

BANKING ON PROTECTED AREAS: IMPACT OF TOURISM ON LOCAL ECONOMIES

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STUDY OBJECTIVES



To assess the economic impact of protected area tourism on local economies and communities



To assess the economic case for investment in protected area management

Banking on Protected Areas

Promoting sustainable protected area tourism to benefit local economies



CASE STUDIES

Criteria for Site Selection

- Tourism numbers sufficient for sampling
- Site formally designated as protected area or in process of registration
- Government buy-in and/or recommendation
- Manageable logistics for site visits

MARINE PROTECTED AREAS



BRAZIL

Abrolhos Marine National Park, IUCN Category II



FIJI

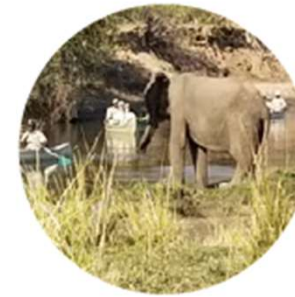
Tavarua, Navini, and Malolo (Mamanuca Islands archipelago)

TERRESTRIAL PROTECTED AREAS



NEPAL

Chitwan National Park, IUCN Category II



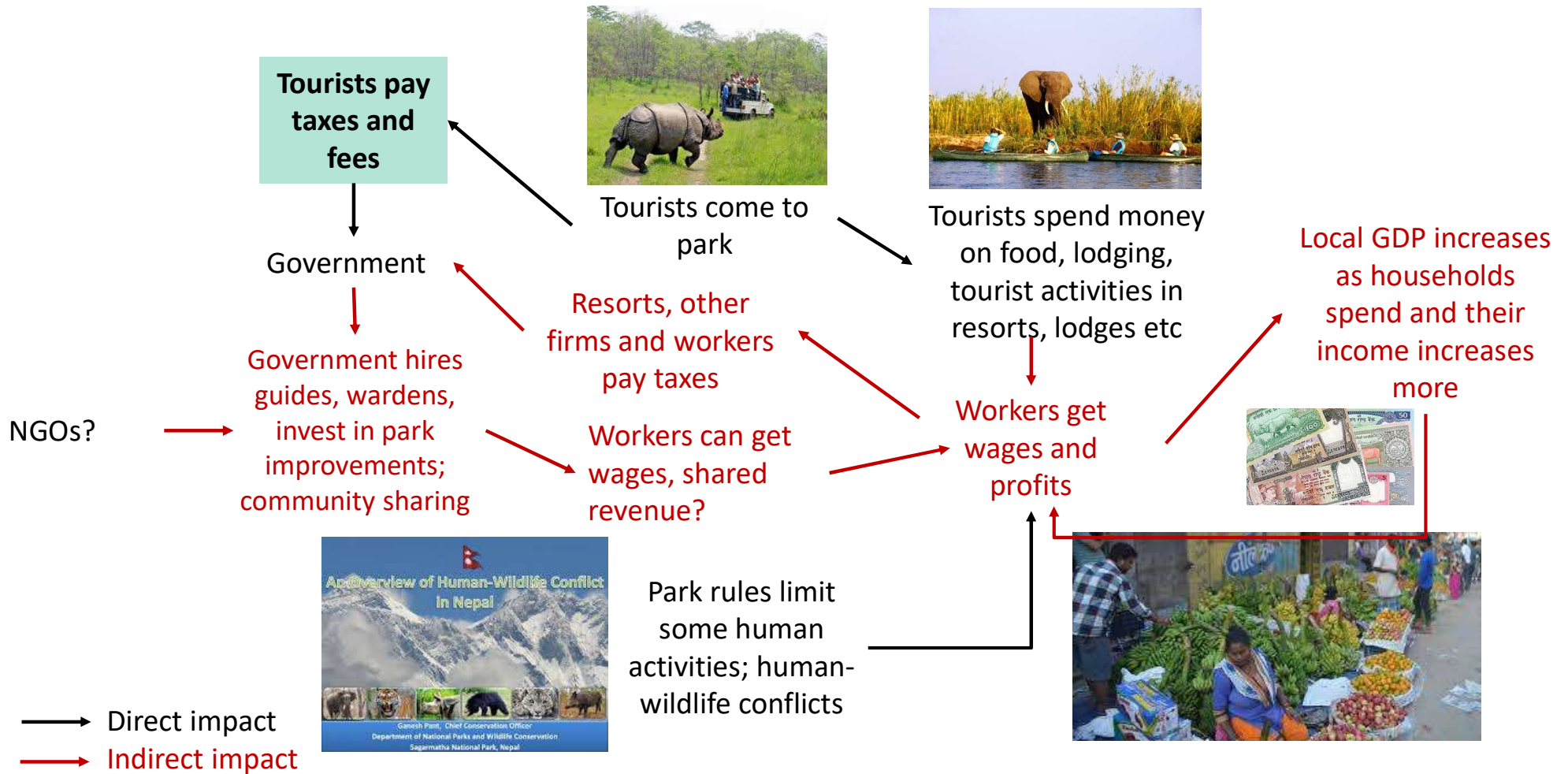
ZAMBIA

Lower Zambezi National Park, IUCN Category II
South Luangwa National Park, IUCN Category II



