



United Nations  
Economic Commission for Africa

# Sustainable Tourism Investment Financing in Eastern Africa



United Nations Economic Commission for Africa.  
Office for Eastern Africa.  
Kigali, Rwanda.  
Web: [www.uneca.org](http://www.uneca.org)


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ISBN: 978-99977-775-3-9

Designed and printed by RDtech at Kigali, Rwanda.  
First printing: March 2020.

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Acknowledgement is requested, together with a copy of the publication.

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## ACKNOWLEDGMENTS

This study was commissioned by the United Nations Economic Commission for Africa (UNECA) Sub-region Office for Eastern Africa (SRO-EA) to investigate the main reasons for the comparatively low share of total capital investments in tourism in Eastern Africa and to propose potential measures that could reverse the trend. The research was undertaken by Salifou Siddo under the direct supervision of Geoffrey Manyara and guidance by Daya Bragante, Head of UNECA SRO-EA sub-Regional Initiatives Cluster. The overall leadership of this study was provided by Andrew Mold, the Officer in Charge of UNECA SRO-EA. Special thanks go to all the key tourism stakeholders who provided insights that enriched this study. The study was edited by Colm Foy.



## EXECUTIVE SUMMARY

Using data from the United Nations World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTTC), this study has established that Eastern Africa, as one of the five UNECA African regions, is ranked only ahead of the Central Africa region in terms of total capital investments in the tourism sector for the period 2010 to 2017, behind North Africa, Southern Africa, and West Africa. The study identifies the factors that contribute to this trend and proposes specific policy recommendations to reverse it.

Safety and security issues, inadequate tourism infrastructure, lack of product diversity and innovation, failure to find the political will to promote Eastern Africa as a single investment and tourism destination, and high perceptions of corruption could be deterring capital investment. Accordingly, the study proposes specific recommendations on how to address these issues.

Many Eastern Africa Member States view tourism as a sector that could attract investment. They have, therefore, included it in their investment prospectuses. Accordingly, this study reviews tourism investment and financing models that could be relevant in facilitating sustainable growth and development of the sector in Eastern Africa. The review includes public sector-led, private sector-led and public-private partnership (PPP) models of sustainable tourism investment financing. Each model offers its own sources of financing, ranging from domestic commercial banks and development finance institutions to regional and international finance insti-

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