

REPUBLIC OF KENYA



Ministry of Tourism and Wildlife

**NATIONAL TOURISM
POLICY**

FINAL DRAFT

FOREWORD

The first National Tourism Policy of Kenya was formulated under Sessional paper No. 8 of 1969, entitled *Tourism Development in Kenya*. That Policy set growth targets and spelt out strategies on how the government and private sector would develop tourism so that it became one of this nation's leading economic activities.

In recent years, the tourism sector worldwide has undergone considerable change. This has given rise to a need to revise and update our National Tourism Policy to ensure that Kenya continues to benefit from what has now become the leading global industry.

The updated National Tourism Policy set out in this document will go a long way to creating a sound enabling environment that not only provides a solid framework for decision-making by the government, but also allows sectoral stakeholders to partner with government in the confident knowledge that we can jointly continue to develop the sector and deliver sustainable growth.

The Ministry of Tourism and Wildlife has developed this Policy in close co-operation with industry stakeholders and with the support of the European Union, through the Tourism Trust Fund.

I would like to thank all the partners who have assisted my Ministry in ensuring that the revised Policy will keep the tourism sector competitive, and thereby assist Kenya in becoming an even more attractive destination in which to invest in the future.

HON. MORRIS DZORO, MP
Minister for Tourism and Wildlife

May, 2006

LIST OF ABBREVIATIONS

AWP	Annual Work Plan
AWF	African Wildlife Foundation
BORT	Beach Operators Relocation Trust
CIOA	Cruise Indian Ocean Association
CTDILT	Catering Training & Tourism Development Levy Trustees
EAWLS	East Africa Wild Life Society
EC	European Commission
EIA	Environmental Impact Assessment
ESOK	Ecotourism Society of Kenya
EU	European Union
GATS	General Agreement on Trade & Services
GDP	Gross Domestic Product
GoK	Government of Kenya
HRA	Hotels and Restaurants Authority
HRD	Human Resource Development
IMO	International Maritime Organisation
KAA	Kenya Airports Authority
KAAO	Kenya Association of Air Operators
KAHC	Kenya Association of Hotelkeepers and Caterers
KATA	Kenya Association of Travel Agents
KATO	Kenya Association of Tour Operators
KPA	Kenya Ports Authority
KPSGA	Kenya Professional Safari Guides Association
KSSC	Kenya Safety and Communications Centre
KTB	Kenya Tourist Board
KTF	Kenya Tourism Federation
KTDC	Kenya Tourist Development Corporation
KUC	Kenya Utalii College
KWS	Kenya Wildlife Service
KWWG	Kenya Wildlife Working Group
MCTA	Mombasa and Coast Tourist Association
MoTI	Ministry of Tourism and Information
MoT&W	Ministry of Tourism and Wildlife
MoU	Memorandum of Understanding
NEMA	National Environmental Management Authority
NGO	Non-Governmental Organisation
SME	Small and Medium Enterprises
ToR	Terms of Reference
TPU	Tourist Police Unit
TTF	Tourism Trust Fund
WTO	World Tourism Organisation

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PREAMBLE

Kenya has for many years been well renowned in world tourism and was originally the most developed and premier destination in sub-Saharan Africa. In recent years, the prime position has been overtaken due to competition from new contenders, in the Beach as well as the lucrative Wildlife Safari Market.

The first statement of national tourism policy was set out in Sessional Paper No. 8 of 1969, which established growth targets for the industry and spelled out strategies as to how Government would both itself participate, and encourage participation by the private sector, in tourism development so as to achieve the desired growth targets. Since then, successive National Development Plans and other relevant public policy documents (including the Japanese-funded National Tourism Master Plan of 1995) have placed great emphasis on the development of the tourism sector through creation of an enabling environment and maintenance of an open door policy towards foreign investment in tourism.

Need for review of the National Tourism Policy

For more than three decades, since the first statement of national tourism policy was formulated, there have been considerable changes on the political, economic and social fronts within the country. These changes have coincided with increased transparency in official policy, greater economic liberalisation, and the disengagement of Government from the ownership and operation of tourist facilities. Whilst many of the overall goals of the initial policy, and the subsequent Master Plan, remain valid, changes have become inevitable, given that Government's role is now more concerned with that of planning, development, promotion, facilitation and service provision rather than that of being directly engaged in commercial activities

On the international scene, tourism and travel have grown to be the world's largest industry, but one that is vulnerable to the threats and impacts of terrorism that have prompted increased concerns about safety and security. Also, with the rapid development of new technology, tourism has become much more competitive as international marketing of tourism products is enhanced and the consumers are better informed about a wider choice of destinations and their rights and entitlements.

The above factors, coupled with increased concern for environmental protection, following the adoption of Agenda 21 for the Travel and Tourism Industry, have led to the need for revision and harmonisation of existing policies upon which the further development and diversification of the tourism sector of Kenya may be based. This is all the more important and necessary given that the tourism sector has been identified as one of the sectors that shall contribute significantly towards poverty alleviation and employment creation as set out in the *Economic Recovery Strategy for Wealth and Employment Creation 2003-2007 (Government of Kenya, June 2003)*.

The need to harmonise tourism, wildlife and land-use policies is also crucial for consistency between tourism development and wildlife conservation, and to minimise human-wildlife conflict.

Policy Formulation Process

The draft Tourism Policy was developed by a Task Force representative of the Ministry of Tourism & Wildlife and key tourism sector stakeholders, acting under the guidance of an Advisory Panel and assisted by international and local consultants recruited by the Tourism Trust Fund (which is a joint initiative between the Government of Kenya and the European Union). Inputs and formal submissions from a wide range of stakeholders were sought and received via press advertisements, individual meetings, and a series of regional workshops convened at eleven sites throughout the country and attended by over 400 participants in total. Thus, the process of policy formulation has followed a ‘bottom-up’, rather than (as was all too common in the past) a ‘top-down’, approach, through which all interested parties have been given an opportunity to make their contribution.

Aim

The aim of the Tourism Policy is to give the people of Kenya and other interested parties a broad statement of the characteristics of a programme for the orderly, sustainable development of tourism in Kenya; to guide the development of the industry over the coming years to enable it to maximise sustainable development opportunities for both existing and new enterprises; to extend tourism to previously neglected regions and communities; to set out how the programme shall be accomplished; and to specify the roles of the different stakeholders in implementing the programme.