Collaboration with students from nearby universities to survey communities

Impact of tourism in protected areas – multiple direct and indirect effects



METHODOLOGY: LOCAL ECONOMY-WIDE IMPACT EVALUATION (LEWIE)

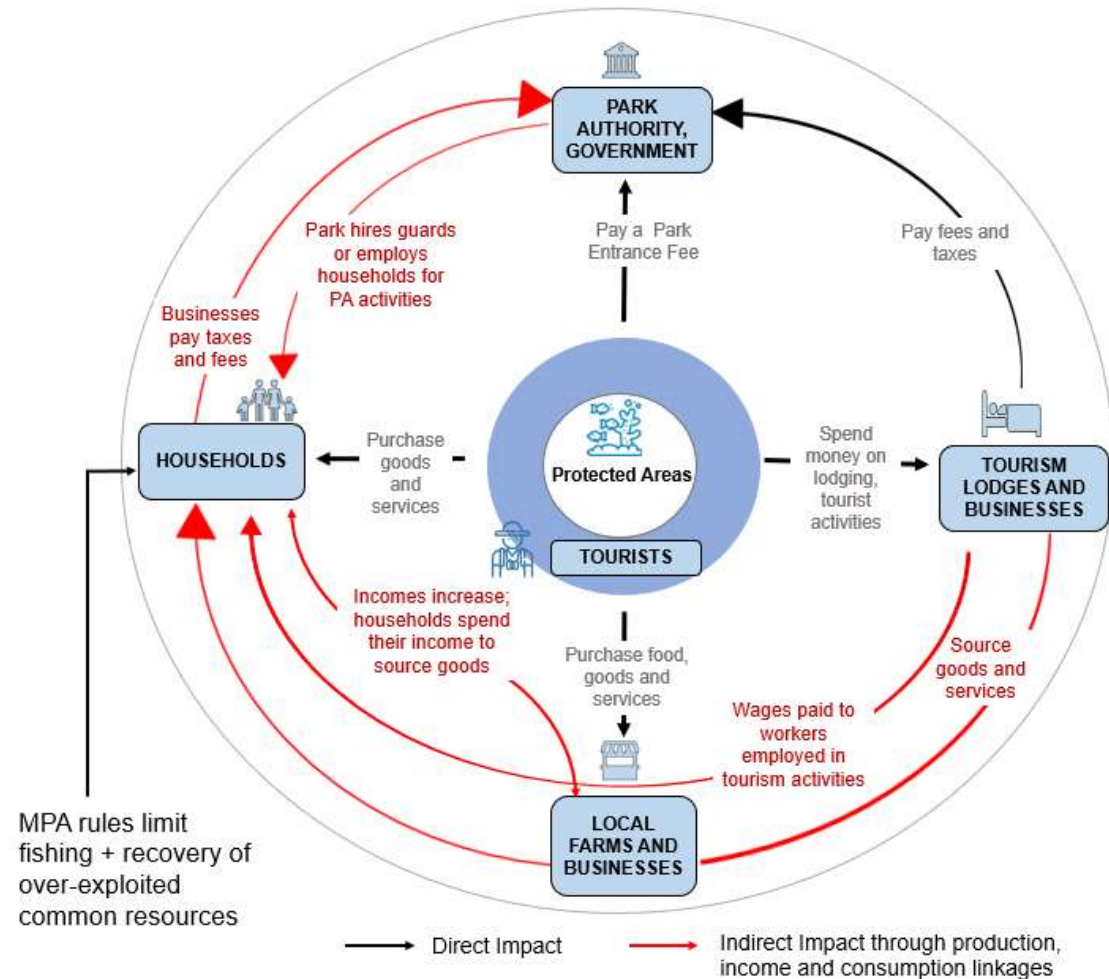
Direct impacts

- Protected Areas (PAs) attract tourists
- Tourists spend money on lodging, meals, tours, handicrafts, etc.

