Item 4 of the Provisional Agenda

PROMOTING TOURISM INVESTMENT IN THE REGION:

PROJECT PROPOSAL

Note by the Secretary-General

The attached document, which contains a preliminary proposal for the promotion of Tourism investments in the Middle East – North Africa region, prepared in implementation of Decision 6(XXXVI), taken by the Commission at its 36th meeting (Madrid, November 2012), is submitted to the Commission for appropriate action.
PROMOTING TOURISM INVESTMENT IN THE REGION:

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1. At its 36th meeting (Madrid, November 2012), the Commission requested the Secretary-General to include the promotion of Tourism investment in the region among the priorities of the Organization’s programme of work and entrusted the Secretariat with preparing a preliminary project proposal to address this issue and to submit it to the present meeting of the Commission (Decision 6(XXXVI)).

2. UNWTO has been frequently asked in the past, on an ad-hoc basis, to provide advisory services to Members in promoting Tourism investments, mainly through two different types of activities, viz.
   a. As a technical assistance project, either as part of a tourism strategy or master plan, or as a separate project;
   b. As part of the organization of Tourism investment forums (national or regional).

3. Even though this recurring interest by the Commission’s Members naturally corresponds to specific situations, that differ from country to country, it reflects a common and increasing interest by Governments in developing contacts and maintaining close relations with a broad range of potential investors. It also reflects the fact that many countries in the region possess under-exploited tourism assets, as well as the will to develop them, but that such a virtuous combination of these two elements suffers from either the weakness or the insufficient interest of potential investors in the sector.

4. Moreover, the requests for support that UNWTO receives in this area reveal, in the majority of cases, an inadequate technical know-how in approaching investors and in managing long-term relations with them. In this regard, it should be pointed out that the active search for investors, notably through the holding of investment forums, must be preceded by a series of prerequisites, including, by way of indication, those listed below:
   a. an attractive tourism policy and legislative framework;
   b. an analysis of comparative advantages of Tourism investments in the region (including other sectors of the economy);
   c. incentive measures: monetary and fiscal policies, provisions for capital and profits repatriation;
   d. land rights and a compatible and secure system of ownership rights;
   e. long-term town planning regulations;
   f. description of the geographical areas in which new projects are proposed;
   g. evaluation of available and proposed infrastructure, particularly transport;
   h. market identification and analysis by type of investment, particularly of the different types of accommodation;
   i. project proposals with their respective pre-feasibility studies;
   j. clear definition of investment structures (foreign direct investments, joint ventures, trade agreements, etc.)
5. In addition to the advisory services it currently provides to Members, UNWTO, in partnership with other international and regional organizations (particularly those of the UN system), is well positioned to serve as an interface between destinations in the region, on the one hand, and potential investors, on the other, with a view to facilitating the financing of Tourism projects. This assistance could, in an initial phase, focus on the following objectives:

   a. Improving the preparation and presentation of investment portfolios, through the establishment of standard check-lists of data prerequisites and development of model investment guidelines, stipulations, operating rules and procedures, project documents and promotion tools;

   b. Approaching potential investors (from among investment funds, hotel chains, banks, etc.) and advising on the development of official networks and on long-term relations management;

   c. Developing a solid knowledge base on effective public-private partnerships in Tourism investment with best practices and benchmarks;

   d. Establishing a mechanism to monitor and assess Tourism investment promotion activities.

6. In view of the fact that this project is not provided for in the Organization’s programme budget for 2012-2013, the Secretariat proposes to organize a preparatory workshop, in November 2013, to develop a detailed work plan and resource allocation strategy that would include the organization of a major Tourism investment forum in the region in 2014.

7. The initial duration of the project would be two years, after which likely changes would be required in the light of an overall assessment of the project’s outcomes.

8. The Commission is invited to:

   a. Decide on the project’s initial objectives, scope and timeframe, as proposed above;

   b. Nominate National Focal Points to ensure the necessary liaison with the project’s management, as well as a Steering Committee comprising five members, to provide the necessary direction, oversight and guidance for the project, approve funding and resource allocation strategies and, in due course, review the project’s deliverables.

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