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Sustainable Tourism Policy Forum
The Role of Sustainable Tourism In Furthering USAID's Mission
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If world traveling alone made someone an expert on tourism, you have invited the right person to the forum this morning. Other than NASA astronauts, I have probably logged more miles than anyone in this government.

I. Tourism as a Tool For Economic Growth and Equity

Over forty years ago, USAID was established to address the issues of economic growth, poverty reduction, health and humanitarian assistance. The challenges remain massive and stubborn. Whether because of weak governance and poor policies, human rights abuses and social inequities, armed conflict and natural disasters, catastrophic health and environmental calamities, one-sixth of the world's population – mostly women and children – suffer from hunger and malnutrition.

Tourism is a particularly powerful tool for achieving our goals because it has become one of the largest – if not *the* largest – single industries in the world. It has grown rapidly and almost continuously over the last 20 years, and the World Tourism Organization reports it to be one of the world's most important sources of employment and of Gross Domestic

Product. In 2001, some 207 million workers – astonishingly, one in every twelve globally – worked in the tourism sector, and the combined GDP totaled US \$3.5 billion, or about 11 percent, of the world’s total. Tourism receipts are of critical importance to many countries’ balances of payments and general economic welfare.

Experience indicates that sustainable tourism does not simply happen. It requires an overall strategy and detailed planning, with a host of supporting mechanisms including public-private partnerships, appropriate legislative and institutional reforms, training and public education, infrastructure and technology, finance and credit systems that reach down to the poor, and continued monitoring and evaluation.

Since the year 2000, USAID has undertaken or begun more than ninety projects, in 72 countries, that either specifically address the tourism sector or else utilize tourism as a component for achieving other objectives. A number of recent projects directly address strengthening local economies through a cluster-based competitiveness approach, reflecting the need for supportive and integrative mechanisms to weave tourism into the larger economy.

The cluster-based competitiveness approach is widely used, with total initiatives amounting to almost \$58 million in 26 countries. The concept is that product quality, international competitiveness and hence sustainability increase as linkages and synergies in a local economy become stronger and more dynamic. Several clusters are normally chosen within a country, with tourism increasingly selected as an area of focus.

USAID began its first large-scale cluster-based competitiveness approach in Lebanon in 1998, focusing on agriculture and tourism. The Sri Lanka Competitiveness Initiative is a broad-based program working with several industry clusters including ceramics, coconut fiber, jewelry and tourism. Ecotourism was introduced as a new product to broaden the tourism market, and a self-funding, private sector-led, Tourism Promotion Authority was created.

Other examples of competitiveness initiatives include Mongolia (with a portfolio of clusters relating to cashmere and tourism), the Dominican Republic (horticulture, traditional tourism and ecotourism), Croatia (wood products and tourism) and Bulgaria (ecotourism).

USAID projects that have embraced tourism as a component for supporting economic growth range from a bed and breakfast network in Armenia to a tourism marketing web site for Mongolia, to a new National Tourism Strategy for Jordan that was adopted officially just last month.

Tourism has also been instrumental in advancing USAID's strategic objectives of gender equity and promoting women's role in the development process. For example, in Tanzania, a group of village women formed the Naisho Women's Group (Naisho means "increase" or "multiply" in Maasai) to work toward preserving their culture and alleviating gender inequality and poverty. In many locations such as Tanzania, Mexico and Botswana, tourism revenue has been used to build women's centers and to promote artisan activities and micro-credit projects.

Micro-funding is extremely important for many women attempting to establish their own enterprises, since traditional forms of funding may not be accessible. Operating through more than 500 implementing partners in 2003, USAID served a record 5.6 million poor clients via loans for micro-enterprises and other purposes valued at \$1.3 billion. Some 94 percent of all loans were paid on time, 65 percent of the clients were women, and 55 percent of the loans were held by very poor clients. More than 3.1 million micro-entrepreneurs, some of them in the tourism sector, received business development services from USAID-assisted institutions, resulting in improved market access, productivity and earnings.

Tourism initiatives typically contain strong training and education components to assist local populations with acquiring new job skills and adapting to changing local economies. Necessary skills such as hospitality, marketing, public negotiations, and scientifically-based conservation techniques are cross-sectoral themes in tourism training. At least twenty current USAID tourism projects specifically integrate training and capacity building into the project model.

Additional examples of enhanced training opportunities come from Ghana, Tanzania and Jordan. Ghana's Tourism Capacity Development Initiative improved the capacity, quality and performance of the tourism industry through training in marketing and product development, human resources development (including technical training for tour guides, and institutional capacity development. Train-the-Trainer conferences are

held in Tanzania for institutional capacity building among such local conservation organizations as Roots and Shoots (a Jane Goodall project) and Malihai. In Jordan a grant to the Jordan Tourism Board facilitated a series of workshops on crisis management for a tourism industry adversely impacted by conflict in the Middle East.

II. Natural Resource Management and Local Governance

Tourism development is being effectively and increasingly utilized not only for achieving economic growth and poverty reduction goals, but also as a valuable tool for other USAID objectives relating to sustainable natural resource management, biodiversity conservation and local governance.

While supporting economic growth and competitiveness is a critical need, it is also imperative to help to protect and enhance the natural resources that most of the world's poor look to for their livelihoods. Many of USAID's tourism activities are capitalizing on increasing interest among travelers in eco- and geotourism to promote projects that support more widely applicable, community based, natural resources management and biodiversity protection objectives.