Vision for the Future

Kenya’s tourism shall be dedicated to providing high quality facilities and services for enjoyment by citizens and visitors alike, while being at the same time an instrument for improving the economy and livelihood of the people of Kenya, with particular reference to job creation, raising human living standards, earning foreign exchange, encouraging investment and sharing of benefits with local communities. In this way, tourism shall become a rational basis for safeguarding the sustainable conservation of Kenya’s unique assets of beaches, wildlife and culture for enjoyment by present and future generations.

1.0 CURRENT STATUS, PERFORMANCE AND CONSTRAINTS

Introduction

Kenya is endowed with a unique combination of tourist attractions, comprising tropical beaches, abundant wildlife in natural habitats, scenic beauty and a geographically diverse landscape. The diversity of Kenya's habitat is equalled by the remarkable variety of flora and world famous wildlife heritage. Kenya's cultural history stretches back over 4.5 million years, with some of the oldest known evidence of early man. Thus, Kenya can truly be promoted as a destination that offers the visitor - whether foreign or domestic - an unparalleled variety of travel experiences.

Role in the Economy

Tourism currently accounts for about 10 percent of the Gross Domestic Product (GDP), making it the third largest contributor to GDP after agriculture and manufacturing, and Kenya's third largest foreign exchange earner after tea and horticulture. The tourism sector has been identified as one of the sectors that shall contribute significantly towards poverty alleviation as set out in the Government's *Economic Recovery Strategy for Wealth and Employment Creation 2003-2007*.

The tourism sector is a major source of employment, estimated in 1998 at over 500,000 jobs, of which some 360,000 jobs were in the formal sector and 180,000 jobs in the informal sector. The sector is also a major source of Government Revenue in the form of taxes, duties, licence fees, entry fees, etc., while the spatial distribution of tourist attractions contributes to equitable distributions of economic and infrastructural development. Given that the necessary infrastructure and superstructure are already largely in place, tourism has the potential to expand rapidly. In addition, tourism through its multiplier effect has the capacity to promote regional development, create new commercial and industrial enterprises, stimulate demand for locally-produced goods and services and provide a market for agricultural products.

Negative Impacts

While tourism contributes positively to the economy of Kenya, some of its impacts on the country's socioeconomic and environmental landscape includes increased competition with local citizens for scarce resources (e.g. water, energy, foodstuffs) resulting in price inflation, ecological disturbance and noise pollution from vehicles, aircraft and balloons in National Parks and Game Reserves which disturb wildlife, commercialization and adulteration of local cultures, high moral degradation such as prostitution, drug abuse and other forms of anti-social behaviour, and the degradation of Kenya's fragile marine and terrestrial environment. The National Tourism Policy shall seek to safeguard against such negative influences.

Recent Performance

After impressive growth in the 1960s to 1980s, Kenya's tourism sector experienced an unprecedented decline in the 1990s due to both internal and external factors, exacerbated by security concerns. Both the number of visitor arrivals and earnings

peaked in 1994 - at just over one million arrivals and earnings of KSh28 billion. Since then, the trend has been steadily downward, with arrivals falling in 2002.

The downturn accelerated sharply in the first half of 2003 under the impact, firstly, of the second Gulf War and, secondly, the issuance of negative travel advisories against travel to Kenya and imposition of flight bans by some countries. The decline has resulted in low bed occupancy and a sharp fall in revenues, leading to partial or full closure of hotels and other tourist accommodation establishments, especially at the Coast, resulting in loss of jobs both in the formal and informal sectors. However, with aggressive marketing, the trend has been reversed, and 2004 promises record arrivals as was known in the past.

Constraints

Despite the fact that Kenya has many attractions - tourism has not developed as expected due to the absence of a shared tourism vision for the future and a long-term development strategy. The decline can also be attributed to the accumulation of a range of other factors that have limited the ability of the tourism industry to play a more effective role in the national economy which include: -

- Actual and perceived concerns regarding safety and security, with resulting negative publicity in the international and local media;
- Negative travel advisories against travel to Kenya issued by the Governments in the main international source markets, coupled in some cases with the suspension of scheduled and charter flights to Kenya;
- Deterioration and near collapse of infrastructure in some parts of Kenya which has affected access to tourist attractions;
- Lack of harmonisation between national policies on land-use, wildlife and tourism, resulting in pervasive land-use and human-wildlife conflicts affecting conservation, settlement, agriculture, pastoralism, etc.
- Lack of a system to ensure equitable sharing of benefits and opportunities of tourism with local communities;
- Unplanned expansion of the accommodation sector at the Coast resulting in an over-supply of accommodation compared to the demand, pressure for lower contract rates from foreign tour operators; little or no surplus for re-investment in improvement, and a deterioration of the product;
- Lack of affordable finance for upgrading accommodation and other facilities;
- Inadequate funding for sustained tourism marketing and promotion;
- Lack of product and market diversification (i.e. over-reliance on wildlife safaris and beach vacations to the exclusion of other potentially viable products and over-reliance on traditional source markets in Europe and North America while ignoring or failing to effectively promote other potential overseas markets), and relative neglect of domestic and regional tourism;
- Lack of adequate training, examination, control and licensing (eg. of tour guides/driver guides; etc)
- Relatively high cost and erratic supply of utilities, such as electricity and telecommunication services; and
- Cumbersome visitor entry formalities.

SWOT Analysis

The main strengths, weaknesses, opportunities and threats affecting the Kenya tourism sector are summarised as follows:

SWOT ANALYSIS

Strengths	Weaknesses
Sophisticated and efficient industry	Deteriorated infrastructure
Known to tour operators	Insecurity and crime
Quality wildlife	Poor public relations
Quality beaches	Mass market image
Nairobi regional hub	Perceived as cheap beach destination
Customer awareness	‘Tired’ hotels infrastructure
Hospitable friendly people	Old product Anti-competitive trade practices in the marketing and sales distribution system
Excellent all-year climate	Limitations on air access & seat capacity
Change of government in 2003	Entry and visa impediments
Good medical/rescue facilities	Malaria and HIV/AIDS
Good tourism training facilities	Lack of quality control and standards
English speaking	Inadequate database and information
No jet lag from Europe	Beach harassment Tourists herded and restricted by operators
Opportunities	Threats
Ecological and topographic diversity	Lack of controls, planning, management
Potential product diversity	Acts of terrorism
Films and books about the destination	Negative travel advisories
Upgrading visitor interpretation	Increased competition
Diverse heritage, cultures and traditions	Tour operator price pressures
East African co-operation	Community envy/resentment
Kenya’s teas, flowers, coffee, etc.	Human-wildlife conflict
Kenya’s sport personalities	Animal poaching
Tourist Police and KTF Safety Centre	Shortage of future investment capital
Public/Private partnerships	Over-reliance on a few major markets
Boutique camps, lodges, home stays	Corruption and bribery

Source: adapted from Kenya Tourist Board Marketing Strategy 2003-2007

2.0 TOURISM POLICY OBJECTIVES

Guiding Principles

The overall aim of the national tourism policy is to ensure that tourism retains its position as leading export, and that it becomes a major vehicle for job creation, poverty reduction and wealth creation for Kenyans in the future, and whose practices are closely harmonised with key national policies and laws pertaining to wildlife conservation, land ownership and physical planning.

