

# Facilitating Tourism Investment in the Maputo Elephant Reserve

## **The Tourism Investment Generation Approach**

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## ■ Application of the IGA to the Maputo Elephant Reserve:

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# Tourism Anchor Investment Program

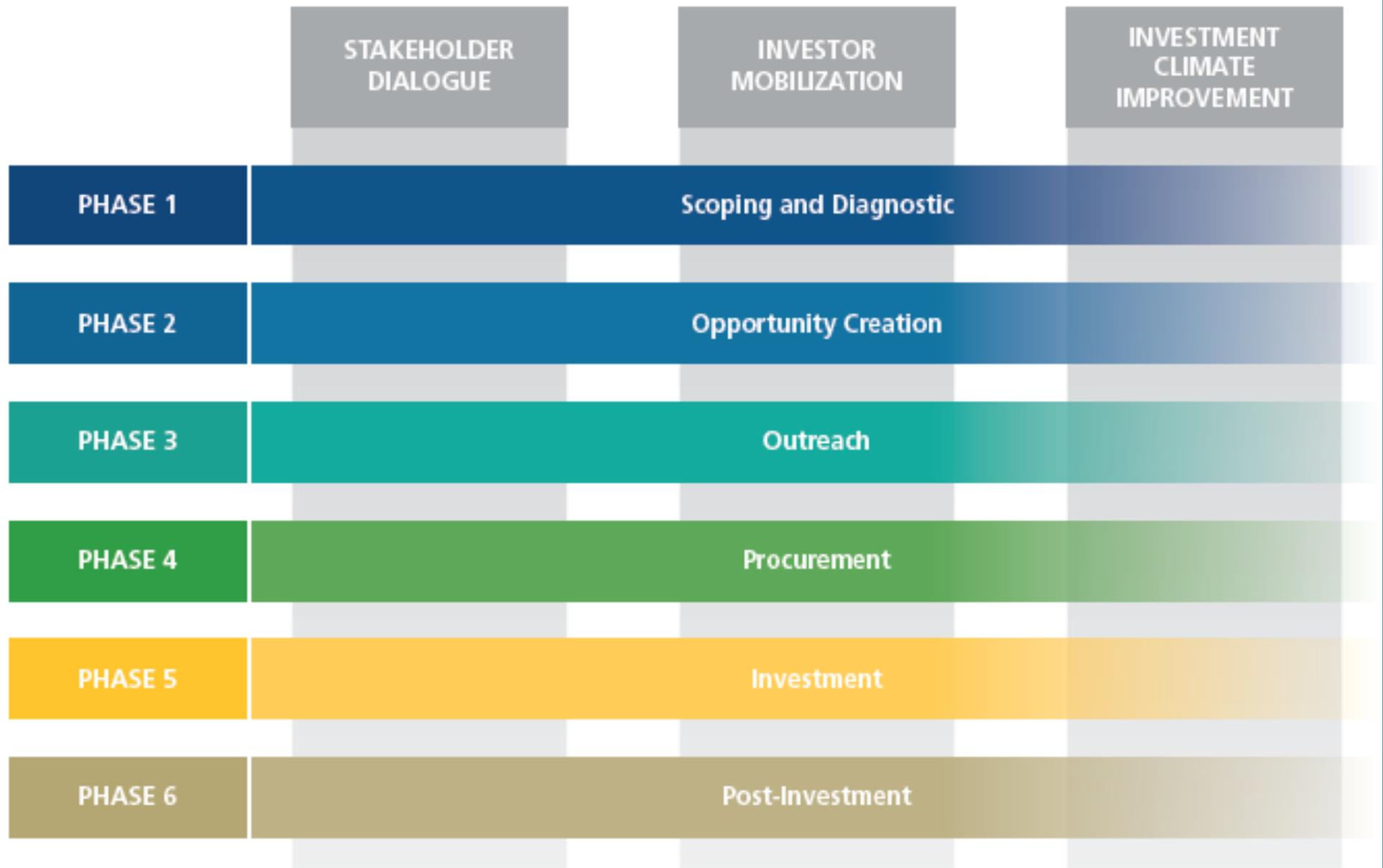
- Technical assistance project provided by the World Bank Group Investment Climate Advisory Services to the Government of Mozambique (MITUR).
- Project duration: approx. 4 years (Jan 07 – Mar 11)
- Investment Generation Approach aimed at:

**Stimulating investment in the tourism sector in Mozambique**



1. Creating investment opportunities in specific sites.
2. Promoting investment opportunities.
3. Implementing investment procurement processes.
4. Implementing regulatory reforms to improve the investment climate in the tourism sector.