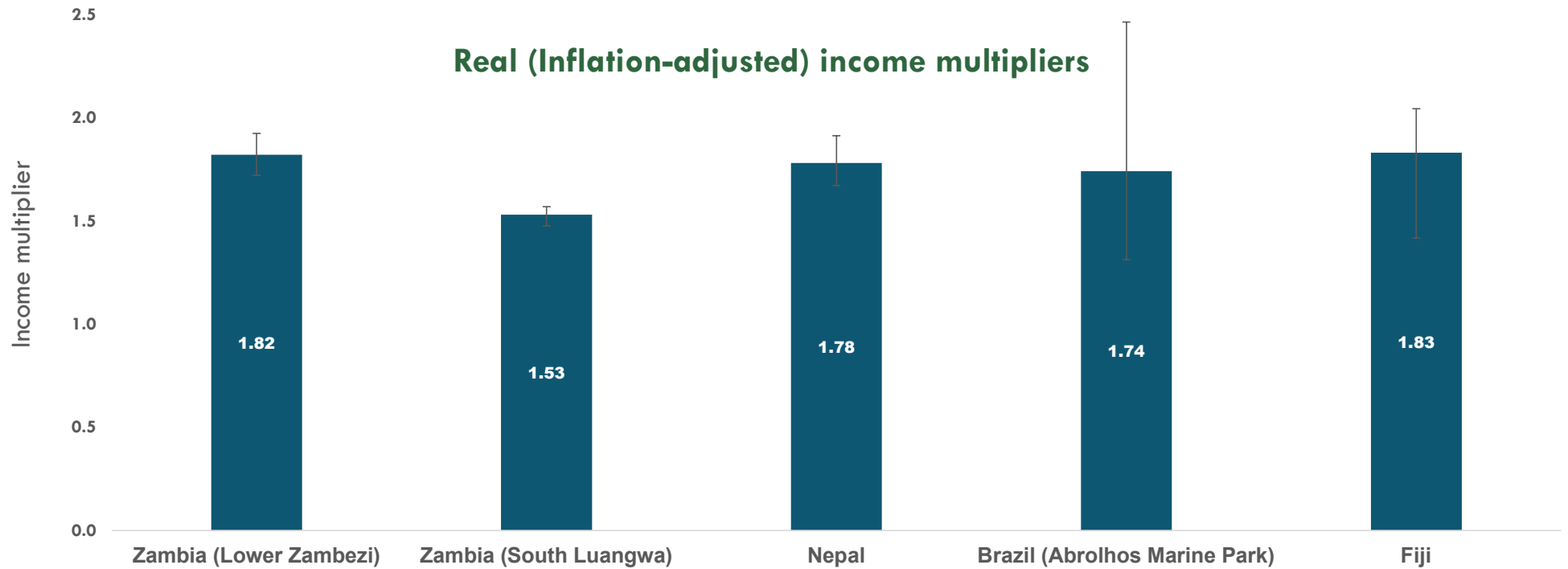
Indirect impacts

- Tourism businesses earn profits, pay wages and taxes
- Wages and profits increase household incomes
- Households spend income on food and other goods and services
- This unleashes additional rounds of income impacts
- Generating rounds of income, production, and employment multipliers

Fiscal impacts (tourists, businesses and households pay taxes and other fees)