Mechanisms for sharing of the benefits of tourism, and reducing leakages of tourism earnings outside Kenya shall be placed at the centre of tourism policy.

Secondly, the tourism policy shall be based on the sustainable development of the tourism products in which Kenya has comparative advantage, supported by provision of adequate funds for effective tourism promotion and marketing.

Thirdly, it is recognised that the commercial sector (*including community-based enterprises*) shall play the major role in the industry's development with Government providing an enabling and regulatory environment conducive for investment; promotion of a favourable tourism image; and the development of domestic tourism. To this end, the legislative instruments pertaining to tourism development and regulation shall be amended to create a facilitative environment for the development of the industry.

At the core of these principles is the recognition that Government, communities and the commercial sectors must work together to ensure a sound future for Kenya's tourism industry. In particular, an institutional framework is required to make local neighbourhood communities de facto stakeholders and primary conflict resolution groups for wildlife-based tourism development programmes in their areas. They should receive defined benefits from such programmes, and have representation in decisions pertaining to conservation and environmental management.

Specific Objectives

Economic Objectives

- Achieve national recognition and acceptance of tourism as a priority growth sector;
- Reinforce tourism as one of the leading export sectors making a substantial contribution to employment, GDP and foreign exchange earnings;
- Maximise tourism revenues by increasing the number of holiday tourist arrivals, and their average lengths of stay and expenditure;
- Spread tourism earnings widely throughout Kenya, including previously neglected regions, with maximum participation of local communities;
- Enhance linkages between tourism and other economic sectors in order to curb leakages and stimulate the multiplier effects;
- Encourage the creation of a conducive tourism investment climate;
- Promote investment opportunities through the encouragement and development of private and community entrepreneurship in the tourism sector;

- Stimulate the development and maintenance of infrastructure serving the tourism sector.

Social Objectives

- Create awareness among the general public of the importance of and general role of tourism in the development of Kenya;
- Encourage participation by Kenyans in the ownership and operation of tourism enterprises;
- Increase community participation in the planning, development; management and implementation of tourism projects;
- Provide appropriate tourism education, training, awareness and capacity building programmes, especially for previously neglected regions and communities;
- Ensure that all Kenyans, including the disabled, have equitable access to travel opportunities and tourism attractions;
- Eliminate all forms of discrimination in tourism on the basis of language, disability, religion, culture, race or gender; and
- Monitor and minimise potential adverse social impacts of tourism.

Environmental Objectives

- Make the tourism industry in Kenya a leader in responsible and sustainable environmental practices;
- Ensure maximum co-ordination between conservation programmes of Government agencies and non-governmental conservation organisations;
- Develop facilities and products in national parks and game reserves in accordance with well-designed park management plans;
- Provide for the re-investment of revenues from park entry and other fees in the protection of the natural resource base as well as for distribution to local authorities and communities;
- Promote and develop land resources for tourism in a co-ordinated manner so as to attract community participation and private investment in sustainable tourism development;
- Develop integrated environmental management principles for all tourism and other major economic development projects; and
- Implement, and promote awareness among all tourism stakeholders of, the provisions of the Environmental Management and Co-ordination Act, 1999.

Cultural Objectives

- Emphasise the development of cultural tourism based on Kenya's rich culture and history, and on the diverse traditions and hospitality of its people;
- Develop and maintain cultural attractions such as monuments, historical sites (e.g. caves used by freedom fighters), museums, cultural manyattas, and performance art for tourism;
- Preserve and manage Kenya's rich cultural and natural heritage for the benefit of foreign and domestic tourists, and for future generations; and
- Encourage the further development of a national identity and the maintenance of pride in authentic national and local culture; and
- Support the development and marketing of handicrafts.

Growth Targets

Continued and sustainable growth of the tourism industry is both desirable and realistic. The extent of this growth shall, however, be dependent on a number of controllable and uncontrollable circumstances. Controllable circumstances relate mainly to the industry's ability to plan effectively for the future so that optimal growth may be achieved. Such growth would not only represent increases in visitor numbers and receipts, but would also include a more regionally, seasonally and environmentally balanced spread of business with maximum linkages to community development and a strong sub-regional focus. Uncontrollable circumstances include economic conditions in major source markets, acts of terrorism that impact on travel and tourism, and negative travel advisories issued by foreign governments.

The overall growth objective is to achieve a significant increase in the present level of tourism in Kenya by at least doubling the existing number of tourist arrivals over the next decade or so. Tourism earnings and revenues are projected to grow at even faster rates as Kenya seeks to move away from high volume: low value tourism (particularly at the Coast) to higher spending types of visitor, with gross earnings projected to increase to at least KShs 100 billion by 2020. The main growth shall take place in respect of holiday tourism from both international and regional markets, but domestic tourism is also expected to grow significantly over this period.

When the expected growth of other tourism and tourism-related sectors are added, the contribution of tourism to GDP is projected to increase from around 10 percent at present to over 15 percent by 2020, making tourism one of the main engines of economic growth, employment generation and poverty reduction for Kenya through the creation of at least 25,000 additional *direct* jobs each year (and as many more indirectly). The increased tourism income shall, to a growing extent be widely spread throughout the country, bringing benefits to previously neglected districts and communities.

Appropriate indicators and milestones shall be developed against which progress in the implementation of the policy can be evaluated.

3.0 TOURISM POLICY

In this section, the foregoing tourism objectives are translated into a set of national tourism policies and strategies that shall be adopted for consistency in decision-making during the implementation of the tourism programme. Implementation of the tourism policies and strategy shall also involve streamlining the tourism policy with wildlife, land-use and other cross-cutting policies, and setting up the necessary legal instruments for providing resources to facilitate development.