# The Investment Generation Approach



# The Maputo Elephant Reserve 'Anchor Site'

- Declared in 1960, covers 700km<sup>2</sup>.
- Part of the Lubombo TFCA.
- Terrestrial landscape: grasslands, lakes, forests, rivers and floodplains.
- Internationally recognized for its biodiversity value (plant endemism).
- Wildlife: elephants, hippos, crocs, antelopes, monkeys, bird species.
- Marine reserve: sandy beaches, rocky bays, coral reefs, abundant marine life.
- Human population: aprox. 1000 people practice agriculture, fishing, livestock, collect marine and forest products.
- <sup>5</sup> Tourism infrastructures: basic campsite.



# Preparing for Investment

## Phase 1: Scoping and Diagnostic

- Site Assessment Study confirmed the potential to attract investment to the Reserve's coastal area against certain criteria: quality of the resource base, investor demand, market access.
- Legal Study to confirm availability of sites, review licenses and procedures for investment in protected areas, and assess possible land use conflicts.
- Identified Barriers to Investment:
  - 'Special license' not regulated – uncertainty about procedures for award and legal status
  - Absence of a Concessioning Framework for investment in protected areas – impact on investors perception about GoM capacity to execute tenders.
  - Lack of mechanisms to channel tourism revenues to fund conservation in protected areas.

# Preparing for Investment

## Phase 2: Opportunity Creation

■ Investment Procurement Strategy to attract quality private investment for the Reserve.

- 3 coastal sites – Chemucane, Milibangalala, Dobela.
- 3 investor types - regional, international, national.
- Promote the participation of local communities in tourism and local socio-economic development.
- Contribute to the Reserve's conservation management.



# Promoting the Investments

## Phase 3: Outreach

- Building of a target investor list.
- Development of a Investment promotion Strategy.
- Production of various marketing material.
- Participation in various conferences and events:
  - Arabian Hotel Investment Conference, Dubai
  - Hospitality Investment Conference for Africa (HICA) and Indaba, South Africa.
  - Crans-Montana Forum, Bahrain.
- Regular Newsletters to a database of 1200+ of investors / stakeholders.
- <sup>8</sup>Media campaigns.



# Investor Site Visit to Milibangalala Site



# Procuring the Investments

## Phase 4: Procurement

- Launch of a competitive tender for the 3 sites:
  - Phase 1 – Request for Expression of Interest (REOI)
  - Phase 2 – Request for Proposal (RFP)
- Pre-qualification Criteria (for Chemucane):
  1. Tourism brand widely recognized in the region;
  2. Regional and international marketing, operational and sales capacity;
  3. Top-tier rate structure;
  4. Proven financial capacity;
  5. Strong environmental credentials;
  6. Proven track record of social responsibility;
  7. Willingness to enter into a community partnership for the development and operation of Chemucane.

