

TOURISM & WEALTH SERIES

"Unlocking
the Potential of
the Tourism Sector
to Support Economic
Diversification and
Broad-Based
Wealth"

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ABBREVIATIONS

CP's	Cooperating Partners
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
HDF	Harmonised Development Framework
JASZ II	The Joint Assistance Strategy for Zambia II
KPIs	Key Performance Indicators
MDGs	Millennium Development Goals
PAF	Performance Assessment Framework
PF	Patriotic Front
PRBS	Poverty Reduction Budget Support
SNDP	Sixth National Development Plan
UNDP	United Nations Development Program



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CONTENTS

1. PMRC Background Note	6
The Untapped Potential of Zambia's Tourism Sector	7
Budget Performance	8
Contribution to GDP	9
Tourism Earnings	10
Tourism Employment Levels	10
Number of Tourism Arrivals	11
Learning from the Best	12
Challenges and Opportunities	13
2. Policy Brief	19
Analysis of policy	21
Tourism Legislation and Regulatory Bodies	23
Reform Recommendations	27

EXECUTIVE DIRECTOR



Dear fellow researchers, Policy Monitoring and Research Centre (PMRC), is a think tank committed to promoting public understanding through research and education, encouraging debate on social and economic policy issues critical to the growth of poverty reduction. The vision of PMRC is “Unlocking Zambia’s Potential” through timely, relevant evidence based policy analysis and reform proposals. Our aims include:

- To promote public understanding through research and education.
- To encourage and facilitate debate on social and economic policy issues critical to poverty reduction.
- To be a source of quality data relevant for stakeholders in areas of social and economic development
- To produce quality policy analysis and

- To disseminate research based reform proposals.

As part of the process of unlocking the resources available to Zambia, we at PMRC recognize that our greatest asset are the minds of the Zambian people. Our role is to engage all Zambians, and inform them of policy, policy changes and the consequences of policy decisions in their day-to-day lives.

We look forward to engaging more with all Zambians in the coming period. Thank you for taking time to read this PMRC publication and please get involved and voice your opinions through PMRC’s many engagement channels.

Your Sincerely,

A handwritten signature in black ink, appearing to read 'Bernadette'.

Bernadette Deka

BACKGROUND NOTE

“Unlocking the Potential of the Tourism Sector to Support Economic Diversification and Broad-Based Wealth: Towards an Enabling Legal and Institutional Framework”

Zambia's abundant natural beauty, warm friendly people and resource wealth exists alongside extreme poverty, especially in rural areas. The tourism sector possesses significant potential to support economic diversification, broad-based wealth and income generation, but it has not been utilized as a wealth creating and value adding industry. Instead, this sector is characterized by multiple and sometimes conflicting policy, legal and institutional frameworks. It lacks an up-to-date and coherent tourism development policy. This is compounded by policy implementation responsibility being split into numerous institutions with minimal co-ordination. While seen as a policy dilemma, this is an opportunity for the Zambian government to reform the sector and unlock its potential to deliver the much needed decent jobs, trade expansion and income generation opportunities.” Observe PMRC researchers.

This Background Note, the first in the Tourism and Wealth Series, reveals the enormous potential that exists for the sector and explores options on how it can be socially and economically tapped towards creating resource rich and wealthy people.

It explores how the Zambian government can seize the opportunity of a consolidated Ministry of Tourism and Arts to:

- Review outdated policy frameworks related to tourism development towards a comprehensive and coherent Tourism policy;
- Harmonise the related tourism legislations to a more enabling legal and institutional framework;
- Strengthen the institutional framework supporting tourism development and align it to best practice policy strategies for supporting tourism development.

This Background Note starts with a historical overview of the performance of the sector. It highlights key areas that must be developed to enhance its contribution to the long-term vision of an industry-led, export-oriented, middle-income country. It concludes by outlining key legal and institutional reform areas for stimulating and accelerating the development sector to meet its wealth and trade expansion objectives. These reform proposals are based on the best policy reform in use in other developing countries.



The Black Cheeked Lovebird is endemic to Zambia

Source: South Luangwa National Park Wild Pictures Travel Gallery

The Untapped Potential of Zambia's Tourism Sector: Past Trends and Future Prospects

Zambia's abundant natural resource wealth is capable of supporting sustained social and economic development.

Zambia has been blessed with:

- 20 national parks
- 34 game management areas
- 4 major rivers
- 16 major waterfalls
- Rich natural forests
- 8 fresh water lakes
- Fertile soils
- Diverse wildlife
- Over 779 bird species
- Favorable climate throughout the year
- Warm and friendly people.

Zambia must capitalize on its competitive advantages to develop a vibrant tourism sector. This sector is capable of supporting economic diversification, strengthening the investment climate for foreign and domestic investments and effectively contributing to trade expansion and pro-poor employment creation. The tourism sector is an economic and pro-poor sector, as it is labour intensive compared to other sectors. Additionally it has a high female and youth employment ratio and is not necessarily import intensive. The sector has low barriers to entry and consists of a range of enterprises that provide opportunities for economic linkages in the local economy. Despite the numerous tourism attributes that Zambia possesses, the tourism industry continues to be plagued by low employment levels, minimal GDP contribution and nominal number of tourists. This sectors' potential continues to be largely untapped.

Budget Performance

Historically, government had not fully disbursed the approved budgetary allocations as seen by the variances in the table below.

One could infer that the underperformance of the sector during the period under observation could have been influenced by inadequate resource allocation. The sector has the potential to support employment and contribute favorably to GDP once it's sufficiently funded.

