

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

**SECOND ORDINARY SESSION OF THE
SPECIALIZED TECHNICAL COMMITTEE ON
TRANSPORT, INTERCONTINENTAL AND INTERREGIONAL
INFRASTRUCTURES, ENERGY AND TOURISM,
14TH – 18TH APRIL 2019,
CAIRO, EGYPT**

**RATIONALE FOR THE CONTINENTAL TOURISM FRAMEWORK
AND AFRICAN TOURISM ORGANISATION**

Introduction

The tourism industry has now emerged to be an important economic sector in Africa with more and more Member States and Regional Economic Communities (RECs) embracing it as an alternative avenue through which to address their respective developmental priorities. Hitherto, only the Northern Maghreb, Eastern and Southern African regions had prioritized the sector. The tourism industry currently accounts for 8% of the continent's Gross Domestic Product (GDP) valued at US\$ 177 billion, 9.7% of exports at over USD 63 billion and 5.7% of investments valued at 48.2 billion in 2017¹. What is more, owing to its nature as being labour intensive, the industry generated over 22 million jobs, which was 6.5% of total employment in 2017.

Comparatively, the tourism industry's direct GDP contribution is now close to 70% that of the construction sector, while its total contribution exceeds that of chemicals and automobile manufacturing. The tourism sector further directly generates more jobs than all other sectors, other than construction, retail and agriculture sectors. In line with this, studies have shown that an investment of US\$ 250,000 in the tourism sector can generate 182 full time jobs, which is 40% and 50% more than in the agricultural and mining sectors respectively for the same level of investment².

Background and Rationale for the Continental Tourism Framework and African Tourism Organisation

Agenda 2063

Following, therefore, its emerging role as a pathway for economic growth and development, the African Union Agenda 2063 in its Aspiration 1 (*A prosperous Africa based on inclusive growth and sustainable development*) under the transformed economies goal, identifies tourism as a priority area. This is due to industry's potential to meet the objectives of *Aspiration 1* which include, ending poverty in the continent, job creation, transformation of African economies, tapping the potential of the blue economy and the conservation of the continent's rich biodiversity. In addition, Agenda 2063 envisages a GDP growth rate of over 7% per annum and that 50% of this GDP will be generated by the domestic private sector. It is further anticipated that by 2045, 50% of trade will be intra-African, compared to just 12% in 2013 and sectors such as tourism could be the biggest beneficiaries in terms of growth potential.

Accordingly, therefore, the Agenda 2063 has set specific targets to be achieved by the tourism sector over a 50-year period starting 2013. These targets are to be realized through a series of 10-year implementation plans. The First Ten-Year Implementation Plan, for instance, seeks to increase the sector's GDP contribution by 100% from the 2013 level and to double intra-regional tourism over the same period. For these targets to be realized, Agenda 2063 calls for the formulation and full implementation of the continental tourism strategy and the establishment of the African Tourism Organization.

¹ See WTTC 2018

² See Hamilton, K., Tembo, G., Sinyenga, S., Bandyopdhyaya, Pope, A., Guilon, B., Muwele, b., Mann, S., and Pavy, J. (2007). *The real economic impacts of tourism of nature tourism in Zambia*. Lusaka: Natural Resources Consultative Forum

1.1.2 2017 Lomé STC Ministerial Declaration

Established under Article 25 of the Abuja Treaty and the subsequent Constitutive Act of the African Union's Article 14 to 16, the First Ordinary Session of the AU Specialised Technical Committee on Transport, Transcontinental and Interregional Infrastructures, Energy and Tourism (STCTTIET) meeting was held in March 2017 in Lomé Togo. The main objective of this meeting, which was held under the theme, *Financing Infrastructure and Services in Africa*, was to assess progress and to achieve concrete advances in the financing of major infrastructure, notably those in the Priority Action Plan (PAP) of the Programme for Infrastructure Development in Africa (PIDA), through decisions and consensus on investing in the preparation, structuring, implementation and risks mitigation of climate resilient infrastructure projects.