Environment, Resource Base and Sustainable Development

Tourism is a sensitive service sector whose development depends on a destination's entire resource base (human, land, water, air resources). To sustain tourism, changes - particularly land-use - in these areas need to be controlled to ensure they do not detract from Kenya's unique endowment of diverse tourism attractions. Government shall support measures to enhance the effective use of scientific resource assessment information in regional area plans as well as environmental auditing and impact assessment by the National Environmental Management Authority (NEMA) for existing as well as for new tourism developments. Land-use activities contributing to pollution (including vehicle exhaust pollution, which is a major nuisance and health hazard in Nairobi and other built-up areas), eutrophication and sedimentation of valuable ocean beaches, inland lakes, rivers and reservoirs shall also be closely monitored and controlled.

In addition, the policy shall provide support for Kenya's initiative to introduce an eco-rating system in all hotels and lodges in Kenya (to be eventually included in classification and accreditation schemes thus underpinning the entire Kenyan accommodation product with responsible and sustainable tourism principles).

Enhancing community participation in tourism activities shall, in general, also promote protection of the tourism resources.

Community Participation

Government shall encourage the involvement of local communities in managing wildlife so as to ensure that they receive a significant share of the benefits from wildlife-based tourism development.

Encouragement shall also be given to the formation of local and regional tourism development associations (or forums) and local community-based organisations (CBOs) that can manage viable tourism enterprises and perform effective lobbying to advance the tourism interests of their communities at higher levels.

Private sector stakeholders and NGOs shall be exhorted to play a leading role in enhancing partnership in the tourism sector with such CBOs - especially those adjacent to national parks, national reserves, forest reserves, inland waterways and unique eco-systems - which can be involved in eco-tourism and related service activities in collaboration with the established private sector stakeholders and

participate in decision making at local or regional levels. This shall promote sharing of information, benefits and opportunities accruing from tourism development, including the utilisation of wildlife.

Technical assistance shall be provided to enable local community-based groups and individual entrepreneurs to develop feasible tourism enterprises, while fiscal and other incentives shall be provided to attract investors willing to undertake tourism enterprises with local partners in previously neglected regions.

Conflict Resolution and Land-Use Planning

Government shall ensure that various policies and laws (e.g. those relating to wildlife conservation and management, protection of endangered species; wildlife cropping; wildlife hunting; land ownership, land-use, etc.) are harmonised in order to minimise areas of conflict and contention.¹

Compensation for injury or death or for damage of property caused by wildlife to any person, including tourists who have paid to enter a protected area, shall be paid according to established law. The current compensation rates shall be reviewed upwards. In addition, Government shall work towards the establishment of a sustainable compensation insurance scheme with one or several underwriters.

Recognising that issues of land-use and human-wildlife-tourism conflict can be resolved more realistically through a participatory approach at regional or sub-regional level, the tourism policy places strong emphasis on the establishment and operation of a decentralised regional and local tourism area planning and development framework. This shall also help to ensure sustainable use of resources, and fair distribution of tourism infrastructure, services and benefits (roads, airports, information centres, communications, incomes, investment, security, etc) to previously neglected regions and localities.

In addition, Government shall

- Establish Tourist Information Offices manned by Tourism Officers at provincial or district centres (where appropriate) to serve as information outlets (and as a conduit for extension services) for the MoT&W and its parastatal agencies in conjunction with KWS regional and district offices;
- Give high priority for upgrading, rehabilitation and periodic maintenance and signage for access roads to regional and local tourist destinations; and
- Design new circuits to link previously neglected areas and existing tourism destinations or corridors.

¹ The Wildlife (Conservation and Management) Bill, 2003 spells out how compensation in cases of human-animal conflict shall be handled.

Safety and Security

The Government of Kenya is committed to ensuring the safety and security of all visitors as well as all citizens and other residents. Security is a key consideration for tourists when selecting a holiday destination.

In order to counter any perception that Kenya is an unsafe destination, Government shall closely monitor safety concerns and continuously strive to improve security for both visitors and residents alike. To this end, the following measures shall be put in place:

- The Tourist Police Unit shall be properly equipped and funded to carry out its responsibilities both in Nairobi and other areas frequented by tourists;
- The Safety and Communication Centre in Nairobi, established by KTF in collaboration with KWS and the Kenya Police, shall be further strengthened and provided with adequate resources to enhance communication for safety and security purposes (including search and rescue);
- Adequate information shall be provided to visitors that shall help improve their safety and security;
- Adequate resources shall be committed to improve and maintain aviation safety and security at all airports in order to meet international standards;
- The KWS mandate for tourist security shall be expanded to cover Game Reserves as well as National Parks; at the same time modalities shall be put in place to ensure that KWS is adequately funded for providing these additional services;
- All passenger boat services, including boat services provided for tourists, operating both at the Coast and at Lake Victoria and other inland waterways shall be regulated and licensed in order to protect public safety. All such passenger boats (including dhows and other wooden vessels) shall be required to provide insurance cover for passengers. Un-seaworthy vessels shall not be permitted to operate; and
- Government shall ensure that visitors are free from harassment by unauthorised beach operators and vendors (including provision of assistance for appropriate relocation of such operators, or zoning of beaches, where necessary).

Product Development and Diversification

Kenya has traditionally been regarded and developed as a coastal (beach) and wildlife safari destination. While these are likely to remain its core tourism products for the immediate future, Kenya can also offer a wide range of other tourism products, (such as golf, mountaineering, rock climbing, bird watching, white water rafting, horse riding, camel treks, etc.), while the richness and variety of its cultural heritage adds a further dimension to its competitive edge. There are opportunities too for the further development and promotion of local handicrafts such as wood carving, beadwork, painting and drawing, basketry, weaving, clothing, ornaments and jewellery which can help to spread tourism benefits more widely into local communities (such as the Central Province from where many wood carvings originate). Similarly, a range of eco-tourism and community-based projects can form part of a diversified and

enhanced tourism product, including home stays, visits to tea and coffee plantations, wildlife research projects, etc.

Potential also exists for spreading tourism to new areas away from the most-visited and at times crowded destinations to include, for example, Lake Victoria, the Western Region, and North Rift (including Samburu, Marasabit, Lake Turkana, etc.), Central and North-Eastern provinces, while Nairobi, as the commercial centre for East Africa with good hotel and conference facilities, and other centres are well-positioned to attract business for meetings, conferences, exhibitions and incentive travel from domestic, regional and other major source markets.

