



WORLD BANK GROUP

Tourism Concessions Launch of the WBG Practitioner's Toolkit

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Our role in this space

➤ **We provide technical advisory services for government clients**

Ministries of Tourism/Environment and/or Protected Area Management are increasingly asking us 'how to better finance conservation/park management through tourism'. They usually want to;

- Introduce tourism services (private sector) into new Protected Areas
- Improve the quality of existing tourism services in Protected Areas
- Generate greater environmental, social, or community benefits from existing concessions

➤ **Our advice is usually comprised of a combination of;**

Diagnostics/market assessments, reviews/reform of the legal framework, site/opportunity profiling and packaging, investment promotion, employment of IFC E&S standards and transactional advice.

➤ **This is delivered by combining expertise across the WBG**

- Investment climate teams experienced in regulatory reform,
- PPP teams experienced in feasibility studies, deal structuring and contract management,
- IFC Investment services with deep understanding of market dynamics and a solid (investor) client base
- E&S specialists to safeguard biodiversity and local communities.

➤ **Additional services are often also part of the package**

To provide a full solution to client requests, a sound concessioning framework may not be enough. In these cases, we reach further into the WBG to leverage investment lending for key infrastructure improvements in parks, access infrastructure such as roads/airstrips, capacity building for Ministry, park management, or local communities, destination promotion/marketing or work across wider government to address critical business climate issues impacting investment decisions.

Examples of our experience

➤ Kruger National Park, South Africa

- **WBG was hired as lead transaction advisor for the first/landmark concessions in Kruger National Park**
- **Why us?** Respected expertise in structuring complex transactions with a high level of transparency.
- **What did we do?** Structured and implemented PPPs for SANParks (client) for 9 eco-tourism concessions (7 in the Kruger Park) and several concessions for retail and restaurant facilities in various parks. The transactions closed in 2000 and 2001 respectively.
- **What was the result?**
 - The PPPs generated > US\$20 million in revenues to date.
 - Infrastructure and assets worth > US\$36million developed that will revert to SANParks at the end of the contract.
 - SANParks developed significant expertise to manage/ implement PPPs – since 2001 it has successfully contracted 14 more concessions
 - Our methodology was influential in development of the PPP Toolkit issued by the SA National Treasury in 2005.

