plans delayed	5 years	Number of biodiversity plans in tourism priority areas	IGAD/Member states/Regional tourism stakeholders	240 000
B. Promoting the development of tourism practices that support conservation principles	Encourage benchmarking against recognised responsible tourism best practices	Enhanced environmental conservation	5 years	Number of responsible tourism best practices adopted in member countries	IGAD/Member states/Regional tourism stakeholders	240 000
C. Develop guidelines for cultural-based tourism development and cultural heritage conservation	Establish regional ethical guidelines to facilitate the development and utilisation of cultural-based tourism products	Regional ethical guidelines to facilitate the development of cultural-based tourism products established	1 year	Guidelines developed	IGAD/Member states/Regional tourism stakeholders	150 000
	Identify potential cultural heritage sites for conservation	Potential cultural heritage sites for conservation identified	1 year	Inventory of existing and potential cultural heritage sites developed	IGAD/member states/regional tourism stakeholders	120 000

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## APPENDIX 1: LIST OF ORGANISATIONS CONSULTED

Country	Organisation	Nature of organisation
Djibouti	IGAD National Tourism Office World Bank	REC Government Multilateral
Ethiopia	Ministry of Culture and Tourism Authority for Research and Conservation of Cultural Heritage National Tour Operations Enterprise Ethiopia Hotel Professional Association AFRO Hospitality Management and Support	Government Government Private Sector Professional/Civil Society Private Sector
Kenya	Ministry of Tourism National Economic and Social Council Kenya Tourist Board Kenya Tourism Federation Kenya Association of Tour Operators Kenyatta University Strathmore University Institute of Tourism and Hospitality Management Ecotourism Kenya Somalia Ministry of Tourism	Government Government Government Private Sector Private Sector Government/Research Institution University/Research Institution Civil Society Civil Society Government
South Sudan	Ministry of Wildlife Conservation and Tourism Ministry of Finance World Conservation Society	Government Government Conservation/Donor
Sudan	Ministry of Tourism and Wildlife	Government
Uganda	Ministry of Tourism, Wildlife and Antiquities Uganda Community Tourism Association Association of Uganda Tour Operators Uganda Tour Guides Association	Government Civil Society Private Sector Professional/Civil Society

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