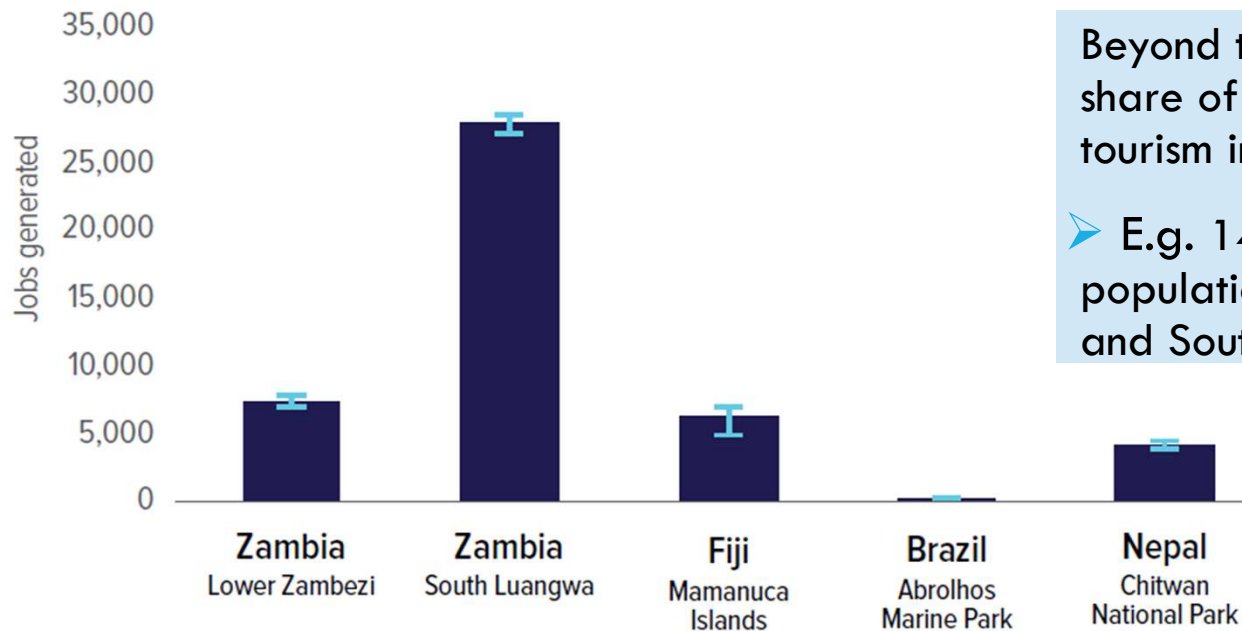


AN ADDITIONAL DOLLAR SPENT BY VISITORS RAISES INCOMES IN THE LOCAL ECONOMY BY 1.5-1.9 DOLLARS ACROSS THE 5 PARKS



FINDINGS

TOURISM GENERATED JOBS DIRECTLY THROUGH TOURISM ACTIVITIES, AND INDIRECTLY BY STIMULATING THE LOCAL ECONOMIC ACTIVITY



Beyond the total number of jobs, the share of employment supported by tourism in protected areas is significant.

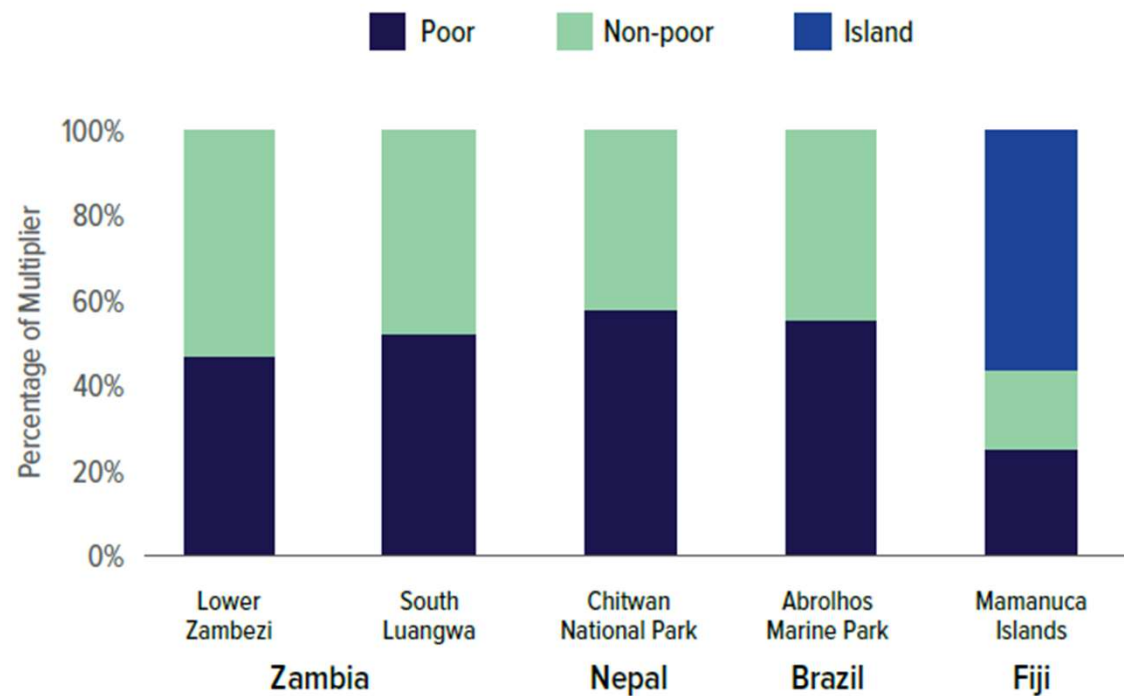
➤ E.g. 14% and 30% of working age populations around the Lower Zambezi and South Luangwa Parks in Zambia

7,463 jobs supported	28,210 jobs supported	4,309 jobs supported	300 jobs supported (46,800 in the Whale Coast region)	6,412 jobs supported
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FOR EACH DOLLAR SPENT BY TOURISTS IN THE LOCAL ECONOMY, MORE INCOME IS GENERATED FOR POOR HOUSEHOLDS