On the Coast, policy shall be directed towards achieving a better balance between the supply of and demand for tourist accommodation in order to halt and eventually reverse the downward spiralling of revenue, occupancy and service standards. Efforts shall focus on reversing Kenya's image of 'mass' tourism and poor quality accommodation, improving operational quality and increasing numbers to this core product segment. Repositioning Kenya's image as a quality safari and beach destination (also offering adventure, activity and eco-tourism opportunities) shall help revitalise coastal tourism, leading to a gradual shift from high volume: low value tourism to higher-value premier tourism. However, it is recognised that volume is still needed in order to fill beds and to provide employment.

In addition, free and fair but regulated access for local service providers will be provided to improve the diversity, quality and pricing of products locally available to the tourist.

Policy shall seek to achieve a gradual change from mass to premier tourism, especially at Coast, by increasing demand through marketing recovery plans; assessment of hotel properties to see which would benefit from refurbishment; facilitating the provision of soft loans for refurbishment to three-star standard or higher; and introducing a moratorium on new development unless high standard and conformity with planning policy are assured. Government shall reserve the right to place a ban as a last resort intervention on any product whose further development is a threat or has serious negative or counterproductive impact on specific interests of a stakeholder, community, industry or environment in Kenya.

In the short and medium term, as Kenya starts re-building its capacity to deliver high quality and more diversified tourism products, it shall continue to rely on a blend of high and low-volume markets. Once demand has recovered sufficiently, and facilities and services have been improved, prices can gradually be raised to a level sufficient to attract a higher value tourist clientele.

Quality of products shall be emphasised at every stage of product development and the related services. To achieve this objective, industry members shall be encouraged to form associations and to develop and adhere to (where not already existing) Codes of Conduct that shall ensure that the quality of tourism products and services are maintained. In return, the tourism industry shall be expected to give full support to the registration, classification licensing systems; and to collaborate with Government, other members of the private sector and community-based tourism-interest groups in ensuring the safety, security and health of visitors, including provision of safety

equipment, survival kit and insurances (where applicable) as well as access and other facilities for the disabled.

Other policy strategies for product development and diversification shall include:

Product development

- Support for repackaging and quality improvement of existing poorly planned facilities, including the upgrading and refurbishing of coastal resorts' accommodation and other products;
- Support for eco-tourism as a development priority, including promotion of new eco-tourism products; and
- Support for the improvement of design, marketing and packaging skills of craft producers; co-operatives product development.

Community Involvement

- Encourage NGOs to work closely with communities to develop new community-based tourism projects according to market needs;
- Encourage the formation of district tourism associations and well-managed community trusts supported by training of trustees in good governance and annual audits conducted by reputable independent accountants;
- Encourage communities to appreciate the value of natural and cultural resources for tourism development, and to conserve, develop and promote Kenya's cultural heritage as an integral part of the tourism product; and
- Facilitate the provision of financial incentives and technical assistance for community-based tourism projects.

Cultural Tourism

- Working in close collaboration with the Ministry of Culture, conserve, develop and promote Kenya's cultural heritage as an integral part of the tourism product;
- Facilitate and undertake co-ordinated research into all aspects of the country's cultural heritage;
- Facilitate the establishment of legislation to protect the country's cultural patrimony; and
- Seek corporate sponsorship and other funding for the restoration and conservation of historic and cultural sites.

Sex Tourism

Government shall campaign vigorously against all forms of sex tourism to and within Kenya, particularly where exploitation of children is concerned.

Infrastructure, Transport and Communications

The existence of good and well-functioning infrastructure, including road and rail networks; air transportation services; telecommunications systems; and energy supply and other utilities is vital for the operation of a competitive tourism industry with the ability to deliver services that provide customer satisfaction. The efficiency and quality of these services and facilities is equally important for local people.

Government shall continue to prioritise and to seek funding for the rehabilitation of the tourism infrastructure, especially the comprehensive repair and regular maintenance of roads leading to, and within, in the most-frequented national parks and reserves. Some of this work shall be done in partnership with the private sector. The necessary consultations with international development finance institutions (DFIs) shall be concluded as rapidly as possible. A soft loan facility shall be put in place to facilitate the rehabilitation of hotels as well as access roads and other infrastructure in order to improve the quality of the facilities and services offered to both international and domestic visitors.

Road Safety

Government shall also give high priority to ensuring road safety, security and convenience for all road users, through appropriate training and testing of road transport service providers; establishment of road rescue services; road traffic and security patrols; and establishment of rest points along major highways.

Airports

Government shall ensure that airport service charges and taxes are retained by Kenya Airports Authority in order to develop and maintain airport and airstrip facilities, and to enhance safety and security measures.

Kenya Railways

Kenya Railways shall be maintained and aspects of passenger liability insurance taken into consideration, to ensure its return as a major player in the tourism industry.

Telecommunications

Recognising that efficient and affordable communication is a necessary prerequisite for the smooth operation of the tourism industry as well as creating an attractive environment for potential investors, Government, in consultation with relevant Ministries, shall facilitate countrywide provision of cheaper and more efficient telephone, Internet and mobile phone services.

Electricity Supply

Government shall facilitate provision of reliable and affordable electricity supply, and shall seek to eliminate intermittent supply failures and to reduce the high cost of electricity supply, especially in the Coastal Area.

Quality Health Care

The Government of Kenya recognizes the importance of maintaining high standards of public health in our Tourism attraction areas. In this regard, high standards of general sanitation, food safety, clean water, emergency evacuation, search and rescue, vector control and health status of personnel in the hotel industry will be regularly monitored.

Marketing and Promotion

There is need to change the image or perception of Kenya in overseas markets which has been adversely affected by negative publicity, whether warranted or unwarranted. The Kenya Tourist Board shall be strengthened to continue its key role in promoting and marketing Kenya both internationally and locally.

Key policies include the promotion of upmarket eco-tourism and wildlife safaris; a gradual move away from low value package or mass tourism; the diversification of tourism products and markets; and the promotion of regional and domestic, as well as international, tourism. Emphasis shall be placed on obtaining a precise understanding of customer needs, and developing and delivering the products that customers desire.

The policy endorses the following broad strategies for development of tourism from international, regional and domestic markets:

International Tourism

The main objective (once the current market recovery initiative is completed) is to establish Kenya as *the destination of choice in Africa* for international visitors. Destination marketing shall be spearheaded by Government through the KTB in partnership with the private sector.