# Procuring the Investments

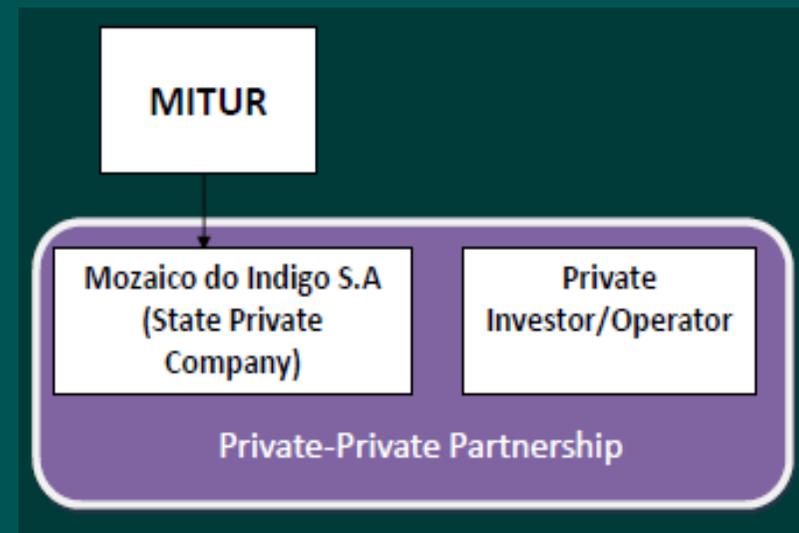
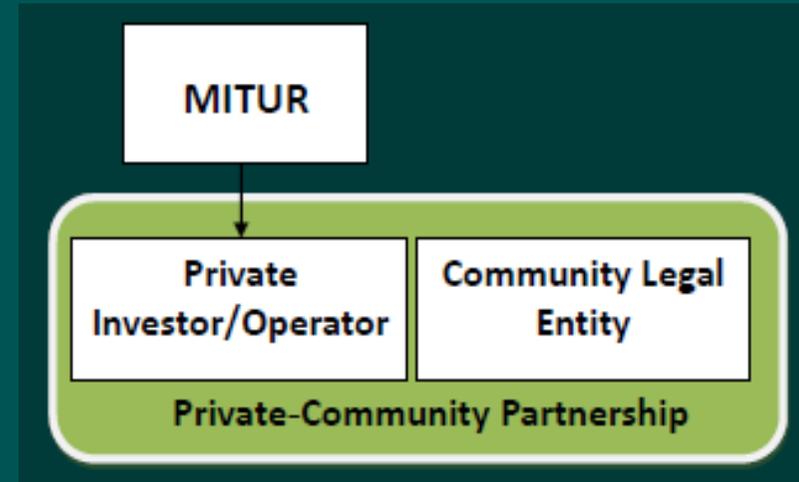
## Concessions Structure Options:

### One-tiered Approach

- Direct concessions to private sector.
- Guidelines for elaboration of Community Participation & Benefit Plan.
- Reduced investor's perception of risk as concession rights derive from the State.

### Two-tiered Approach

- Approved by Council of Ministers.
- Concession rights granted to AZC (local community association) and Mdl (State owned company).
- Concessionaries launched RFP to enter into partnerships with private operators.



# Procuring the Investments

## Concession Components

- Concession sizes:
  - Chemucane–810ha
  - Milibangalala–3000ha
  - Dobela–1500ha
- Concession periods:
  - Chemucane – 50 years
  - Milibangalala & Dobela – 25 years (renewable once)
- Concession Fees: Annual fixed fee (1000 MTN p/ha, aprox. 30 USD).
  - Chemucane–24.300 USD
  - Milibangalala–90.000 USD
  - Dobela–45.000 USD

# Procuring the Investments



\* May 11: Signature of Concession Contract between MITUR & Mozaico do Indigo

# Procuring the Investments

## Phase 4: Procurement – Results

- Signature of Partnership Agreement between A Hi Zameni Chemucane and Private Operator (JVC to Construct & Operate)
- Chemucane eco-lodge investment:
  - \$ 3 million USD investment.
  - 36 tourist beds eco-lodge project.
  - Envisaged to create about 50 direct jobs.
- Local community is a shareholder in the business and counts with \$ 1 million USD from:
  - Grant from WB CEF(Community Enterprise Fund) – \$ 500.000;
  - Loan from ASL(Africa Safari Lodge Foundation) - \$ 500.000.

# Anchor Program Knowledge Management Tools

- Concession Toolkit – Standardized set of procedures and template documents including:
  - Tender Dossier docs – RFP, Tender Manual of Rules and Procedures, Contracts, Evaluation Scorecards, etc.
  - Relevant Legislation.
  - Other resources – Reports, international guidelines and best-practice docs.
- Investment Generation Approach Manual – To allow government to replicate the approach.
- Case Studies:
  - Facilitating Tourism Investment in the Maputo Elephant Reserve
  - Integrated resorts investment promotion

Thank you!