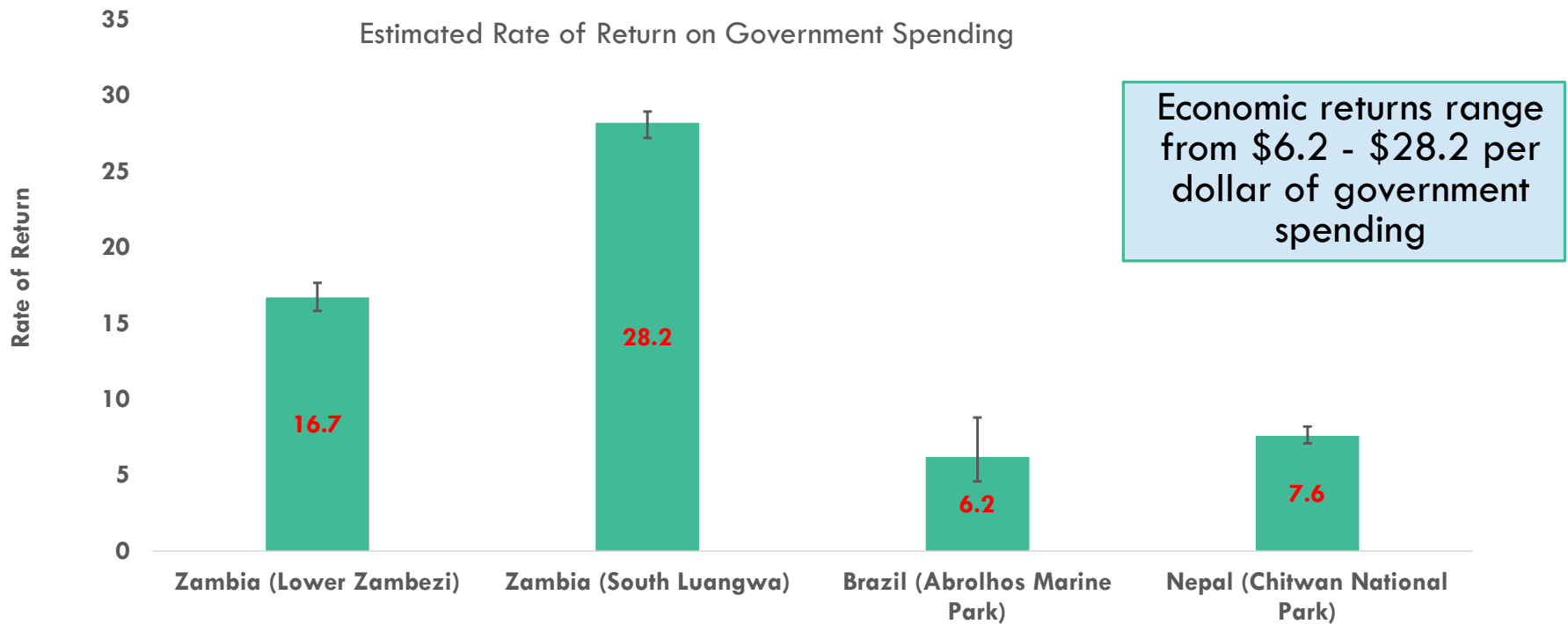
FINDINGS

Share of Multipliers Across Poor and Non-poor Populations



Source: World Bank

RETURN ON GOVERNMENT INVESTMENT IN PROTECTED AREAS IS AT LEAST SIX TIMES THE COST



FINDINGS

KEY MESSAGES

- **Conservation and promotion of tourism in protected areas contributes to local economic growth**
 - ✓ Generates significant growth multipliers
 - ✓ Contributes to poverty reduction and sustainable development
- **Public investment in PAs is economically attractive**
 - ✓ Accounting for other ecosystem services will significantly improve returns
- **“Buy local” and “hire local” – generate large impacts on local incomes**
 - ✓ Hiring rangers locally increases growth multipliers for the low-income families
 - ✓ Sourcing goods and services locally boosts local economies
 - ✓ Encouraging linkages and diversifying local businesses amplify tourist spending
- **Strong economic case for sustainable tourism and conservation of biodiversity in PAs**
 - ✓ Benefit sharing reduces conflicts and enhances the stakes for local communities for PAs



Thank you!

More information available:

[The Global Program on Sustainability](https://www.worldbank.org/en/programs/global-program-on-sustainability)

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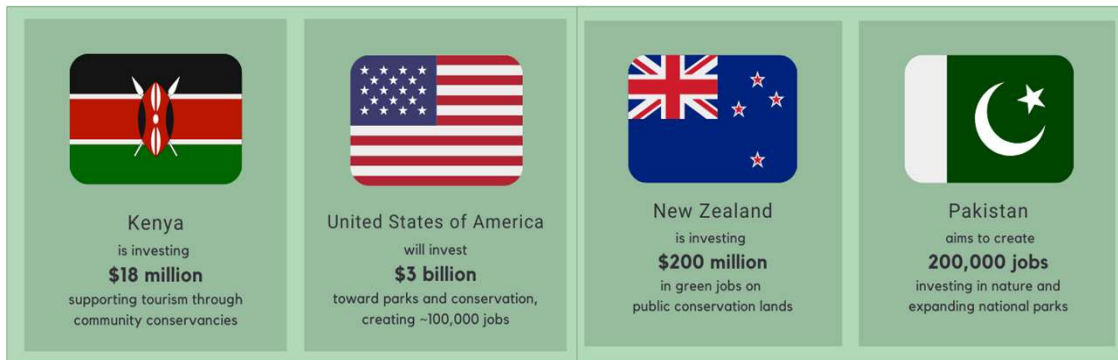
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POLICY RECOMMENDATION