Year	Budget Allocation in USD	Budget Release in USD	Employment Levels	% GDP	Tourism Earnings (USD)	Tourist Arrivals
2006	8,140,000	3,202,000	21,204	2.40%	177,000,000	668,862
2007	34,740,000	21,740,000	22,204	2.00%	188,000,000	756,860
2008	24,640,000	13,616,000	22,756	2.40%	200,000,000	897,413
2009	15,520,000		24,308	2.70%	212,000,000	811,775
2010	43,980,000	13,260,000	25,860	2.30%	224,000,000	811,987
2011	7,120,000	6,320,000	31,900		216,000,000	906,417
2012	10,520,000					
2013	12,760,000					

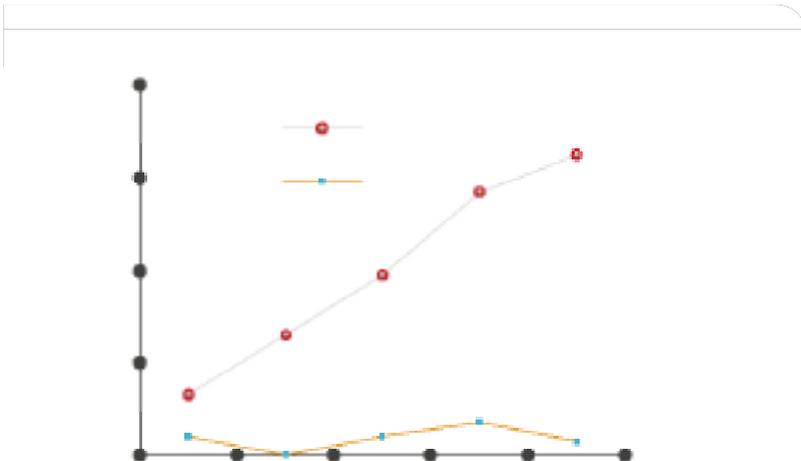
Source: Annual Progress Review FNDP, 2006 and Annual Review SNDF, 2011, National Assembly of Zambia, 2009 National Budget Republic of Zambia, Report of the Auditor General, 2007,08,10 and 2011 , Republic of Zambia Estimates of Revenue and Expenditure, 2013

The data also reveals significant and growing variance between budgetary allocations and actual release. On average between 2006 and 2011, only 43.7% of the budget allocation was actually released.

It is important to note that compilation of the above spreadsheet was based on eight verified government sources, such as the Annual Progress Review and the Report of the Auditor-General, however variances exist in each of the data sources. For example the 2007 budget allocation versus release; the Report of the Auditor-General recorded an allocation of USD 34,740,000 versus a release of USD 21,740,000 whereas the Annual Progress Review FNDP 2007, recorded an allocation of USD 13,760,000 vs. release of USD 2,580,000. This variance in an urgent call to government qualify all the data it gathers. This will enable researchers and policy makers alike to formulate accurate future projections, plans and reliable historical analysis.

Contribution to GDP

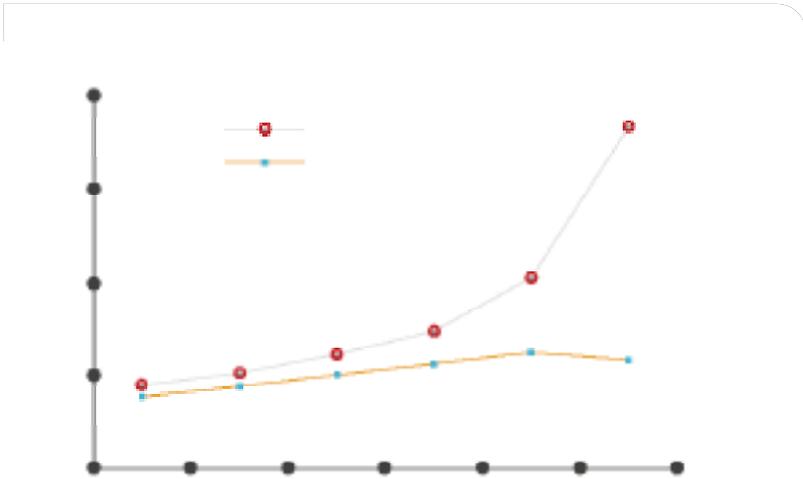
The tourism sectors' contribution, as a percentage of overall GDP, between 2006 to 2011 has remained relatively stagnant, hovering at approximately 2%. The sectors' target, since 2006 has been a year-on-year growth of approximately 1.5%. Data reveals that the contribution from the tourism sector in 2010 was less than in 2006. The chart below depicts the variance of the sectors contribution to GDP (actual vs. planned) from 2006 to 2012.



Source: Annual Progress Review FNDP, 2010

Tourism Earnings

Earnings from the Tourism sector performed below planned between 2006 and 2011. In 2011, earnings from the Tourism sector were USD \$216MM; this is a minimal increase from 2006 of USD \$177 MM.

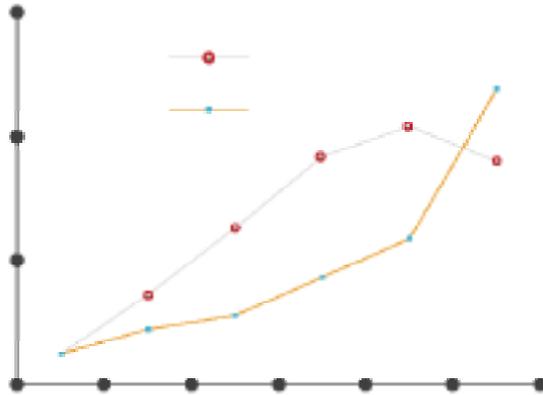


Source: Annual Progress Review FNDP, 2010 and SNDP 2011

Tourism Employment Levels

Most tourist attractions in Zambia are found in rural areas where youths and women lack decent job opportunities. Employment opportunities in the tourism sector abound, the chart below reveals historical trends of employment levels between 2006-2011.

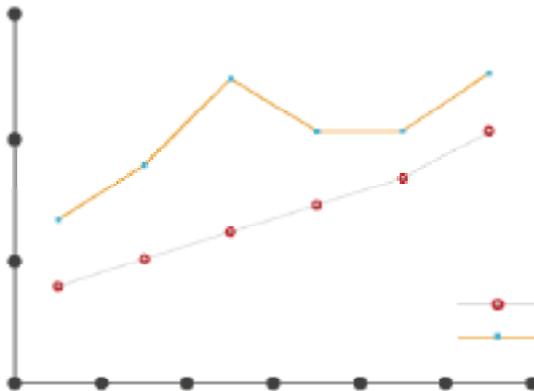
The actual employment levels in the sector have been far below planned, except for in 2011, when an increase was recorded. One could infer that the increase in budget allocation to the tourism sector in the same year could have influenced this spike. The increase in budget allocation directly impacted the number of projects and thus could have positively influenced job creation.



Source: Annual Progress Review FNDP, 2010 and SNDP 2011

Number of Tourist Arrivals

The chart below is a summary of the number of planned tourist arrivals as well as those that actually arrived from 2006-2011.