The main means of achieving this objective shall be to:

- Differentiate Kenya with a distinct market image and positioning in target markets as a quality safari and coastal destination offering a rich diversity of culture, adventure and activity experiences;
- Build on the new Kenyan brand image in a manner that reflects the diversity of the tourism product and that has a strong and distinct appeal in the marketplace
- Maximise the impact of scarce marketing resources of the government and private sectors by aiming at concentration rather than dispersal of marketing efforts;
- Target new segments in established source markets and core segments in emerging markets, particularly in Africa and Asia;
- Effectively carry out joint marketing with appropriate partners, particularly with the Kenyan private sector, airlines, KWS, exporters, regional operators; and other tourism and conservation organisations;
- Establish overseas offices in key markets and employ marketing representatives through the Kenya Tourist Board on an agency basis in subsidiary markets;

- Work closely with EAC partner states to jointly market complementary products and to facilitate multi-destination tourism within the region;
- Make full use of, and adapt to, the opportunities afforded by internet and niche marketing to influence consumers and travel agents, and to increase the marketing reach of Kenya in new emerging and niche markets;
- Encourage the making of documentary and feature films in Kenya as a highly cost-effective means of increasing destination awareness; and
- Support the establishment of a sustainable funding mechanism for tourism marketing and development;

The Task Force (comprising line Ministries and private sector representation) which has been appointed by Government to address media responses to matters relating to terrorism threats and their implications for tourism shall remain in place in order to ensure consistency in Government media communications and to avoid sending inappropriate signals to the generating markets.

Domestic and Regional Tourism Markets

Domestic and to a lesser extent regional tourism have sustained the operation of many hotels, lodges and other tourist facilities during recent difficult periods. The marketing strategy recognises the importance of these markets, and the need to allocate adequate resources and budgets for the promotion of regional and domestic tourism.

Domestic Tourism

Kenya's tourism products attract visitors from all over the world. However, most Kenyan nationals have not been able to experience the same attractions due to financial constraints, lack of tourism knowledge coupled with a paucity of programmes and packages that would enable nationals to participate in domestic tourism. Strategically, the domestic market (comprising Kenyan nationals as well as foreign nationals living in Kenya) shall be further developed to form an enduring foundation of the demand for tourism facilities and services, and not just a temporary palliative during times of difficulty.

Focussing on tourism awareness education, public relations and publicity, Government shall take a proactive role in promoting domestic tourism to nationals and residents of Kenya as a core strategy. It shall forge linkages between the industry and national and resident domestic segments through ongoing tourism awareness educational campaigns aimed at the local population; sensitising tourism suppliers as to the value of domestic tourism; and encouraging the development and promotion of tailor-made products, programmes and packages specifically for domestic tourists.

Regional Tourism

Tourism practitioners shall also be encouraged to recognise the importance of, and pay increased attention to, attracting visitors from other parts of Africa to Kenya by developing and implementing specific strategies and action plans aimed at nationals and residents of neighbouring countries. Particular attention shall be given to

promotions to those African countries with which Kenya has good air links and to which Kenya can offer complementary – rather than similar – products.

Cruise Tourism

Government shall seek to re-establish Kenya's role and position in Indian Ocean cruise tourism by encouraging KPA to develop improved cruise ship and passenger reception facilities at the Port of Mombasa. It shall also encourage KPA and other stakeholders to actively participate in the Cruise Indian Ocean Association; attend SeaTrade and other cruise industry trade exhibitions, particularly with a view to attracting North European cruise lines to winter in the Indian Ocean using Mombasa as a homeport; and join together in targeted marketing to individual cruise lines.

Government shall also encourage and support measures to re-establish cruise tourism on Lake Victoria.

Funding

Government recognises the need to establish a sustainable source of funding for tourism marketing. This is discussed further in Section 4.

Pricing Mechanisms

Government shall continuously review the taxes and fees levied on the tourism sector and on visitors (including park entry fees, visa fees, airport service charges and air passenger service charges, etc.) in order to remove or modify any charges that may hinder tourism growth. In particular, it shall encourage the continued use of differential fees for peak and off-peak periods in congested parks and reserves; differential charges for citizens, residents and non-residents at national parks and hotels; the use of air licensing to reduce airfares and to improve accessibility to remote areas; reduction in jet fuel prices; and work with fellow members of the East African Community towards eliminating visa requirements for bona fide visitors from the major source markets.

Investment and Finance

Kenya's unique combination of spectacular tourist attractions and liberalised economy makes it an ideal investment location, especially for investors interested in the development of sustainable and quality tourism. In order to exploit fully this potential, Government shall create a conducive investment climate i.e. one that is capable of attracting both local and foreign investment and finance. Incentives shall be offered to encourage investment in this sector, especially to those investors who re-invest the financial benefits of their investments in Kenya.

Foreign Investment

The Government of Kenya recognises the importance of attracting foreign investment in order to achieve the growth and development objectives of the tourism sector.

Foreign investment will increase competition and improve standards as well as create employment and facilitate economic growth. Economic and trade liberalisation, as well as the privatisation measures undertaken in recent years, are now further opening up attractive investment opportunities in the tourism sector, including areas such as lodges, hotels and resorts; film production; recreation and entertainment; conference tourism; cultural tourism; cruise ship tourism; tour and travel tourism; and ecotourism. These investments can be undertaken either by potential overseas investors, including tour operators, singly or in partnership with local investors/entrepreneurs.

Government shall establish a climate of political stability, economic growth and profitability, and provide transparent, stable and consistent policies to attract foreign investment, and, through the Kenya Investment Authority, shall provide an effective 'one-stop shop' for the facilitation and processing of foreign investment.

Availability of Finance

The availability of finance to develop and promote the tourism industry is also critically important for the industry's further growth and development. A major problem limiting tourism development is the unavailability of finance on favourable terms over a long period of time. Existing financial institutions are often unable to meet the needs of those wishing to develop new tourism facilities or wishing to refurbish existing facilities because of the onerous lending conditions. There is therefore need for new arrangements whereby soft loans can be provided over a longer period to meet these needs. The lack of access to funding is even more acute for local communities because of the need to provide substantial security and collateral; the lack of assets that could act as security for loans; the lack of technical assistance to help with the preparation of the necessary business and marketing plans; and the lack of localised funding institutions.

Government shall seek to redress the above problems by ensuring that sufficient financing (and technical assistance) is available for the development and promotion of the industry. This shall include examination of the feasibility of establishing a special fund for tourism enterprise development.

