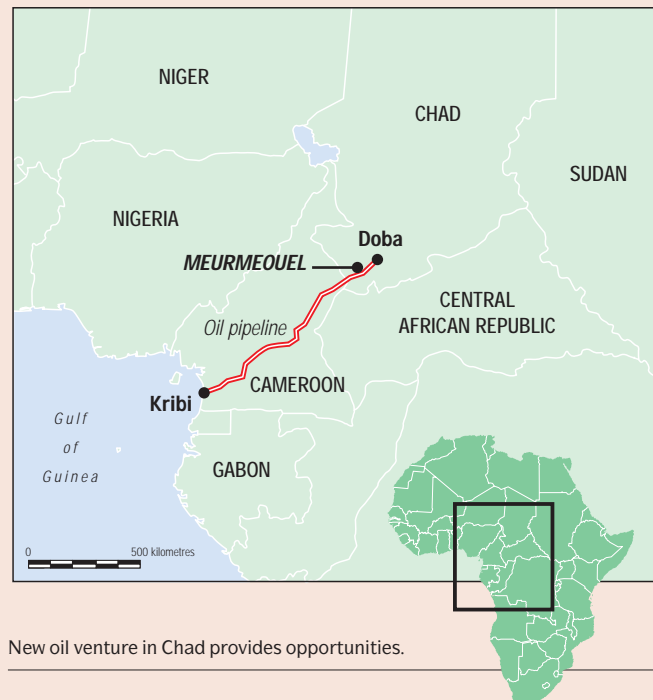


Box 3: Chad charts a new path in oil revenue management

The World Bank approved funding for the project in 2000 (see attached figure), and the government received its first US\$38 million in oil revenues in 2004. Over the next two decades, the country expects to receive at least US\$2 000 million, boosting national revenues by 50 per cent, according to the World Bank. About 80 per cent of oil revenues would be spent on schools, clinics, roads and other basic needs. Five per cent would be ploughed into a fund for future generations, and another 5 per cent would be used to develop the southern oil region, near the border with Cameroon. The remaining 10 per cent would be invested to absorb possible oil prices falls.

The World Bank has most of the revenue in a London account to avoid "leakage." A citizens' committee, with four members from non-profit groups and five from government, must approve all oil revenue expenditures. The World Bank has commended the establishment of the Committee of Control and Monitoring of the Oil Revenues. However, the project has not been without its critics. Damage to the environment has been a major concern.

Sources: MacLaughlin 2004, Tcheyan 2003



New oil venture in Chad provides opportunities.

revenues benefit poor people. This project faces various challenges regarding agreement on exactly which sectors should benefit from the profits.

Tourism and recreation

Land-based tourism is a major economic activity in Africa, drawing millions of visitors to different sites across the region every year and generating millions of dollars in foreign exchange earnings. Sites such as the pyramids of Egypt, the Great Rift Valley of Eastern and Southern Africa, Great Zimbabwe, Table Mountain in South Africa, Mount Kenya in Kenya and Mount Kilimanjaro in Tanzania are some of the major attractions. Mountains, wildlife, wetlands and coastal areas are also major tourist attractions. These and other attractions contributed to the arrival of a total of about 124 million international tourists in the five years of 1990, 1995, 2000, 2002 and 2003 (World Tourism Organization 2005). The visitors spent a total of US\$52 891 million in those five years (World Tourism Organization 2005). In 2003 and 2004 the region attracted 78.1 million international tourists.

In 2004, international tourist arrivals grew at 10 per cent worldwide and 14 per cent in Africa – to 41.6 million, up from 36.5 million in 2003. However, the region shared only 7.4 per cent of the global increase of 69 million tourists, and almost all the increase was concentrated in Northern Africa (ECA 2005).

Ecotourism accounted for 20 per cent of total international tourism. In recognition of ecotourism's growth potential, particularly for developing countries, the UN Economic and Social Council (ECOSOC) declared 2002 the International Year of Ecotourism. Many countries in Africa, such as Kenya and South Africa, have invested heavily in ecotourism.

Tourism in Africa varies widely, from viewing gorillas in the Great Lakes Region to lemurs in Madagascar, from trekking in Ethiopia to birdwatching in Botswana, from looking at rock paintings in South Africa to visiting rainforests in Ghana, from mountain-climbing in Eastern Africa (Mt Kilimanjaro and Mt Kenya, for example) to scuba-diving in the Seychelles and to photographic safaris in Eastern and Southern Africa (Vieta 1999). In the Great Lakes Region, for example, revenue from tourism based on gorilla viewing and other activities brings in about US\$20 million to the region annually (Pickrell 2004). Tourism in the area is certain to be boosted with the news in 2004 that the first census since 1989 revealed that the population of the apes in the Virunga mountains has grown by 17 per cent, increasing from 324 in 1989 to 380 by the end of 2003 (Pickrell 2004).

