



PACIFIC ISLANDS FORUM SECRETARIAT

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FORUM ECONOMIC OFFICIALS MEETING

6 – 7 July 2021

FORUM ECONOMIC MINISTERS MEETING

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INFORMATION PAPER 2: REGIONAL TOURISM INITIATIVES

Purpose and Summary

Purpose

This paper provides an update on key partnerships and regional tourism initiatives, implemented by the Pacific Tourism Organisation (SPTO) as the mandated regional agency for the sustainable development and marketing of Pacific Tourism. Pivoting from the COVID-19 support initiatives implemented in 2020, 2021 has seen SPTO focus on regional recovery efforts aimed at enabling Pacific Tourism reactivation post pandemic.

Summary

Since the last update in August 2020, SPTO has partnered with the New Zealand Ministry of Foreign Affairs and Trade (NZMFAT) and the Asian Development Bank (ADB)'s Private Sector Development Initiative (PSDI) on the following regional tourism initiatives:

(i) NZMFAT Organisational Development and Tourism Recovery Programme (Phase 1)

The SPTO Capacity Building and COVID-19 Tourism Recovery Programme is a two-phase project funded by the New Zealand Ministry of Foreign Affairs and Trade (NZMFAT). Phase 1 of the project commenced on 29th October 2020 and will formally come to an end on 30 July 2021. With a focus on the following three outputs, the overall goal for Phase 1 is the provisions of support SPTO for organisational capacity building and COVID-19 recovery by the Pacific tourism sector:

- Output 1: SPTO Capability Development
- Output 2: Programme Development
- Output 3: Digital Capability

In the long term it is envisaged that this partnership will ensure that SPTO is a robust, successful, highly effective CROP agency, supporting sustainable tourism development and marketing in the Pacific.

(ii) Private Sector Development Initiative (PSDI) IV

PSDI is a technical assistance programme funded by the Asian Development Bank (ADB), the governments of Australia, New Zealand and the European Union (EU). Now in Phase IV, which will conclude in October 2024, PSDI works across ADB's 14 Pacific Developing Member Countries (DMCs) which include: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Niue, Palau, Papua New Guinea, Marshall Islands, Nauru, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

A. Overview

In collaboration with the Senior Tourism Adviser under the MFAT Industry and Innovation Unit, SPTO advanced a proposal for a regional support partnership through the New Zealand Aid Programme. The scoping assessment included the following key reports which were initially presented to the SPTO Board of Directors in October 2019: [Destination Differentiation Report, and Digital Economy Tourism Initiative Report](#).

2. A further update in October 2020 secured Board support, ahead of the signing of the Phase 1 grant funding agreement a few weeks later.

3. Additionally, as a result of ongoing lobbying by SPTO for a regional tourism project, ADB approved a tourism focus for PSDI IV, with a particular emphasis on recovery from the impacts of COVID-19. The [PSDI Tourism Work Plan](#) received Board support at the October 2020 Board of Directors meeting.

4. As a well-established driver of economic growth and an important enabler of progress in relation to Sustainable Development Goals (SDGS), the Pacific Tourism industry is an important sector and support for its re-activation is now more important than ever and should be prioritised as such.

5. Pre-pandemic, tourism performance in the region was exceptional; tourism employment stood at 90,821 and Pacific tourism receipts totalled USD\$4 billion whilst the industry's contribution to regional GDP was 7.8%¹.

6. In 2019, through both direct and indirect links to the industry, tourism jobs accounted for one in ten jobs globally which translated to about 330 million jobs worldwide. In the Pacific, tourism employment was as high as 30-40% of total employment in some countries (Cook Islands, Fiji and Vanuatu), with women contributing significantly to those numbers (as high as 80% in Samoa). Formal tourism employment has provided important opportunities for women in terms of empowerment and social mobility.

7. Through demand for local produce, connectivity and efficient financial services, tourism has been known to stimulate growth in many other sectors including agriculture, infrastructure and finance. Moreover, it has also been an important link between formal and informal sectors as well as a key enabler for entrepreneurship, the development of Micro Small and Medium Enterprises (MSMEs) and the progression of states from low to middle income status.

¹ COVID SNAPSHOT

8. In Pacific Small Islands Developing States (PSIDs), tourism contributed greatly to funding mechanisms that help to sustain blue and green economies. Marine and coastal tourism was a promising segment of the industry with activities like shark diving generating significant revenue. These activities not only fuelled conservation efforts but also provided security for livelihoods dependant on the blue economy.

9. On that note, over the past few months, SPTO in partnership with the Pacific Islands Forum Secretariat (PIFS) has implemented the Pacific Tourism Waste Action Initiative (PTWAI) in Kiribati, the Republic of the Marshall Islands, Nauru and the Federated States of Micronesia. Through the repurposing of plastic waste, the PTWAI incorporates both traditional and scientific knowledge to contribute to marine conservation whilst simultaneously creating sustainable livelihoods for tourism reliant communities. The community-led approach for the project is a defining feature as it looks to engage different segments of the community including women, persons with disabilities and members of the LGBTQI community. The second component of the SIS Attachment Programme, will centre on a partnership between SPTO and Rosie's Academy, whereby a series of virtual training programmes will be delivered to 11 Small Island States, to address key tourism components linked to post pandemic tourism.