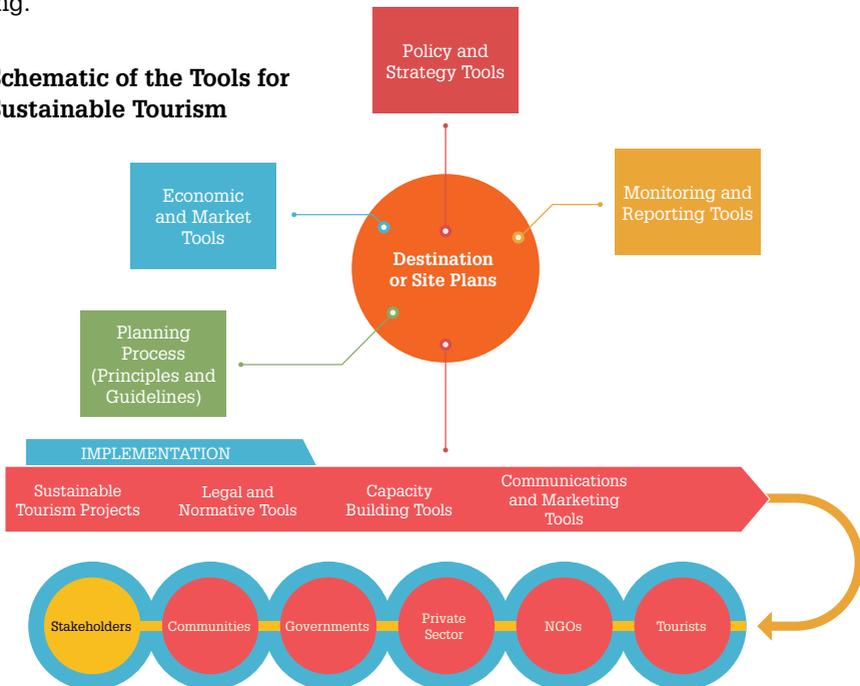
Source: Annual Progress Review FNDP, 2010 and SNDP 2011

Throughout the observed period the Planned Number of Tourist Arrivals was far below the Actual Tourist Arrivals. Despite the notable increases in international tourist arrivals, the targets are still far below neighboring countries like South Africa, which recorded 9.5 million tourist arrivals in 2008. There is need for realistic planning that will increase the number of tourist arrivals, and simply not setting already attained targets.

Learning from Best Practice

Zambia competes for tourists regionally with neighboring countries, such as South Africa, Zimbabwe, Tanzania and Botswana. Each with specific attractions and leveraging from an orchestrated approach that considers and engages all stakeholders including the private sector, government and Non-Governmental Organizations (NGO's). An example of such a model is the Community Based Natural Resources Management (CBNRM). The CBNRM utilizes participatory methods to identify root causes of poverty, trust between partners and the involvement of all stakeholders, community willingness to invest in management measures; community ownership of the resources and equitable benefit sharing.

Schematic of the Tools for Sustainable Tourism



Source: A Good Practice Guide, Tourism for Development WTO, 2009

The CBNRM is an all-inclusive stakeholder engagement model that fosters financial transparency, local empowerment and devolution of authority for resource management and democratic institutions and rational and supportive legislations that guide the sector.

Zambia is a signatory to CBNRM, however it has not benefited from the engagement model, despite adopting a stock-taking report for Zambia in the hope of promoting wildlife, natural resource conservation and rural development. It is important to improve the management of natural resources for the benefit of local communities. There is need to add value to these resources as they are a development tool for rural areas.

Challenges and Opportunities for Unlocking the Potential of the Tourism Sector in Zambia

Zambia is resource rich beyond minerals, for example; 40% of Sub-Saharan African bodies of water are located in Zambia, it possesses immense and unique vegetation, wildlife, richness of culture and harmony of tribes.

Formation of the new Ministry of Tourism and Art is evidence of the governments' recognition that this sector could be major contributor to the growth and development of Zambia, both economically and socially. Government associates the wealth of natural resources and culture with the need to develop and market these unique attributes locally and abroad.



Marketing and Social Media

There is need to make use of the social media to market both the tourist sites and locally produced arts and crafts. The tourism industry can utilize current advances in Information and Communication Technology (ICT), such as virtual reality (VR), web-based technologies, and mobile devices, to engage tourists and gain a competitive advantage. These technologies are capable of influencing tourist decisions on a global scale. In alignment with observations made in the PF manifesto, a critical setback to growth of tourism in Zambia is poor marketing of Zambia as a renowned tourist destination.



Upgrading of existing facilities and broadening of tourist attractions

There is need to develop Zambia's museums and other sites so as to make them more vibrant and competitive. Setting up a museum in each province can revitalize Zambian culture and traditions. Marketing tourism also requires developing direct consumer engagement through activation, information provision and public relations.

Another critical obstruction is the lack of diversified attractions and locations to attract more tourists and extend their length of stay in Zambia. There is need to broaden the number of attractions offered by Zambia especially diversifying the geographical locations within Zambia that tourists can visit. Zambia possesses an abundance of tourist sites, but there is need to develop them fully; this calls for more investment in meaningful infrastructure and facilities to meet the tourist's expectations.



Infrastructure Support

Other challenges include poor infrastructure (energy, road, rail, air and ICT infrastructure) this is one of the key inhibitors of tourism growth as it restricts access to tourist sites such as (Kundalila Falls, Bangweulu Swamps, Kasaba Bay, Liuwa Plains and Kafue National Park). Unpaved feeder roads inhibit access to these places and they become impassible during rainy season. There is urgent need to improve road infrastructure, local airports and feeder roads.



Arts and Culture

Creative industries are a fast growing economic sector that holds great potential for developing countries. It includes traditions of art, music, dance, literature, forms of creative talent, cultural heritage and profound traditional knowledge. Recognizing culture is one of the fundamental dimensions of development. Many developing countries including Zambia are not harnessing the potential of their creative industries to support job creation and poverty reduction. Lack of recognition of art as an income generating opportunity is inhibiting this sector.