Investment Incentives

In order to ensure that the tourist product is both up to standard and offers value for money, Government shall continue to offer tax and other incentives to investors to encourage upgrading of existing tourist accommodation facilities and investment in new facilities. Incentives, whether tax-related or otherwise, shall not be limited to the accommodation sector but shall include operators of other tourism services. Particular attention shall be given to investment incentives for previously neglected regions and well-organised community-based tourism projects. Tourism incentive schemes shall be in accordance with overall government policy in this regard, and may include special tax reliefs on hotel construction; provision of long-term and soft loans; VAT exemption for small hotels and restaurants; accelerated depreciation; waiver of import duties for buildings related to hotel services; etc.

Other policy strategies for investment and financing include:

- Promotion of tourism as a priority sector for domestic and foreign investment;
- Establishment of a favourable fiscal, legal and regulatory framework
- Dissemination of information through the MT&W and KTB about tourism investment opportunities to domestic and international investors and developers, including the streamlining of investment procedures, in order to attract investors;
- Progressive reduction of VAT on tourism as new sources of sustainable funding are identified;
- Duty free importation of solar energy equipment and other items needed for meeting environmental standards;
- Promotion of active forms of community partnership, especially via joint ventures with the private sector and state conservation agencies; and
- Provision of technical assistance to small enterprises engaged in the production of tourism products in order to improve efficiency and quality (with priority to be given to small enterprises owned and managed by local entrepreneurs, local communities, women and the youth).

Employment, Training and Human Resource Development

Employment

Being labour-intensive, the tourism sector has the potential to make a substantial contribution to the Government's goal of creating 500,000 jobs annually for the period 2003-07. The core aim of the economic recovery programme is to achieve economic growth rates that are consistent with this objective. The bulk of the employment creation is expected to be in small enterprises. It is imperative therefore that, as the industry expands, basic skills training and re-training are provided – not just for school leavers – but also for unemployed/underemployed persons wishing to join the tourism workforce and become productive employees. Being a service-oriented industry, it is also essential that those engaged in this industry ensure that customers obtain good value for their money.

Working Conditions

General labour laws shall be enforced to ensure acceptable working conditions for tourism sector employees, particularly for females who often constitute the majority of the tourism workforce. In order to maintain service standards (and also to ensure adequate remuneration for staff), employers shall be encouraged to recognise the need to have permanent trained, as opposed to casual, staff. Special attention shall also be paid to the issues of employee and workforce sustainability, including the attraction and retention of motivated employees, and the growing impact of HIV/AIDS on the tourism workforce. The pressure to improve efficiency and production must be balanced with the need for quality of work life for tourism workers.

Government shall ratify and implement International Labour Organisation (ILO) and other international conventions on child labour to eliminate this practice from the tourism industry.

Employment of Foreigners

The existing work permit legislation shall be strengthened where necessary to ensure that employment opportunities for Kenyan citizens are maximised. As far as possible, and consistent with the commitments that Kenya has made under the General Agreement on Trade and Services (GATS), Government shall seek to ensure that tourism positions are filled by suitably qualified citizens of Kenya.

Where suitably qualified citizens are not available, recruitment of foreign personnel shall be permitted pending the training of an adequate number of Kenyans.

Human Resource Development

The improvement of standards of service is crucial to the sustainability of Kenya's tourism and a cornerstone of its image.

To enhance the quality of services offered to visitors, a top priority shall be to upgrade the capability of supervisors, with emphasis given to on-the-job training methods for supervisors and middle managers through the development and implementation of train-the trainer programmes and courses. A second priority shall be to improve technical skills, particularly in the areas of food preparation and hygiene, but also in other functional areas of hospitality guiding, tour operations, customs and immigration, etc.

Tourism Education

Tourism shall be incorporated into the National Curriculum, beginning at the primary and secondary education levels, in order to give Kenyans early exposure to tourism; help create a better appreciation of Kenya's national heritage, wildlife conservation and environmental protection and of the importance of tourism; engender a greater social acceptance of the sector; and attract young people to consider and choose tourism as a serious career option.

Policy strategies for human resource development shall include:

- Conduct of tourism training needs assessment and preparation of an HRD Strategy and Plan
- Establishment of an effective co-ordination forum for tourism and hospitality training and education involving all institutions involved in this field;
- Introduction of stricter licensing, regulation and monitoring of tourism and hospitality training institutions, both public and private, to ensure set training quality levels are maintained;
- Support for the provision of basic skills training and re-training for school leavers and for unemployed/underemployed persons wishing to join the tourism workforce;
- Address the specific needs of SMEs, emerging entrepreneurs and community groups by making training more accessible in terms of appropriateness, affordability, location, duration, costs, and language of instruction;

- Support for the provision of specific training courses for tour guides, including communication skills and languages training, and preparation for professional examinations; and
- Government and the private sector to implement continuous public awareness activities at all levels of society in partnership with the local media and NGOs, especially in new tourism areas, so as to familiarise local populations with employment and other opportunities in the tourism sector.

Training Standards

Henceforth, no institution shall undertake the business of training and/or certification of tourism industry personnel without a valid certificate of registration. Licensing of these Institutions should be subject to this registration.

The Ministry of Tourism and Wildlife will come up with the modalities for the registration, outlining the minimum requirements, which will include physical inspection of the premises and the contents of the relevant curricula.

These Institutions will, in conjunction with the Ministry of Tourism and Wildlife and the Ministry of Education, develop the appropriate curricula for the training and certification of the personnel in the tourism industry. This will be applicable to all the relevant fields i.e. management, supervisors and the technical staff in the various areas including but not limited to food production, hygiene, hospitality, travel agents, tour operators, tour guides, driver guides, immigration, etc.

Funding

The Catering Training Levy Fund spent on training direct entry students should be a revolving fund, where beneficiaries pay back after securing employment. This will boost the fund and in future relieve Kenya from the burden of relying on donor funding to the tourism sector.

The Tourism Development Fund shall contribute to the training needs of the tourism industry.

Assistance may be sought from Kenya's development partners for capital developments and special programmes for tourism training.

Information Management and Research

Information Technology

To successfully address the challenge from competing destinations, Kenya needs to utilise the best available tools and technology to manage, develop and market the tourism industry. New information-related technologies are rapidly transforming the travel and tourism industry which has been among the earliest and largest users of these new tools, pointing to a declining future role for travel agents both as sources of information and as sales outlets. If managed properly, the revolution in information technology can be used to open new opportunities for Kenyan tourism.