10. The full extent of the impact of COVID-19 is not yet known but with the right support the industry can once again play an important economic role for Pacific Island nations. Moreover, the current situation has highlighted opportunities for the development of Pacific Tourism, to ensure that it is more resilient and sustainable post-pandemic.

B. Discussion

11. As per the last update provided, SPTO had undertaken a reprioritisation of expected outputs for 2020, to better account for the impacts of COVID-19.

12. In partnership with NZMFAT the [Pacific Tourism: COVID-19 Impact and Recovery Report](#) and the [Pacific Tourism COVID-19 Impact and Recovery Scenario Development and Recovery Pathways Report](#) were developed to inform regional recovery efforts for the Pacific Tourism industry, led by SPTO and with a particular focus on the organisation's strategic focus areas: Sustainable Tourism Planning, Marketing the Region, and Research and Statistics.

13. Moreover, the organisation completed a member [Needs Assessment](#), based on feedback from National Tourism Offices (NTOs) and the [SPTO 2020 COVID-19 Impact Snapshot](#) with key information from 19 of SPTO's member countries.

14. The above-mentioned reports, along with virtual donor roundtables organised by SPTO to present and discuss opportunities surrounding the Needs Assessment and the Pacific Tourism: Scenario development and recovery pathways report, helped develop the pathway for SPTO's recovery plan for Pacific tourism.

15. To date, SPTO has worked collaboratively with partners, members and wider stakeholders to develop the following:

SPTO Revised Strategic Plan

16. In light of the impacts of COVID-19 and to ensure alignment with newly developed policies and frameworks, the organisation has reviewed the Strategic Plan 2020 – 2024. The review process maintained the three key focus areas of the organisation (Sustainable Tourism Planning, Marketing the Region and Research and Statistics) but streamlined intended outcomes and high-level activities under strategic priorities and innovative partnerships to better reflect SPTO’s new direction, focusing on sustainable tourism and digital transformation.

Improved air access to support tourism

17. In partnership with PASO, SPTO has developed a paper ([Tourism and Aviation: Lifting Pacific Island Countries \(PICs\) Prospects via Action Post COVID-19](#)) to highlight the important links between aviation and tourism in the region. The paper was presented at the Senior Aviation Official’s meeting and has been endorsed to be tabled at the Regional Aviation Minister’s Meeting in June 2020.

Pacific Sustainable Tourism Policy Framework (PSTPF)

18. Drawing on global, regional and national commitments, the PSTPF will guide and support the responsible and sustainable development of tourism in the Pacific. At regional level the PSTPF responds directly to the Sustainable Tourism Planning priority of the SPTO Strategic Plan 2020-2024 and recognises the synergies with the marketing and research and statistics priorities.

19. The PSTPF identifies strategic priorities to advance sustainable tourism within the context of each country's national priorities. It provides a suite of overarching goals, policies and suggested actions to deliver sustainable tourism results on the ground throughout the region. The PSTPF has been designed to cater for countries that are well advanced with developing and implementing sustainable tourism practices as well as for countries who are in the early stages of tourism development. Importantly, the PSTPF highlights that to succeed in making tourism more sustainable across the region it is crucial that all stakeholders, within, between and outside government work together.

20. In agreement with stakeholder views relating to the uncertainties around the pandemic and its impact on the sector and in alignment with the United Nations 2030 Sustainable Development Agenda, the PSTPF Vision for 2030 is “*We are empowered by tourism that is resilient, prosperous and inclusive. It improves the wellbeing of our communities, protects, restores and promotes our cultures, islands and ocean ecosystems*”

21. To achieve the 2030 vision, the PSTPF sets out four (4) overarching goals which are:

- Goal 1: Prosperous Economies** where tourism supports prosperous and resilient economies
- Goal 2: Thriving and Inclusive Communities** where tourism supports the empowerment and wellbeing of our communities
- Goal 3: Visible and Valued Cultures** where tourism amplifies and promotes our culture and heritage and
- Goal 4: Healthy Islands and Oceans** where tourism accelerates climate action, protects our ecosystems and supports resilience.

Pacific Tourism Statistics Strategy (PTSS)

22. The PTSS vision is for “regular production of high quality, sustainable tourism statistics and indicators that are acknowledged as the key source for monitoring sustainable tourism in the Pacific Region”. It defines strategies and initiatives to increase the production of a new and wider range of tourism data and to encourage the wider use of tourism and related data to inform decision making by all tourism stakeholders.

23. A key strategic focus of the PTSS is the development of a core set of indicators to measure the sustainability of tourism and to monitor progress towards the ambitions of the PSTPF. This strategic focus is supported by strategies concerning improvements in data collection and compilation, management, analysis, dissemination and use by stakeholders as well as data governance.