Protected Area Tourism can be an engine for green jobs and economic recovery

- Can generate significant jobs
- Creates high income multipliers
- Generates high returns on public investment



POLICY RECOMMENDATIONS



LIMITATIONS OF THE STUDY

- **Because the study uses a static model, it cannot account for fluctuations in natural resources** which affect incomes, or the negative environmental impacts of tourism, both of which may reduce the economic benefits of tourism in protected areas.
- **Model does not account for the value of other ecosystem services supplied by protected areas;** Describing the other benefits of protected areas to local economies, including ecosystem services, biodiversity conservation, habitat support, and climate co-benefits, is beyond the scope of this work.
- **The focus on local economies neglects the wider economic advantages of tourism,** and lack of data prevents the model from capturing all economic linkages and effects.
- These constraints, when addressed, will increase economic impacts.
- Finally, **the results cannot be easily generalized,** as individual sites do not represent the entire protected area system in a given country, which may contain both tourist hotspots and areas in which tourism is not viable.

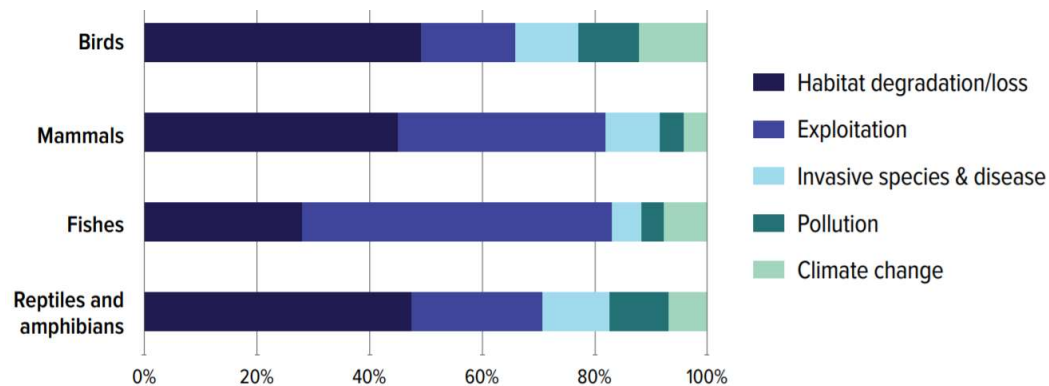
ECONOMIC CONTRIBUTIONS OF NATURE BASED TOURISM

In 2018, for example, wildlife tourism contributed US\$120.1 billion in GDP to the global economy and sustained 21.8 million jobs (WTTC 2019a).

An analysis of over 240 protected areas, covering 40 million hectares, in seven countries in eastern and southern Africa (Kenya, Tanzania, South Africa, Namibia, Eswatini, Uganda and Ethiopia) found that **nature-based tourism accounted for approximately 80 percent of the income generated by protected areas** (IUCN ESARO 2020)

BIODIVERSITY AND PLANETARY HEALTH ARE AT RISK

2020 Living Planet Index: 68% average decline in birds, amphibians, mammals, fish, and reptiles since 1970; 1/3 terrestrial protected areas and 2/3 of marine protected areas under threat

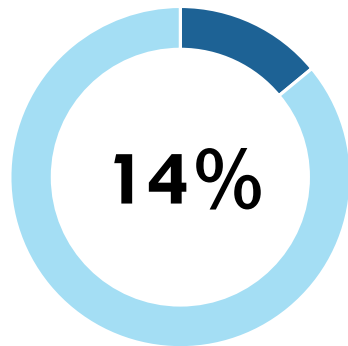


Source: WWF 2018

Biodiversity matters because of its intrinsic worth, and because ecosystems (which depend on biodiversity) underpin human welfare and support economic activity

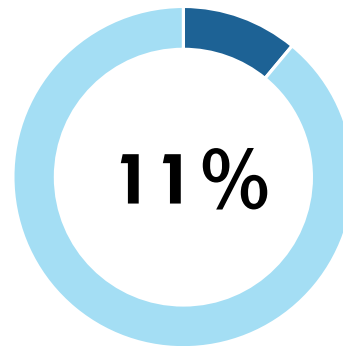
COSTS TO COMMUNITIES MUST BE MANAGED

In 2019, wildlife caused crop losses of:



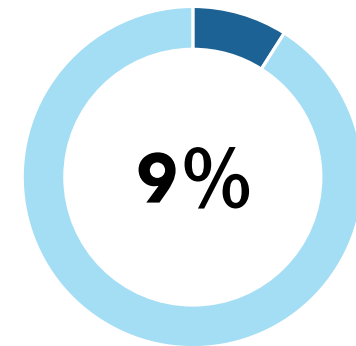
around Lower Zambezi National Park in Zambia, totaling

US\$ 1.8 million



around South Luangwa National Park in Zambia, totaling

US\$ 1.2 million



around Chitwan National Park in Nepal, totaling

US\$ 2.9 million

In marine protected areas, short-term income loss can come from restricted fishing, a major means of livelihood.

SURVEY DATA

FIGURE 9: Survey Data Characteristics and Elements



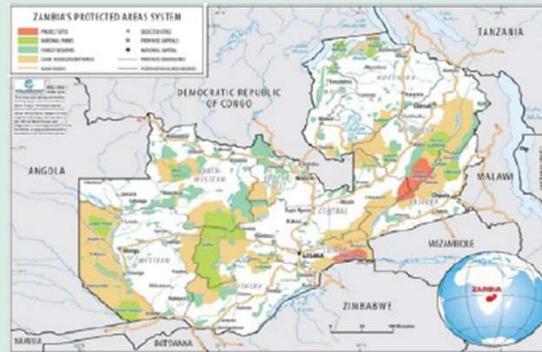
 <p>TOURIST</p>	 <p>HOUSEHOLDS AND BUSINESS</p>	 <p>TOURISM BUSINESS</p>	 <p>GOVERNMENT</p>
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Source: World Bank

ZAMBIA

PROTECTED AREA

- Protected Areas cover ~40% of the country's land area
- 20 National Parks, 36 Game Management Areas (GMA) and 1 bird sanctuary
- GMAs are a category of protected areas that are mostly customarily owned lands designated as buffer zones between national parks and open areas. Human settlement is allowed in GMAs, as are other land uses such as agriculture, forestry, hunting, etc.
- Threats:* Poor regulation, open access, population growth, demand for fuel and agricultural expansion are leading to habitat degradation
- Human-wildlife conflict reduces support for conservation
- Few visitors due to lack of funding for field staff, accommodation, park management and infrastructure



TOURISM

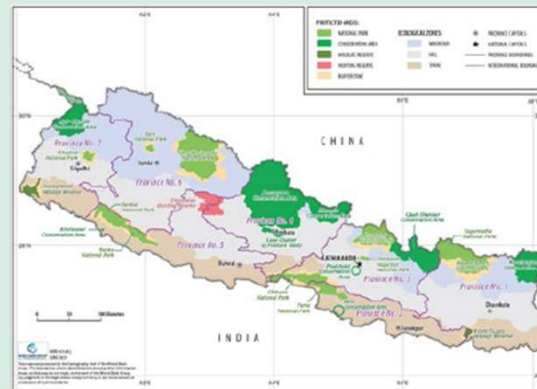
- 7% tourism contribution to GDP (WTTC 2019b)
- Zambia scored 3.2 out of a maximum of 7 and was ranked 113 out of 140 countries (WEF 2019a)
 - » **Strengths** – natural resources, price competitiveness
 - » **Weaknesses** – infrastructure, health and hygiene
- Zambia's protected area regulations mandate sharing of revenues with community resource boards in GMAs
- Protected areas typically contain a limited number of privately-run lodges that offer accommodation, food, viewing safaris



ZAMBIA

PROTECTED AREA

- Protected Areas cover ~23% of the country's land area
- 12 National Parks, 1 Wildlife Reserve, 6 Conservation Areas, 1 Hunting Reserve and 13 Buffer Zones
- Threats:** Large infrastructure projects are encroaching on protected areas, land degradation, and insufficient funding and human resources for protected area management
- Land-use and human-wildlife conflict are barriers to community engagement for conservation
- Protected areas lack sufficient infrastructure such as visitor centers and trails, and face a growing challenge of solid waste management



