



# THE INTERAMERICAN DEVELOPMENT BANK'S EXPERIENCE WITH TOURISM DEVELOPMENT

By Asunción Aguilá

Chief, Environmental and Natural Resources Management Division  
Regional Operations Department 1

**WTO Tourism Policy Forum**

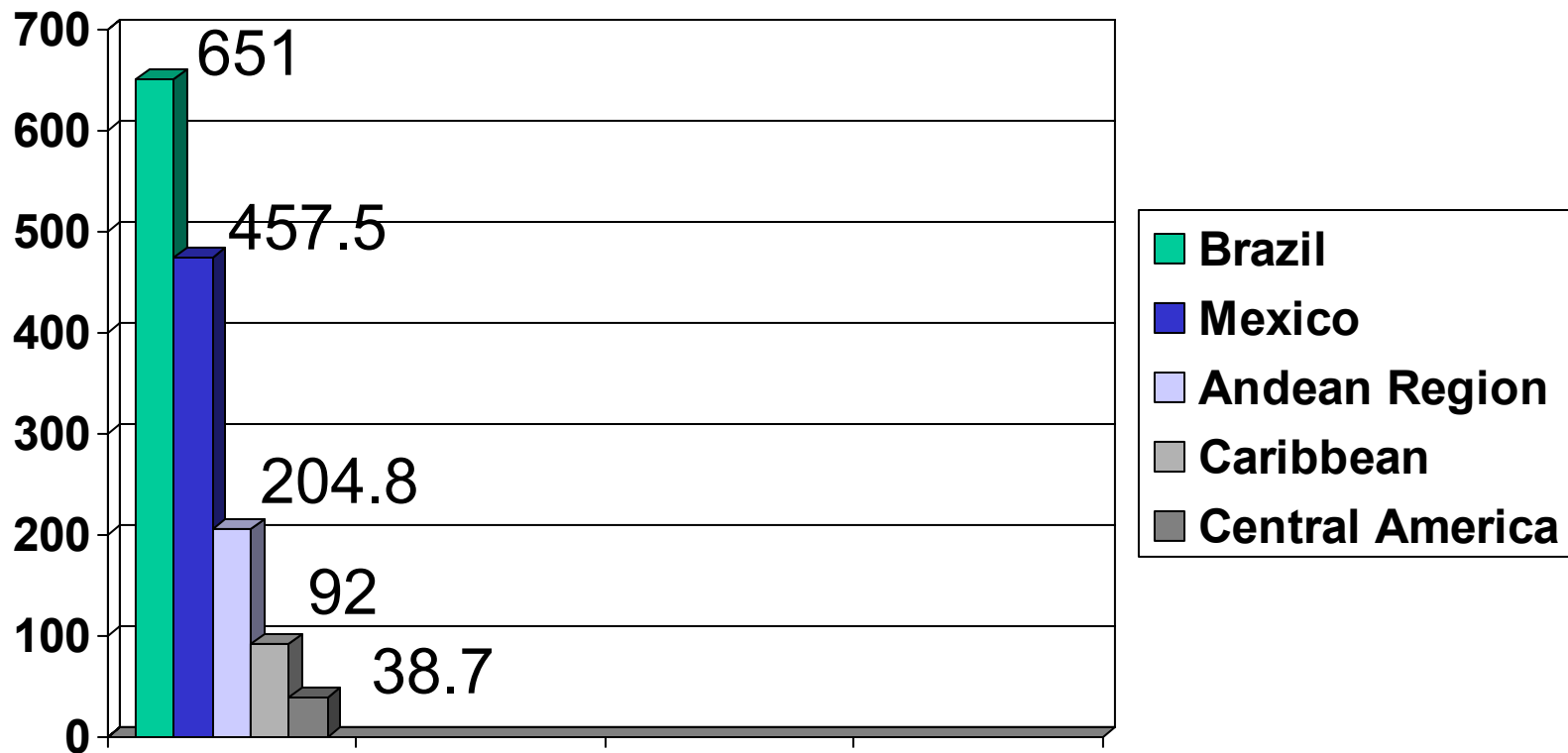
Washington D.C.

October 20, 2004

# IDB has always been active in the tourism sector

Bank Loans to the Tourism Sector 1970-2004

27 projects for a total US\$ 1.4 billion + US\$ 14 million TC



# Why the Bank supports tourism development

- Generates net foreign exchange earnings and employment and stimulates investment
- Redistributes income from wealthy source markets to lower income regions
- Contributes to the preservation of the natural and cultural heritage
- Fosters the provision of infrastructure and services that benefit the local population
- Creates business opportunities for local SMEs



# Bank's emphasis in tourism has shifted

## FROM

- Greenfield developments
- Direct credit to hotels

## TO

- Improving basic and transport infrastructure in areas with potential
- Sustainable use of natural and cultural assets
- Institutional strengthening
- Training
- Local community participation



# Tourism projects in execution

- **Argentina**
  - Integrated Tourism Development in the Province of Salta
  - Province of Río Negro: tourism components in a regional development program (hotel classification, branding, multisectoral fund)
- **Brazil**
  - Prodetur NE II: Tourism development in the Northeast (11 states)
  - PROECOTUR: Ecotourism in the Amazon Region
- **Bolivia**
  - Sustainable Tourism Development Program
- **Chile**
  - Community based tourism in Chiloé and Palena
- **Central America**
  - Belize: Tourism and environment
  - Panama: Tourism Support Program



# Tourism projects in preparation

- Argentina
  - Improvement of competitiveness in two corridors, Lakes region and Misiones-Iguazu
- Brazil
  - Prodetur Sul (4 states)
  - Ecotourism in protected Parks of the Mata Atlântica, State of São Paulo
- Central America
  - Honduras: National Program of Sustainable Tourism (includes Mundo Maya)
  - Tourism in the Circuit Mundo Maya (3 country projects)
  - Mesoamerican Ethnotourism Fund (Regional - Plan Puebla Panama)
  - Costa Rica: Ecotourism in protected areas



# MIF and CII

## MIF

14 projects

US\$ 16.5 million

- Skills training
- Certification
- **New Sustainable Tourism Cluster:** Joint commercialization schemes for SMEs

## CII

12 projects

US\$ 65.9 million (1993 –2000)

- Loans for expanding or building hotels
- Mainly in Central America and Caribbean



# Lessons learned

- During project preparation, early impact assessment of impacts of investments to facilitate access can minimize social and environmental damage and reduce costs
- Proper land-use planning, sanitation infrastructure and waste collection and treatment are key issues to ensure balanced growth and the environmental quality of tourist destinations. The role of municipalities is key. Support is needed for capacity-building
- Tourism projects tend to include a variety of activities. To ensure coherence and improve results a strategic coordinated approach is needed. The choice of project components and activities must be based on a Strategic Tourism Plan.



# Lessons learned

- Project preparation must include consultation of all stakeholders however it should be properly managed
- Execution schemes must respond to the cross-sectoral nature of tourism development
- Monitoring tourism development is essential to managing impacts
- Education, training and awareness-building among local communities, private sector, tourists and local governments will promote responsible tourism and increase support for policies



# Asunción Aguilá

Chief, Environmental and Natural Resources  
Management Division

Regional Operations Department 1  
Inter American Development Bank  
Washington DC, USA

[asunciona@iadb.org](mailto:asunciona@iadb.org)

<http://www.iadb.org>