The final but most significant inhibiting variable in maximizing the potential in the tourism sector is multiple legal and institutional frameworks. Legislation must be evaluated and revised in order to accelerate policy coherence, regulatory coherence and coordination. While these factors pose a challenge,

with respect to turning around the plight of Zambians from resource rich and poor people to towards resource rich and wealthy people, consistent with The Vision 2030, they should be perceived as an opportunity to critical regulatory, institutional and business process reform. This reform will support the process of unlocking its potential and making Zambia's tourism sector competitive and thus an ultimate global tourist destination.



Key Priority areas for Legal Reform

The tourism sector is guided (both directly and indirectly) by 11 pieces of legislation and 2 pieces of legislation that are still under development.

This does not include broader public policy guiding documents such as the Sixth National Development Plan. Some of these legal frameworks are archaic and need to be revised, such as the Museum Act of 1966 and The National Heritage Conservation Commission Act of 1989.

These multiple legal frameworks that support the same sector lack coherence. Multiple legal frameworks must be harmonized in order to have a positive impact on the sector, towards opening up tourism opportunities in many parts of the country, supporting eco-tourism, jobs and income generating avenues that could significantly impact poverty reduction.

Other examples of outdated legislation includes The Zambia Wildlife Act of 1998, which could be revised to engage communities to effectively participate on tapping on opportunities like forestry and game ranching. There are less than 120 game ranches in Zambia, given the land mass, and thus potential, polices must foster private sector engagement to reinforce a vibrant tourism sector with the potential of contributing significantly to GDP.

While these factors pose a challenge, with respect to turning around the plight of Zambians from resource rich and poor people to towards resource rich and wealthy people, consistent with The Vision 2030, they should be perceived as an opportunity to critical regulatory, institutional and business process reform. This reform will support the process of unlocking its potential and making Zambia's tourism sector competitive and thus an ultimate global tourist destination.



Key Priority areas for Institutional Reform

In order to fully maximize the potential in the tourism industry, it's critical to evaluate the stated aims and institutional support structure to the tourism industry. Three institutional frameworks guide the Zambian tourism sector;

1. The Zambia Tourism Board (ZTB),
2. National Arts Council (NAC) and
3. Zambia Wildlife Authority (ZAWA)

Zambia Tourism Board



The Zambia Tourism Board was established with a directive to promote and market Zambia as a tourist destination within and beyond Zambia borders. The Zambia Tourism Board historically had challenges in marketing Zambia to achieve tourism growth in the recent past. For example the theme 'Zambia, the real Africa,' was sending messages of Zambia as a poverty stricken and under-developed country. This theme was used for over 30 years and it failed to develop the country. There is need to use themes that send the message of Zambia being a first class tourist destination. Zambia Tourism Board should utilize the power of research to identify and support critical choices of resource allocation towards maximizing the marketing impact. Currently Zambian tourist sites are marketed in packages of other countries, for example a South African tourist packages.

Other areas of consideration should be the accommodation, other tourist's costs and target market, with the goal of expanding our target market and not limiting access to.

The National Arts Council (NAC)

The National Arts Council was established with the mandate to influence the development of Art in the country. However art in Zambia still remains largely untapped despite the supportive role it could play towards income generation. There is need for NAC to effectively influence the promotion of arts in the economy. Research on how the creative industries can be developed and a roadmap to promoting arts both socially and economically is required to thrust the arts industry forward.

Zambia Wildlife Authority (ZAWA)

ZAWA was established with the directive to manage and conserve national parks, game ranching and wildlife in Zambia. The legal framework should allow hosts to care for the environment and have rights to own the land they occupy in order to influence the management of natural resources. In this regard it is essential to empower local citizens to benefit.



Fragmentation of other support entities

Some departments that support tourism are also placed in other ministries. It is important to bring all tourism closely related departments under one ministry in order to ensure coordination and accelerate efficiency. For example The Department of Cultural Affairs responsible for managing and coordinating official cultural activities over the years has been shifted from one ministry to another. Currently the Department of Cultural Affairs is housed within the Ministry of Community Development and Social Services.

It is vital to bring it under the Ministry of Arts and Tourism for ease of coordination of all tourism related programmes and boost its contribution to economic development.



Conclusion



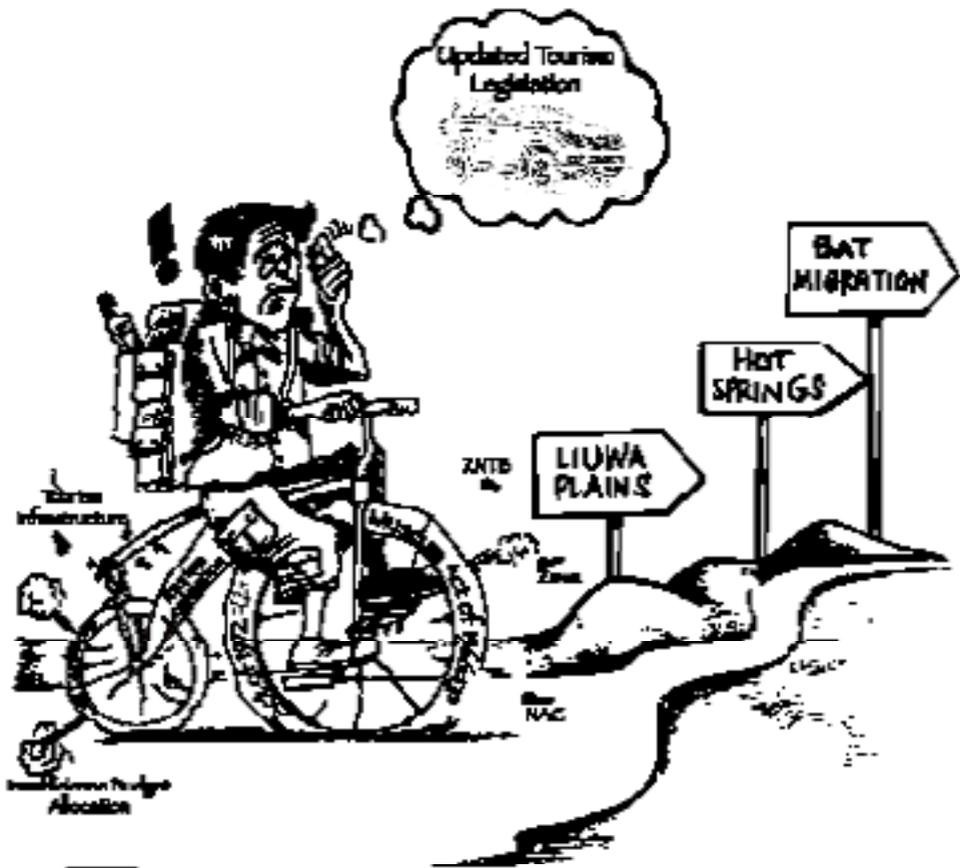
The level of development of Zambia's tourist sites and its supporting infrastructure is still in its infancy, yet it has the potential to support broad-based wealth and empower local citizens. Zambia's abundant natural and cultural resources are a key for driving economic growth and development. There is need to develop an enabling legal

and institutional frameworks to unlock the potential in the quest of diversifying the economy.