Because many of the world's poor depend directly on the environment – through agriculture, forestry or fisheries – for their livelihoods, much of USAID's work is targeted to assuring the sustainable use of natural resources in four key areas: agriculture, biodiversity, forestry and water. Sustainable tourism is often used as a mechanism for furthering this work

by both achieving improved management and increasing revenue generation.

Since the mid-1980s, several USAID Missions have initiated community based natural resources management programs. The intent has been rural empowerment, local governance and wildlife conservation. These initiatives not only strengthen local governance through community managed operations but also further biodiversity protection. Ecotourism can provide positive contributions towards such protection through heightened awareness of biological resources and the generation of alternative income-producing opportunities. Namibia, Kenya, Mozambique, and Jordan have been the beneficiaries of some of these programs.

In 1990, USAID and The Nature Conservancy began collaborating on the *Parks in Peril* Program in an urgent effort to safeguard the Latin America and Caribbean region's most imperiled natural ecosystems, communities, and species. The Program builds a sustainable local capacity to conserve and manage biodiversity in threatened national parks and reserves of global biological significance. Parks in Peril ensures on-site protection for an array of major habitats, natural communities, and species in some of the world's most biologically rich and threatened conservation sites.

The program builds local capacity by helping to consolidate the tools, infrastructure, staff, institutional and technical capacity, local support, and financing necessary to conserve and manage these protected areas. Since 1990, Parks in Peril has worked successfully in 17 countries,

promoting sustainable resource protection in 45 conservation areas on about 40 million hectares. One example of a Parks in Peril success is Panama's Darien Biosphere Reserve, where community forest management practices have improved while generating income through nature-based cultural tourism.

President Bush has charged my Agency with implementing The Congo Basin Forest Partnership (CBFP). We are proud to be a part of an Administration that has shown the greatest level of engagement in Africa in US history. The goal of the Partnership is to promote economic development, alleviate poverty, combat illegal logging, enforce anti-poaching laws, improve local governance, and conserve natural resources through support for a network of national parks and protected areas, well-managed forestry concessions, and creation of economic opportunities for communities who depend upon the conservation of the forest and wildlife resources of the Congo Basin.

U.S. partnership actions focus on eleven key Congo Basin forest landscapes in Cameroon, Central African Republic, Democratic Republic of the Congo, Equatorial Guinea, Gabon, and Republic of the Congo, which are ecologically sensitive, biologically diverse areas and wildlife corridors considered the most vulnerable to deforestation and other threats. The U.S. Government will invest up to \$53 million in the Congo Basin Forest Partnership through 2005. Secretary Powell called this a "signature" initiative when he introduced it in Johannesburg in 2002. He sought there to "reaffirm the principle that sound economic management,

investment in people, and responsible stewardship of our environment are crucial for development.”

Other recent initiatives, such as conservation of the Mountain Gorilla Habitat Conservation Project in Africa, hold promise for future nature-based tourism activities. The mountain gorilla populations in Rwanda, Democratic Republic of Congo, and Uganda have increased by 10 percent during the past ten years (from 320 to approximately 355 individuals). USAID and its partners are promoting regional conservation approaches with an emphasis on trans-boundary coordination, anti-poaching, community participation, economic alternatives, research, and habitat conservation.

III. Concluding Remarks: Some Cautions and Advice

I would like to conclude with some reflections on what the Agency has learned in this domain:

- USAID is learning from its experiences in the field that tourism is complex, multi-faceted, and can be woven into many different Agency objectives and strategies, from economic growth to poverty reduction to global health to natural resources protection and management. Done wisely and well, it has the capacity to reduce poverty, stimulate locally-retained economic growth and improve livelihoods.

- But tourism, planned badly, can be extremely destructive to its surrounding environment. With an integrated strategy, comprehensive planning and participation by all levels of community, tourism is capable of accomplishing many worthwhile and needed objectives. However, still better ways need to be developed to ensure that tourism is, in fact, “sustainable”.
- The sector must act as a catalyst for other development, and not an end in itself. Over-dependence on any single industry may be equally as risky to a local economy as any other mono-activity, especially in today’s world.
- Stronger tools of analysis are needed to better assess the probability of a project’s success prior to implementation, in order to make best use of available funding. We must also ensure that adequate baseline information and post-project monitoring and evaluation provide for a sufficiently competent analysis of how successful a project has been in achieving its objectives. We need to establish strong indicators to measure the effects of tourism activities. This is particularly relevant to cross-cutting objectives.
- Tourism must be based on real market demands, not simply the supply of possible products associated with threatened natural or cultural resources. Markets must be engaged from the beginning and the enabling policy and institutional environment established for joint ventures.

- USAID will continue to encourage and support public-private partnerships whenever and wherever feasible. Not only do they increase the level of funding available, but they also increase the level of expertise that can be brought to a project.
- Finally, donors must collaborate better in the field, on the ground where tourism projects are being implemented. By pooling resources and efforts, we can accomplish much greater results.
- In closing, I would like to say how very pleased I am to see the large and varied turnout among government agencies, international donor groups, NGO's, and academic institutions. Policy forums such as this one are critical to the continued success of tourism activities by fostering communication and information exchange on program successes and failures, helping to enhance tourism activities wherever they are implemented, and giving future efforts that much greater a chance of success. Thank you.