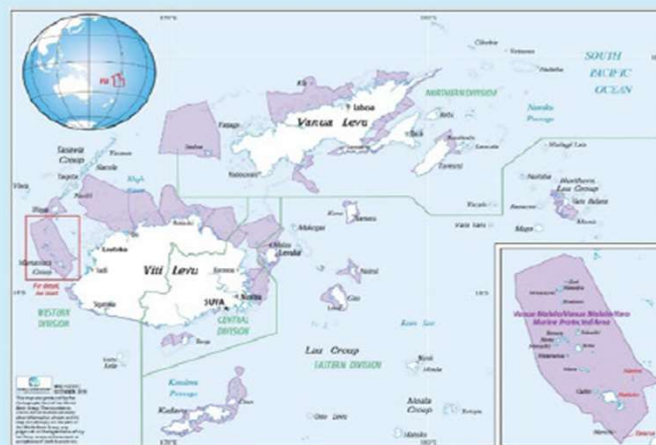
TOURISM

- 6.7% tourism contribution to GDP (WTTC 2019b)
- Over 45% of tourists visit the country's protected areas
- Nepal scored 3.3 out of a maximum of 7 and was ranked 102 out of 140 countries (WEF 2019b)
 - Strengths** – natural resources, price competitiveness, safety & security and prioritization of tourism
 - Weaknesses** – infrastructure, international openness
- Regulations allow for 30–50% of park income to be channeled to local communities living in buffer zones
- Locally-owned and operated lodging is



PROTECTED AREA

- The Government of Fiji set a goal to designate 30% of the country's inshore and offshore marine areas as protected areas by the end of 2020. However, only 1 percent has been officially designated as a marine protected area
- There is an informal network of MPAs known as *tabu*, which are established by indigenous communities as protected areas in customary fishing grounds (*qoliqoli*), and in which fishing rights are restricted
- *Tabu* areas may also be designated by chiefs, through agreements between communities and tourism operators, or through partnerships with the Fiji Locally Managed Marine Area (FLMMA) Network
- De-facto protected areas can be established when a foreshore lease is issued to a tourism enterprise. No fishing is subsequently permitted in the area
- Threats: Marine pollution, coastal development, over-fishing and over-harvesting of corals
- Hesitation of community groups as designation requires surrender of fishing rights
- Inadequate policy and lack of a Marine Park Authority limits ability to regulate the marine environment



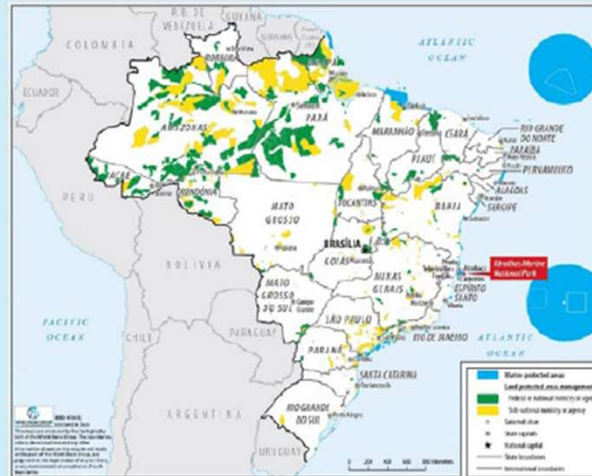
TOURISM

- 34% tourism contribution to GDP (WTTC 2019b), largest source of foreign exchange
- In the 2018–19 fiscal year, 900,000 visitors spent an estimated US\$904 million visiting the country
- LMMAs or *tabus* do not provide economic
- Formal benefit-sharing mechanisms are limited by regulations, mainly, the Surfing Area Decree (2010) that grants unrestricted access and use of any surfing area by any person and does not require the right-holder to be compensated

BRAZIL

PROTECTED AREA

- Marine protected areas comprise 26.82% of marine and coastal areas
- 158 marine protected areas
- **Threats:** lack of regulations for the use of natural resources, conversion of natural areas for aquaculture and coastal development, pollution, and deterioration of aquatic habitat quality
- Insufficient finance for protected area management
- Overfishing, unsustainable fishing practices and lack of fisheries management are depleting fish stocks and jeopardizing local livelihoods dependent on the fisheries sector



BRAZIL

TOURISM

- 10.3% tourism contribution to GDP (WTTTC 2019b)
- In 2016, 16.8 million tourists visited 209 National (Federal) and State Parks
- While most tourists visit coastal areas for their beaches and cultural offerings, 12% of respondents cited “natural areas” for the purpose of their visit, which can in turn be attributed to the marine protected areas
- Brazil has no mechanisms to share park and concession revenues with local communities: however, the Ecological



IUCN CATEGORIES FOR PROTECTED AREAS

Category	Description
Ia	Strict Nature Reserve: Protected area managed mainly for science.
Ib	Wilderness Area: Protected area managed mainly for wilderness protection
II	National Park: Protected area managed mainly for ecosystem protection and recreation
III	Natural Monument: Protected area managed mainly for conservation of specific natural features
IV	Habitat /Species Management Area: Protected area managed mainly for conservation through management intervention
V	Protected Landscape/Seascape: Protected area managed mainly for landscape/seascape conservation and recreation
VI	Managed Resource Protected Area: Protected area managed mainly for the sustainable use of natural ecosystems