It is paramount to establish concrete strategies that will tackle the existing highlighted setbacks that include budget allocation, development of infrastructure and involvement of locals in tourism activities.

The achievement of necessary infrastructure, to support a potentially vibrant sector of the economy can only be achieved with budgetary support and release of the funds. Once the tourism sector has been fully developed and strategically marketed it has the potential to contribute significantly to rural employment creation, trade expansion and broad based wealth.

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REVISION OF LEGISLATION that indirectly and directly guide the tourism sector. Institutional and legal frameworks are incoherent and out-dated. The tourism legislation in Zambia has remained static and does not support **A VIBRANT TOURISM AND ARTS SECTOR AS GLOBAL TOURISM TRENDS HAVE EVOLVED.** Tourism infrastructure must be upgraded into **MODERN AND WIDELY ACCEPTED STANDARDS.** Accessibility to tourism sites has to be enhanced to attract many tourists. Therefore the role of the auxiliary bodies must be reformed so that it can boost the tourism market and protect the tourism and arts industry.

To read the PMRC Tourism Policy Brief to go:

<http://www.pmrczambia.com>

POLICY BRIEF

"Tapping on the Potential of the Tourism Sector to Support Economic Diversification and Sustainable Income Generation"

KEY MESSAGES:

The tourism sector is currently contributing 2% to the GDP instead of 8% as planned (2011). The sector is on average earning USD 200 million/year as opposed to the planned USD 450 million per year. Tourism has potential to become Zambia's key economic driver. Vibrant and vigorous marketing of Zambia as a preferred tourism destination can boost the country as a tourism hub for southern Africa. The substantial potential that lies in the tourism sector has not been effectively tapped upon as a wealth creating and value adding industry. Government should embark on a long term sustainable strategy which will catalyse the growth and sustainable tourism by creating a suitable environment in terms of policies to facilitate for economic development.

There is need to review, update, re-align and harmonise the pieces of legislation that indirectly and directly guide the tourism sector, as these institutional and legal frameworks are disjointed and outdated. The tourism legislation in Zambia has remained static and does not support the tourism and arts sector as global tourism trends have evolved. Tourism infrastructure must be upgraded into widely accepted standards. Accessibility to tourism sites has to be improved to enable tourists at all levels to access them.

The potential for boosting the tourism market in order to create sustainable economic growth and employment remains mostly untapped. The role of the auxiliary bodies (ZAWA, NAC and ZTB) must be reformed in order to boost the tourism market and protect the tourism and arts industry. Boosting of the tourism market sector also entails having clear marketing strategies, which do not exclusively focus on just attracting foreign tourists; instead these marketing strategies should also focus on tapping into domestic tourist potential.

Summary

Policy brief sets out the case for an enabling legal and institutional framework that is more coherent to ultimately boost the tourism sector to support a long term vision. In order to substantiate the key policy reform options, this Policy Brief (PB) highlights the key priority areas for restructuring the legal/institutional framework with the view of tapping on the sector's potential to support economic diversification and development. Upgrading and development of tourism Infrastructure remains critical to realizing the goals of the tourism sector. Key Performance Indicators (KPIs) set for the tourism attainable must be realistic and time sensitive (S.M.A.R.T), coupled with a comprehensive Monitoring and Evaluation (M&E) framework.

Statement of the Problem

The tourism sector is governed by out-dated pieces of legislation and pieces that are still under development.

The legislation needs to be reviewed and updated to match the current global trends and advancements in global tourism. The auxiliary bodies supporting tourism sector in Zambia need to be redefined and coordinated in functions. Each of the bodies must clearly align to the overall goals of the tourism sector and execute their mandate in a systematic and vibrant manner.

The tourism industry in its existing state has failed to make the contribution to the country's national development that it is capable of due to several factors such as poor infrastructure and outdated legislation. Other factors include poor marketing of Zambia as a tourist destination of choice and high accommodation cost, with Zambia being amongst the highest in the Southern African region. As a result, the country is one of the most expensive and least known destinations for any visiting tourist in the Southern African region. The level of development of Zambia's tourist sites and its supporting infrastructure is still in its infancy, yet it has the potential to support broad based wealth and empower local citizens. Sub-standard tourism infrastructure, a key inhibitor to growth, has to be addressed in order to enable effective development.

The sector's poor infrastructure restricts access to some tourist sites and thus is a major concern.

Background

Attracting increased tourist arrivals can be reinforced during the United Nations World Tourism Organisation (UNWTO), which Zambia managed to successfully bid together with Zimbabwe as co-hosting countries of the conference

stated for August 2013; this is a huge opportunity for branding. In 1996, the Government reclassified the tourism sector from a social to an economic category. This was on recognition of the sector's potential to contribute to economic development in terms of, foreign exchange earnings, employment and income generation, contribution to Government revenues, promotion of rural development and as well as and income generation, contribution to Government revenues, promotion of rural development and as well as perform the role of a sustainable development catalyst.

In 2013, Government has proposed to spend USD 12.8 million (63.8 Million Kwacha Rebased). From this allocation, USD 6 million (K 32.3 Million Rebased) is for marketing and promoting Zambia. The decision to rebase the Zambian Kwacha was designed to ensure that transactions are conducted with ease and assist tourists alike. The new ministry created as "Tourism and Arts" is mandated to raise the nation's prominence as a preferred tourism destination. Government aims to facilitate the creation of approximately 300,000 jobs in tourism sector in the next 5 years and one of the major targets of the tourism sector in 2013 is to attract 1,030,800 tourist arrivals and showcase the tourism resources of Zambia.

However some challenges associated with the Tourism sector include uncompetitive products and poor access to tourism sites.