A major outcome of this meeting was the 2017 Lomé Ministerial Declaration and the Action Plan 2017-2019. Specifically, for tourism, the Lomé Declaration took note of the AU Agenda 2063 ten-year implementation plan and Agenda 2030 for sustainable development, AU/NEPAD tourism action plans and the 2014 Seychelles tourism Communiqué and the challenges facing tourism development in the continent. The declaration affirmed the urgent need to make Africa the preferred tourism destination, first for fellow Africans then the rest of world and the importance of the tourism sector as key to addressing respective development priorities, including poverty eradication.

The declaration further called upon the AUC and NEPAD to spearhead the implementation of the tourism action plan. This was to be done in collaboration with partners including UNECA and donors to provide the necessary technical and financial support for the development of the sector. The aim of this approach being the achievement of the goals of Agenda 2063 and Agenda 2030 for sustainable development and for all African tourism stakeholders to work together towards ensuring that the sector's potential is realised in the continent. In addition, the declaration requested Member States to: prioritise the tourism sector as an important economic sector for the realisation of the Agenda 2063 and Agenda 2030; ensure that they undertake necessary measures to ease the movement of people within the continent; develop appropriate tourism products for the African tourist markets and to enhance their regional tourism marketing efforts; take the all necessary measures to ensure safety and security of the continent; and share best practices.

What is more, the declaration urged Member States to: allocate at least 5% of their national budgets towards the development of the tourism sector; ensure that their respective destinations are appropriately competitive particularly in terms of quality and standards, price competitiveness, accessibility and safety and security; ensure the establishment of a conducive policy and regulatory environment; establish a tourism fund geared towards promoting indigenous tourism entrepreneurship; and consider extending necessary support towards the development of tourism infrastructure and related infrastructure. With a view to realising to Agenda 2063 tourism targets, the declaration recommended that the AUC in partnership with Member States, RECs and all African tourism stakeholders, ensure that the proposed African Tourism Organization in line with First Ten-Year Implementation plan, is established by March 2018. In addition, that the formulation of the AU Continental Tourism

Framework to which member States should align their national tourism strategies in line with Agenda 2063 be urgently developed within one year of the declaration.

Tourism Action Plan 2017-2019

The tourism action plan, which was part of the wider action plan 2017-2019, was adopted in Lomé, Togo by the Ministers of the STC for Transport, Interconnected, Interregional, Energy and Tourism, in March 2017. The main purpose of this Plan of Action was to define activities that will enable the attainment of African Union objectives, within the framework of AU Agenda 2063 First Ten Year Implementation Plan. The tourism sector is currently plagued by numerous challenges including general lack of competitiveness, safety and security concerns, lack of intra-African air connectivity, high transport cost, lack of a harmonised tourism framework and institutions, among others. In this regard, this Plan of Action aimed at enabling the realisation of the AU agenda 2063 flagship project of *making Africa the preferred destination for tourism*. This Plan of Action also outlined the main activities identified for the attainment of these objectives, as well as the elements of control, the lead bodies including the institutions to be involved.

Conclusion and Recommendations

The establishment of the African Tourism Organisation will enhance the coordination between Member States, RECs and main stakeholders operating in the tourism sector through the exchange of accurate and timely information. It will serve as a focal point from which accurate information can be obtained and to which submissions and inputs to future planning and implementation on the continental level can be operated.

The objective is to create a simplified, accountable entity, enabling Africa to overcome the tourism governance at the continental level, now fragmented and consequently failing to give stakeholders the needed support and guidance. The ATO is intended to be a relevant, cost effective entity and organisationally able to plan and monitor the Continental tourism Strategy implementation, foster strategy alignment of other stakeholders, and to prioritise and select strategic initiatives.

The endorsement of the current Rationale will afford the continent with two major practical tools (ATSF & ATO) capable to enable it recovering its competitiveness and thus to benefit from the recovery of tourism on the international level. Tourism in Africa has evolved to become very complex, with a myriad of operators, stakeholders in a structure that, instead of engendering innovation, cooperation and support has become apathetic and lacking focus.