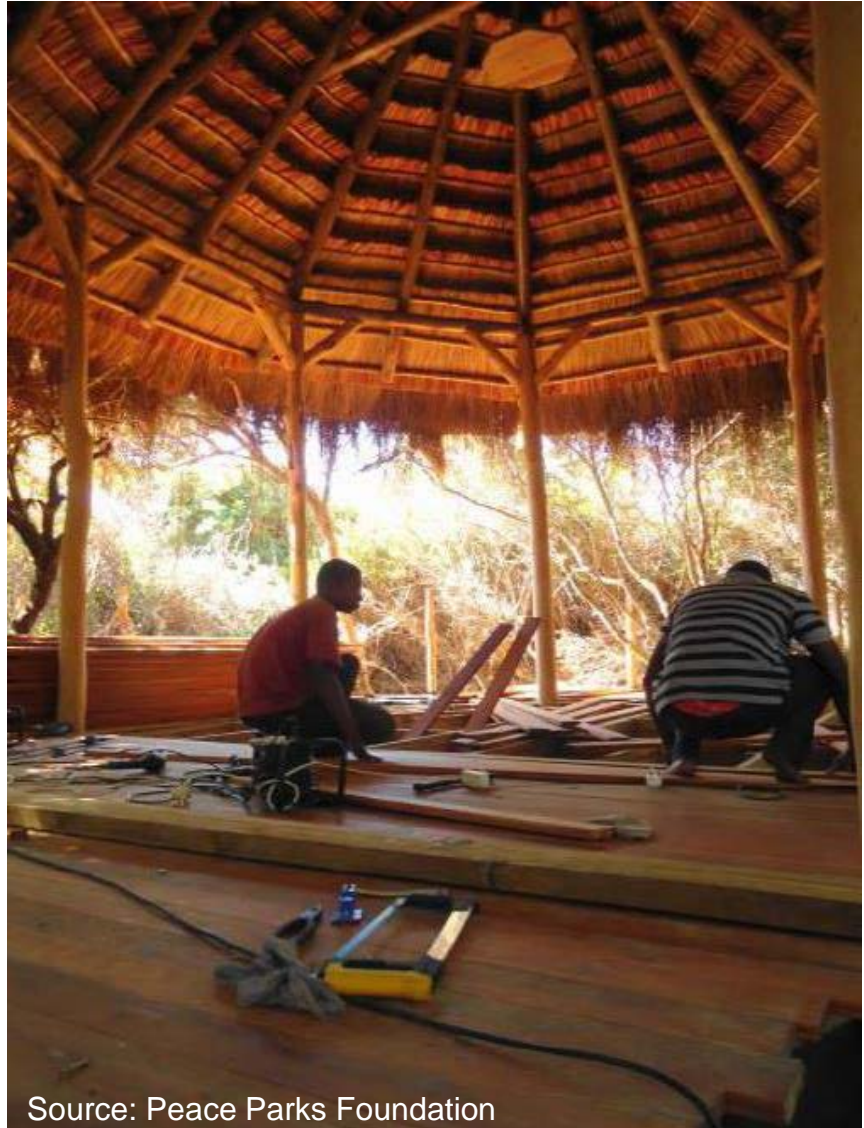


Examples of our experience

➤ Maputo Elephant Reserve, Mozambique

- **WBG provided technical advice to the Government of Mozambique in attracting private sector investment**
- **Why us?** Significant private sector experience in tourism, concessioning and permanent presence on the ground.
- **What did we do?** 3 year program to secure investment in the Reserve. Beginning with market, asset (Reserve) and investor appetite assessment, moving to design of 'how' to bring concessions to market, concessions framework update, investment promotion, and advice to secure a deal.
- **What was the result?**
 - The community – private sector partnership at Chemucane was the first of its kind in a Protected Area in Mozambique.
 - It brought the development of a US\$3 million eco-lodge
 - The 36-bed lodge created about 60 direct jobs in an area with few employment opportunities
 - The Government of Mozambique gained valuable hands-on experience running a successful tender process, and has since replicated it in a number of other sites.

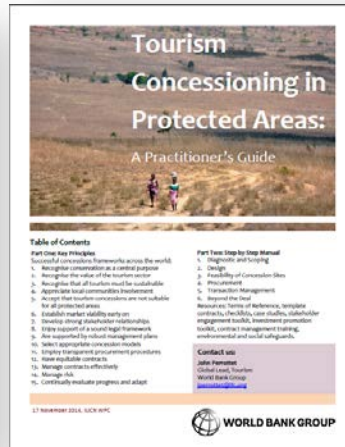
➤ Current and pipeline; e.g. Nepal, Uganda, Tanzania, Zambia, Senegal



Source: Peace Parks Foundation

The Practitioner's guide

- **What is it?** An online resource with principles of best practice, step-by-step guidelines, template ToRs, contracts etc. Developed by WBG staff and international experts.
- **Why was it developed?**
 - We are receiving more and more requests from clients, and needed to be more responsive, and build up our own capacity
 - We have built up over 20 years of experience in tourism concessioning, plus PPP expertise across all other sectors, and wanted to consolidate and capture our knowledge
- **Who is it for?** Primarily WBG staff and client counterparts. Part 1 publicly downloadable
- **How you can use it:** Part 1; *15 Principles of Good Practice*, and Part 2; *'Step-by-step' Guidelines* with downloadable templates (available to WBG staff and client counterparts working on a Concessioning project).



WEBLINK

Part 1: 15 Principles of Good Practice
www.wbginvestmentclimate.org/toolkits/index.cfm

And other materials...



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