ANALYSIS OF POLICY

The commitments set in the PF manifesto and in the` SNDP regarding the tourism sector are not in alignment. There is urgent need to have a harmonised strategic framework that must guide the development of the tourism sector. The legislation and regulatory bodies governing the tourism industry have not upgraded to the current trends and norms of managing tourism. This builds a strong case for the government to step up efforts under the Ministry of Tourism and Arts, to review all the legislation and upgrade to current demands whilst adhering to the global tourism protocols and guides. This will revamp the sector and ensure that Zambian tourism moves to new levels. The need for revised policies and harmonisation is driven by the variations of objective, KPIs and implementation plans.

Below is a compansion of Tourism mandates in the PF manifesto and Sixth National Development Plan

PF manifesto 2011 - 2016	Sixth National Development Plan (SNDP) 2011- 2015
<p>The PF government commits to:</p> <ol style="list-style-type: none"> 1. Review the tourism industry policy so as to make investment in the sector attractive and profitable to both local and foreign investors; 2. Ensure that growth in resource-based tourism is environmentally sustainable and should be accessible to future generations; 3. Repeal both the Zambia Wildlife Act of 1998 and the Tourism Act and introduce a regulatory regime, which fosters the development of the industry; 4. Enhance the employment of “village scouts” to ensure rural employment opportunities and incomes; 5. Reject relationships based on charity between tourism operators and communities as a basis for revenue transfers at local level, providing in law for rights and entitlements for community revenue from all wildlife-based tourism; 6. Promote well-targeted government investment in infrastructure development and hence open up new tourist sites in the country; 7. Establish collaborations with the private sector to introduce economic routes by road and air to viable tourist destinations; 8. Promote cultural and ethno-tourism in all provinces in order to create job opportunities in the rural areas; 9. Collaborate with the private sector so as to enhance the marketing of the sector locally and internationally; 10. Introduce regulations to address the human-animal conflict in Game Management Areas so as to protect wildlife and local communities; 11. Establish a wildlife and tourism research and training institute to enhance local skills in the sector. 12. Introduce regulations to address the human-animal conflict in Game Management Areas so as to protect wildlife and local communities. 	<p>The SNDP tourism objectives:</p> <ol style="list-style-type: none"> 1. To make Zambia a preferred tourist destination 2. To improve standards in the tourism sector. 3. To provide infrastructure for preservation of culture heritage and promotion of creative industries. 4. To promote creative industries. 5. To preserve and promote Zambia’s cultural heritage practices and expression of posterities. 6. To integrate climate change concerns in the development of the tourism industry. <p>These objectives have accompanying strategies and these are;</p> <ul style="list-style-type: none"> ▪ Develop greater marketing presence in tourist source market; and enhance the promotion of domestic tourism; ▪ Extend market reach through the use of ICTs; Re-launch the visit Zambia campaign; and ▪ Encourage private marketing initiatives. And Diversify tourism products ▪ Strengthening regulation and standards for the tourism industry; and create tourism market research and statistics synergies with relevant institutions ▪ Improve accessibility to key tourist destination areas and package and promote the establishment of tourism investment sites in tourism priority area ▪ Facilitate public-private partnership in tourism investment and construct and rehabilitate tourist facilities in priority areas. ▪ Develop institutional and human resource capacity and re- skill and up-skill of human resource in various fields. ▪ Develop skills for operators and higher level training in tourism and provide adequate learning facilities. ▪ Complete the construction of 7 Provincial multi-purpose cultural villages, a national culture center. Renovate and upgrade theatres, museums, heritage sites and handicrafts centers. ▪ Promote PPPs in the development of arts and culture infrastructure, facilitate access to training and business development resources and strengthen quality control mechanisms. ▪ Provide support to cultural institutions, individuals and associations, support traditional ceremonies and indigenous knowledge systems, develop response plans for water supply and flood management in tourist destinations. ▪ Sinking of bores and damming of water courses to increase volume of available water to animals.

SNDP OBJECTIVES 2011 -2015	KPI'S - ANNUAL PROGRESS REPORT 2011
<ol style="list-style-type: none"> 1. To make Zambia a preferred tourist destination 2. To improve standards in the tourism sector 3. To provide infrastructure for preservation of culture heritage and promotion of creative industries 4. To promote creative industries 5. To preserve and promote Zambia's cultural heritage practices and expression of posterities 6. To integrate climate change concerns in the development of the tourism industry 	<ol style="list-style-type: none"> 1. Number of international visitors whose usual resident is not Zambia, visiting Zambia 2. Annual direct tourism earnings (US\$'M) 3. Employment levels 4. Bed space in the hospitality industry 5. Occupancy rates % 6. Length of stay for tourists (days)

The Sixth National Development Plan (SNDP) shows clear disparity in the objectives and the KPIs. These KPIs should be formulated from objectives to ensure clear line of thought and focused monitoring of outputs and impact.

TOURISM LEGISLATION AND REGULATORY BODIES

The Ministry of Tourism is governed by 11 pieces of legislations. The legislation comprises Acts and Policies that govern the museums, hotels, forests, Zambia's wildlife and the protection of the environment, among others. Listed below are the major acts and policies that govern the tourism sector.

National Heritage Conservation Commission Act of 1989

The National Heritage Conservation Commission replaced the Natural and Historical Monuments and Relics Act and;

- Established the National Heritage Conservation Commission
- Defined the functions and powers of the Commission
- Provided for the conservation of ancient, cultural and natural heritage, relics and other objects of aesthetic, historical, prehistorical, archaeological or scientific interest
- Provided for the regulation of archaeological excavations and export of relics
- Provided for matters connected with or incidental to the foregoing. The functions of the Commission are to conserve the historical, natural and cultural heritage of Zambia by preservation, restoration, rehabilitation, reconstruction, adaptive use, good management, or any other means.

The Heritage Commission has not, however, identified and created several national heritage sites in Zambia. With abundant natural scenic beauty and monumental historical places, Zambia has minimal heritage sites. The existing heritage sites have deteriorated due to the lack of preservation activities. Therefore there exists an opportunity for the Act to be reviewed and upgraded and establish a “National Heritage Database”, which would help package and showcase the abundant beauty and heritage of Zambia, hence extensively market the sites.