24. The PTSS highlights the following five Strategic Objectives:

- i. Develop an agreed set of core indicators on sustainable tourism for countries to produce on a regular basis which will support the PSTPF, national and regional strategic plans and the UN 2030 Agenda for Sustainable Development
- ii. Build collaborations and partnerships between users and producers of tourism statistics, and national and regional organizations
- iii. Improve data management processes and procedures for the production, compilation and dissemination of statistical data
- iv. Improve the quality, timing, detail and coverage of national and regional information relating to the sustainability of tourism, including the evaluation of new sources and
- v. Evaluate and improve statistical skills and competencies

SPTO Digital Strategy

25. SPTO’s Digital Strategy is based on the following four pillars that will support robust, actionable and future focused digital programmes for the SPTO and its member countries:

- i. Capability and Connections- opportunity for a step change in digital capacity
- ii. Content and Community – empowering Pacific storytellers
- iii. Technology and Infrastructure – leveraging technologies and tools – using da
- iv. Data and Insights – using data to market and manage a better tourism industry

26. The Strategic objectives of the strategy align with SPTO’s strategic priorities (Sustainable Tourism Planning, Marketing the Region and Research and Statistics) and will guide the digital transformation of the organisation through the following:

- **Reach:** Connect & communicate with visitors, locals, the tourism industry & other stakeholders in new, engaging & personalised ways

- **People:** Build core digital knowledge, confidence & capabilities across the people of the Pacific
- **Productivity:** Use digital technologies to work in smarter, more efficient & productive ways.
- **Better Tourism:** Leverage digital knowledge, tools & solutions to develop tourism that offers broader, more sustainable benefits to people & the environment incl. Improved seasonality & dispersal

**Note: The SPTO Strategic Plan, PSTPF, PTSS and SPTO Digital Strategy will remain in draft form until the SPTO Board of Directors meeting on 26-27 May 2021, when they will be presented for final approval.*

Private Sector Development Initiative (PSDI)

27. Following a consultative process with SPTO, its partners and a wide range of tourism stakeholders the approved [Tourism Work Plan](#) under PSDI Phase IV will focus on the following key work streams to be rolled out from mid- 2021:

- A. Evidence-based tourism planning
 - A consistent methodology for tourism data collection
 - Tourism planning and market segmentation analysis
- B. Crisis management and building resilience
 - A regional, best practice approach to crisis management
 - Crisis management for the private sector
- C. Financing sustainable tourism
 - Improved financial products for the tourism sector
 - Use of tourist taxes to finance sustainability initiatives
 - Connecting tourism to blue finance
- D. Enabling private sector-led tourism
 - Improvements in the regulatory environment for the tourism sector:
 - Regional STR regulation
 - Enabling Digital Innovation

28. Progress in relation to the refining of the SPTO Strategic Plan and the development of the PSTPF, PTSS and SPTO Digital Strategy has in large part been made possible through Phase 1 funding support from NZMFAT. However, key partnerships with other development partners like UNDP and PARIS 21 have also been significant contributors to this work.

29. Moreover, extensive stakeholder consultation processes, involving multi- stakeholder regional working groups, regional and international partners, private sector, civil society and SPTO Board Sub Committees enabled an all-inclusive approach which enriched the overall development process and overall end products.

30. Through continued communication and cooperation between SPTO and ADB focal points, PSDI IV will be implemented by the Asian Development Bank (ADB) and will initially be funded by the Governments of Australia, New Zealand and the ADB. The European Union (EU) is also expected to join as a funding partner at a later date. The Pacific Private Sector Development Initiative (PSDI) will provide advisory and capacity-building assistance to help Pacific DMCs of the ADB improve their business enabling environments. This will in turn support inclusive, private sector-led economic growth.

31. The overall delivery of the Workplan will be led by PSDI in collaboration with the SPTO with support from the University of the South Pacific (USP) and the Pacific Islands Private Sector Organisation (PIPSO).

C. Next Steps

32. Through the above-mentioned partnerships and initiatives, SPTO has laid the groundwork for regional recovery efforts for the Pacific Tourism industry.

33. However, in moving forward, the support of national governments and regional and international agencies is required to further strengthen this work.

34. Under NZMFAT Phase 1 a business case will be developed to activate funding mechanisms for Phase 2. Pending approval, this will include support in the following areas:

- Output 1: Deliver digital skills training in marketing, sustainable development and research
- Output 2: SPTO leads collaborative projects in marketing, sustainable development and research
- Output 3: Review, design and install new digital systems at regional and national levels

35. This partnership recognizes that SPTO has a vital role to play in supporting Pacific Tourism’s COVID-19 recovery.

36. However, given that the pandemic remains ongoing with ever-increasing economic and social impacts, the extent of support required for tourism re-activation in the long term will likely require additional partnerships, resources and regional support programmes.

37. The Pacific tourism industry impacts a significant number of livelihoods, the vast majority of which have been put at risk along with the progress made in advancing Sustainable Development Goals (SDGs). As such, SPTO encourages the support of the Forum Economic Ministers, to enable regional tourism reactivation mechanisms and to elevate Pacific Tourism on the regional agenda. This will enhance SPTO’s prospects of securing the required support to leverage opportunities to build back stronger, smarter and more sustainably.

Pacific Tourism Organisation (SPTO)

10 June 2021