Tourism can serve as a powerful incentive to protect natural resources. In Madagascar, where tourism is the country's second largest foreign exchange earner, the country had by 1998 established 40 new protected areas, covering roughly 2 per cent of the country's land



Great Zimbabwe, Masvingo. Great Zimbabwe, one of the oldest preserved architectural monuments in Africa, are the ruins of an 11th - 15th century kingdom, and a UNESCO World Heritage site.

Source: R. Giling/Still Pictures

area (Vieta 1999). In Southern and Eastern Africa, privately-owned protected areas that support tourism and hunting enterprises are also growing.

Tourism not only generates revenue to support conservation and management of natural environments but also generates many jobs. For example, hundreds of people live off the Bwindi Impenetrable Forest in Uganda, where foreign tourists trek to view gorillas. It has been argued that tourism has larger multiplier effects, with revenue spreading from hotel accommodation, food and beverages, shopping, entertainment and transport to income of hotel staff, taxi operators, shopkeepers and suppliers of goods-and-services (UN undated).

Despite the growth of tourism, the region still only accounts for less than 4 per cent of world tourism,



The Great Pyramids, Egypt, considered one of the Seven Wonders of the Ancient World, is a UNESCO World Heritage site.

Source: M. Chenje

with its revenue share at only 2.5 per cent – about US\$16 000 million in 2002 of the annual sales of about US\$4.5 billion (Saunders undated). Therefore, opportunities for further investment and development are vast in the region. In Kenya, for example, new regulations that will allow sport bird shooting are expected to attract up to 2 000 sport hunters annually, boosting revenues by US\$5 million each year. New Kenya Wildlife Service (KWS) rules provide for

Table 3: International tourist arrivals and receipts

Year	1990	1995	2000	2002	2003
Arrivals (thousand)	15 160	20 438	28 154	29 492	30 763
Receipts (US\$ million)	6 402	8 544	10 608	11 843	15 494

Source: World Tourism Organization 2005

Cultural heritage offers important opportunities for tourism.

Tourists at Bemaraha Tsingy, a UNESCO World Heritage site, Madagascar.

Source: R. Butler/
WildMadagascar



private landowners to obtain special authorization to manage their own game bird populations, including breeding, as well as determine open and closed seasons (African Environmental News Services 2003).

Several African countries including Ethiopia, South Africa, Kenya and Benin have significant palaeontology sites. In Ethiopia, the government is using these sites to promote “palaeo-tourism,” and to generate revenue (IRIN 2004a). Ethiopia is home to some of the most famous prehistoric remains ever found, including some of the world’s oldest human remains: Ethiopia’s discoveries chart man’s prehistory from more than 6 million years ago to modern ancestors (IRIN 2004a). Tourism officials in Afar believe that “palaeo-tourism” could generate an additional US\$2 million in revenue annually for this region alone (IRIN 2004a). The Ethiopian Tourism Commission has reported that the sector generated more than US\$77 million in 2003 (IRIN 2004a). This revenue is important in the fight against poverty and plays a key role in the government’s poverty reduction strategy paper (PRSP). South Africa has also made palaeontology and other cultural heritage sites a focus of their tourism industry.

The tourism industry in Africa also has human and environmental costs, contributing to the displacement of communities and thus undermining rights and livelihoods, the generation of waste and pollution, and the unsustainable use of water. In Africa, for example,

tourism’s effects on indigenous peoples have been profound, with the eviction of communities from their lands, in addition to economic dislocation, breakdown of traditional values, and environmental degradation. Pastoralism has been attacked as primitive and destructive (Chavez 1999). The massive influx of tourists and their vehicles in the Masai Mara National Park in Kenya and in the Ngorongoro Conservation Area in Tanzania has destroyed grass cover, affecting plant and animal species in the area. Hotels have dumped their sewage in Masai settlement areas while campsites have polluted adjacent rivers (Chavez 1999). One emerging approach is to focus on promoting community conservation areas and also collaborative tourism initiatives in order to ensure greater benefits to communities. There are different levels of community participation, varying from passive participation to interactive decision making to community empowerment initiatives.

The challenge facing policymakers in this industry and other land-based activities is to critically assess the costs and benefits to ensure that all options are fully weighed and that the policy responses contribute to sustainable development and minimize overexploitation. Additionally, measures need to be adopted to ensure that the benefits associated with tourism are spread across society, and that those who are directly involved in conservation are rewarded for this.