The Forests Act of 1999

This Act was mandated to provide for the establishment and management of National Forests and Local Forests; to make provision for the conservation and protection of forests and trees; to provide for the licensing and sale of forest produce. The cutting down of trees in Zambia has increased for both domestic and commercial purposes. This has led to massive deforestation and deterioration of the environment. The national tree planting exercise must be embraced to restore and increase the woodlands and tress in Zambia. This will protect the environment and is also an employment generating activity.

The National Museums Act 1966

National Museums Act was designed to provide for the establishment, control, management and development of National Museums. The National Museums Board was established to control, manage and develop national museums and was tasked with managing all of Zambia's national museums. The Act is outdated and needs review.

Global tourism trends have evolved and changed but the Act governing museums in Zambia has remained static. National Museums in Zambia have not been a significant income generator and their operations remain at best average. New museums have not been established and the existing National museums have not been revamped, to adequately attract both local and foreign tourists. Museums need to be opened in all provincial headquarters and preserve the history and beauty of Zambia. All aspects of the history of Zambia will need to be well packaged and exhibited in the Museums if the number of museums is to increase and museums provide employment for the local people.

The Zambia Wildlife Act 1998

The Zambia Wildlife Act of 1998 defines the establishment and functions of the Zambia Wildlife Authority (ZAWA). It contains the declarations of National

Parks and effects of orders and acquisition of lands. It defines the restriction on exercise of mining rights with National Parks and controls all legislation concerning the parks. The Act controls declaration of Game Management Areas (GMA) and controls all hunting licenses in both game parks and GMAs. Zambia Wildlife Authority (ZAWA) has been beset with negative administration, transparency and accountability issues. The senior ZAWA officers have been relieved of their duties on accounts of abuse of authority and office. This has shown the clear disparities existing within ZAWA and in its operations. Awarding of hunting and game licenses have been biased due to weak regulatory frameworks and corrupt practices. There is a need a audit all concession agreements signed prior to the dissolution of the ZAWA Board. GMA's have not benefited the local people. The existing National Parks have not been upgraded and revamped to make them more vibrant. Poaching has continued to increase and as a result endangered animal species continue to decline and numbers of wildlife continues to disappear.

The Environmental Protection and Pollution Act of 1990

The Environmental Protection and Pollution Act of 1990 is meant to provide the protection of the environment and the control of pollution as well as prescribe the functions and powers of the environmental council. The main function of the environmental and control act is to protect the environment and control pollution, so as to provide for the health and welfare of persons, animals, and plants. It regulates the emissions of toxins or any other pollution to the environment. Despite concerted efforts, environmental management is still faced by challenges; both human and natural causes. Zambia continues to be affected by the negative effects of climate change such as uneven weather patterns and floods, which are a hindrance in accessing some major tourist sites.

The Tourism and Hospitality Act of 2007

The Tourism and Hospitality Act of 2007 has the mandate of providing incentives for investors in the tourism industry, providing for the control and regulation of hotels and the enforcement of reasonable standards of cleanliness, sanitation and service. The tourism industry through this act also provides for;

- The authorization and licensing of tourism enterprises
- The constitution of hotel managers registration council.
- The establishment and administration fund.

The Zambia Tourism Board Bill of 2007

The Bill provided the establishment of the Zambia Tourism Board (ZTB) and defined its functions thereof. It defined the promotion and marketing of Zambia as a tourist destination within and outside Zambia. The ZTB has not extensively marketed Zambia as a preferred tourism destination within and outside Zambia. The visit Zambia campaigns have been unsuccessful initiatives intended to boost tourism arrivals in Zambia. The new brand “let’s explore” is an effort to continue attracting more tourists. Qualified marketers will have to be identified and engaged to carry out the vigorous and extensive marketing of Zambia as a preferred tourism destination if the brand is to succeed in a very competitive market.

The National Cultural Policy of 2002

The National Cultural Policy was the first ever legislation to be formulated and implemented to govern the arts and cultural sector after the country’s independence in 1964. This Act established the norms and values governing the arts sector in Zambia. Historically, performing arts in Zambia like in many other African countries were organized as communal activities and constitutive of the norms of the communities that practiced them. Art performers in Zambia have not yet been given social recognition for their talents. Performing arts has not been considered as a rewarding vocation and thus the Arts sector needs an overhaul and to be re-invigorated. The PF Government has merged the arts with the tourism ministry and this is aimed at strengthening the linkage between the two topics. This shows that art is an integral part of tourism and must be managed taking into account the latest trends and norms to enhance its vibrancy. This will expose more Zambian talent and will also be a sizable income earner.

The Statutory Instrument (SI 33)

This SI clearly states that a person shall not quote, pay or demand to be paid or receive foreign currency as legal tender for goods, services or any other domestic transaction. This law has affected the tourism industry because most tourists now find it hard to operate with the Zambia currency when they try and book tourist attractions. It is vital to address conflicts occurring in the tourism industry around this SI and curb the difficulties that tourists trying to visit Zambia are facing.

REFORM RECOMMENDATIONS

There is need to align all legislation to the vision and mission of the Ministry which is influenced by the overall development agenda of the nation. These recommendations should result in clear focus of all objectives, robust M&E frameworks and SMART KPIs for the sector to enhance accountability, efficiency and effectiveness in the ministry.

1. Review and Upgrade of Tourism Legislation

Legislation review should be undertaken to facilitate the development of a diversified, sustainable and globally competitive tourism industry. This will promote a quality environment and sustainable utilization of heritage and natural resources. There lies an opportunity to respond to the changing trends in tourism business environment and make Zambia a prime destination in Africa. The aim is to have an updated legislation that promotes growth based on increased tourism, which is environmentally sustainable and should be accessible to future generations. For the legislation highlighted to be effective stakeholders (government and private sector) have to engage in consultative meetings to include and substitute particular elements of the legislation. This should be done with a clear strategic focus on the overall objectives and goals of the tourism sector.

2. Coordination of all Tourism Auxiliary Bodies

Zambia Tourist Board (ZTB), Zambia Wildlife Association (ZAWA) and National Arts Council (NAC) are the three (3) major institutional bodies that guide the Zambian tourism sector. The Tourism Council of Zambia (TCZ) should coordinate its operations with the Ministry of Tourism, and realise all the targets of the sector. The tourism sector has not contributed to its potential and there is need to revise mandates, overall targets, KPIs and Monitoring and Evaluation framework (M&E). The institutional linkages must be structured in a more inclusive manner. All stakeholders must be engaged and allowed to contribute into operations at local level. This will ensure that the average Zambian enjoys the benefits of tourism. For NAC, Arts and Culture should focus on the provision of requisite infrastructure and skills for the promotion of creative industries for socio-economic development and preservation of Zambia's cultural heritage.

3. Extensive branding, Marketing and Promotion of Zambia Tourism

Tourism products, sites and heritage, must be audited and compiled into a database. Zambia tourism must be branded beyond the new ZTB theme of “Zambia lets explore”. Zambia is endowed with numerous breathtaking tourist attractions but the reality is that it is not attracting the potential tourist numbers. ZTB must target the economic power of the locals as tourists as well. There should be extensive education to the locals on the tourism sites which would increase the network of communication that would help to foster increased tourist arrivals in Zambia. The Private sector must be engaged to enhance the marketing of the sector locally and internationally. Citizens in the diaspora should be engaged to intensify the marketing of Zambia in their country of dwelling. Zambian celebrities could be engaged to brand and market Zambia, as this has been a common trend and a sure way of attracting more tourists. ZTB should endorse Zambian celebrities and personalities as tourism ambassadors, who would capture a wider audience.

4. Upgrade of Tourism Infrastructure

Accessibility to tourism sites and poor infrastructure are major hindrances that need urgent attention. Promotion of well targeted government investment in infrastructure development and opening up new tourist sites should be priority. Collaborations between government and private sector to introduce economic routes by road and air to viable tourist destinations should be on the reform agenda. Access to tourist attractions should by all means be easy and affordable. A sure way is to promote competition among tour operators and internal airlines. This will ensure that there is no monopoly in transport services and thus the cost and prices of accessing the tourist attractions would be reduced. The end result will be more tourists visiting Zambian sites thereby massively increasing the earnings from tourism sector.

5. Uphold And Reserve Our Culture

The tourism sector should not just be seen as a source of revenue from the tourist that come to visit Zambia’s tourist sites, instead it should also be seen as a platform for conserving and upholding our rich Zambian culture. The role of heritage in our culture must be upheld as a sense of self and as a way of protecting our identity as Zambians. The National Heritage Conservation Commission Act of 1990 which provides for the conservation of ancient, cultural and natural heritage must be enforced to carry out its stated aims of which conserving culture is one of them. The Tourism Ministry on the other hand must commit its self to supporting the major annual traditional ceremonies that are held in Zambia. Showcasing

of our ceremonies will uplift our culture and this is a viable strategy of attracting tourists to come and watch our traditional ceremonies. There should also be an introduction of festivals that celebrate rich cultural heritage.

Conclusion

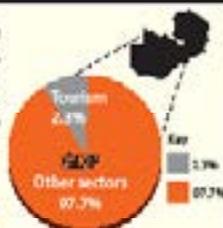
In the PF manifesto, Government requires the sector to contribute to increasing the Gross Domestic Product per capita within a short period of time, thus contribute to employment creation and opportunities. This can only be achieved with a clear strategic framework and direction coupled with updated and realistic legislation and tourism regulation. A harmonised strategic framework for government will ensure clear direction of the tourism sector. The tourism legislation needs to be reviewed and reformed, if the sector is to operate to its full potential. The auxiliary bodies supporting the tourism industry need to take a new approach in managing tourism, as past trends show that they have failed. The tourism infrastructure should be upgraded to match the current global trends and norms. Human-animal conflict in game management areas (GMAs) and National parks should be addressed so as to protect wildlife and yet provide local communities with income. The Arts segment of tourism must go beyond performing arts and culture but into vigorous ventures to showcase the beauty and natural scene of Zambia. The UNWTO conference in August 2013 is an opportunity for Zambia to open its doors to the rest of the world and show itself as a prime destination and tourist hub for Southern Africa.

PMRC TOURISM SERIES

TOURISM: SUPPORTING SUSTAINABLE DEVELOPMENT, INCOME AND JOB CREATION

The Zambian tourism sector has the potential to contribute significantly to job creation and national revenue. The tourism sector currently employs about **31,900 people**.

In 2011, tourism contributed approximately **US\$200 million** towards our national budget, that is **2.3%** of Gross Domestic Product (GDP). It has the capacity to contribute, as much as Zimbabwe at **8.6%** of GDP or approximately **US\$700 million** annually.



The 2013 Budget allocation of ZMK 63.8 billion for the tourism sector is insufficient to address the some of the major impediments to promote this sector, such as **infrastructure and marketing**. Adequate budget allocation would facilitate the tourism sector in achieving its potential of US\$700 million.

What does this mean for Zambia?

Government would have an additional US\$ 500 million a year more to spend on improving social services such as schools, roads and hospitals.



Government can diversify economic dependence from mining to tourism; as hubs for the Zambian economy.



Tourism sector growth will result in increased tourism employment levels, thus empowering many families.



The stability and growth of the sector shall promote a suitable environment for more investment. This will further boost employment.



Sustained expansion of the tourism industry will increase international tourist arrivals and ultimately improve earnings.



By comparison, tourism in Zimbabwe generates about **US\$800 million**, which accounts for **8.6%** of its GDP. Zimbabwe has extensively marketed its tourism industry using the iconic Victoria Falls. Both Zambia and Zimbabwe are endowed with wildlife, game parks, freshwater bodies and a rich cultural heritage; however the performance in the respective tourism sectors vary considerably.

2011 Tourism Performance Focus

	Zambia	Zimbabwe
Contribution to GDP	2.3%	8.6%
Total Earnings	US\$200 Million	US\$ 800 Million
Number of International Tourist Arrivals	906,417	2,500,000
Number of People Employed	31,900	98,400

Recommendations

1

Legislation |



Review and update legislation

- The Tourism and Hospitality Act No. 23 of 2007
- The Zambia Wildlife Act No. 12 of 1990
- The Zambia Tourism Board Act No. 24 of 2007

2

Accessibility |



Improve accessibility to sites; both physical and cost. Roads must be passable and infrastructure should be upgraded to a higher standard. The costs structure should be revised to cultivate targets of both local and international tourists.

1

Marketing |



An extensive marketing strategy both locally and internationally to promote Zambia is critical. It should contain diversification from sites, to include arts and culture, as this will increase the variety of tourist attractions.

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