Planners and decision makers, in both the public and private sectors, shall be encouraged to quickly become much more expert as information managers, ensuring that they have the facilities and the right personnel to collect, store and disseminate comprehensive, high quality information about the tourism product. Policy shall also encourage and support the further development and improvement of national and regional tourism websites.

Information Management

The external shocks that Kenya's tourism industry has experienced in recent years have highlighted the deficiencies in the existing tourism information system and the country's inability to quickly but accurately evaluate the immediate impact of such events and their likely implications for the country's economy in the short and medium term. In particular, this underlines the need to improve tourism information systems in the following areas: more timely visitor arrival statistics; improved hotel occupancy and performance statistics; improved market intelligence and market research; improved economic analysis (i.e. improved methods of measurement of the economic contribution made by tourism). Quantitative and qualitative research is needed to answer key questions about the performance and impact of the tourism industry in Kenya.

Policy strategies for Information Management and Research include strengthening of MoT&W's research and statistics department; close co-operation between MoT&W, Central Bureau of Statistics (CBS) and the Immigration Department to provide stakeholders with reliable and timely tourism data for analysis and dissemination; completion of the ongoing work to develop a Tourism Satellite Account that shall provide more comprehensive information on the economic impact of tourism; and preparation of a comprehensive tourism research programme to be undertaken jointly by Government and relevant research and tertiary institutions both inside and outside Kenya.

For its part, the commercial sector shall provide input on utilisation of the Tourism Plans and other relevant for processing by MoT&W and CBS.

Regional and International Co-operation

As a member of the East African Community (EAC), Kenya shall support the implementation of the current East African co-operation agreement which provides for collaboration in (i) promotion and marketing; (ii) wildlife and biodiversity conservation and management; (iii) personnel training; and (iv) statistics; registration and grading of hotels; The aim is to facilitate the flow of tourists within the region and to promote East Africa as a single tourist destination.

While a regional approach in marketing and product development should be of advantage for all countries involved, policies must also include a mechanism for achieving an equitable sharing of benefits among the partner states. Other areas where cost effectiveness can be maximised via a regional approach include joint development of shared facilities and destinations (such as Lake Chala, Lake Victoria and Mount Elgon); boating regulations for Lake Victoria; training research; data collection; harmonisation of tourism policies; co-operation in the exchange of information likely to influence the tourist industry (e.g. information on health, internal security, technology, standards and legal provisions); adoption of regional tourism health information and disease control programmes; and the easing of visa and travel restrictions for bona fide international and regional visitors.

The strengthening of links with the East African Tourism Council; the Cruise Indian Ocean Association and the World Tourism Organisation. Co-operation with other African countries (outside of EAC) shall also be encouraged.

4.0 IMPLEMENTATION STRATEGY AND ROLES OF STAKEHOLDERS

Institutional and Regulatory Framework

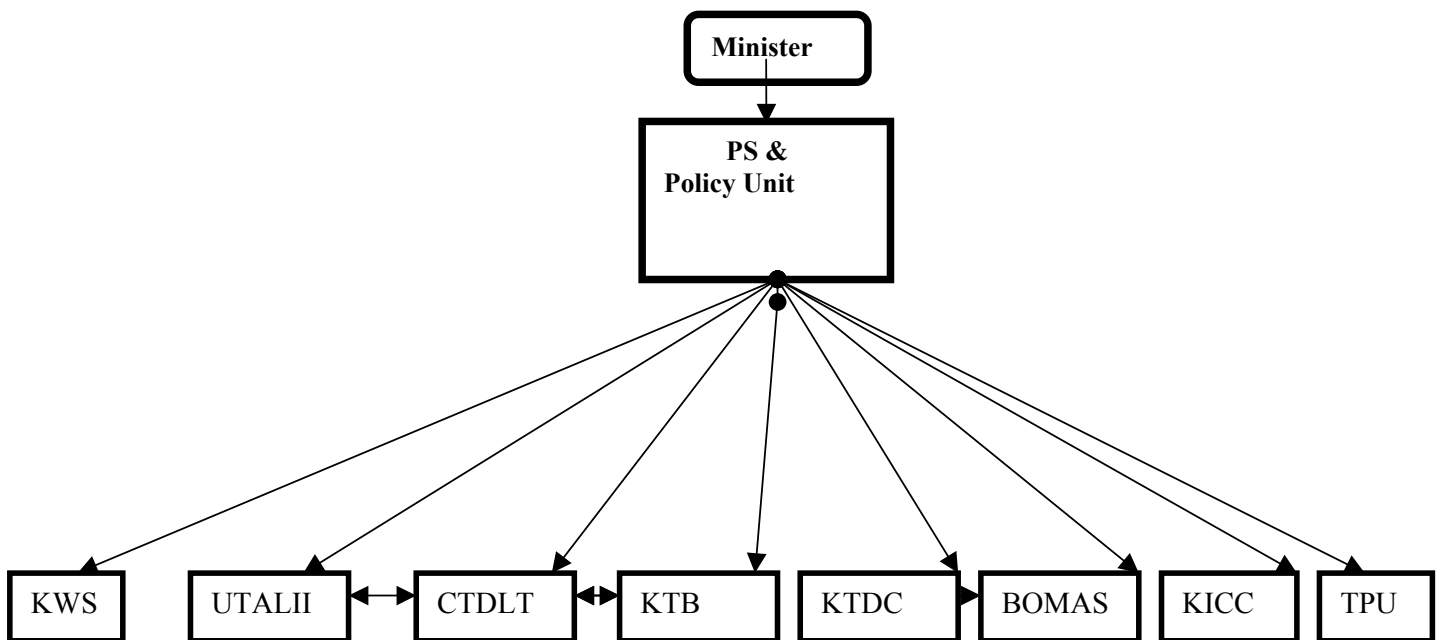
Ministry of Tourism and Wildlife

Certain functions of the Ministry of Tourism and Wildlife shall be devolved to subsidiary institutions, with a policy and regulatory unit within the Ministry retaining responsibility for policy formulation and planning, international relations, and the general supervision of the industry.

Tourism Institutional Structure

For the purpose of implementing this policy, the tourism institutional structure, encompassing the Ministry of Tourism & Wildlife and its component institutions shall be strengthened and shall embrace responsibility at national and regional levels for destination marketing, product development; regulation and licensing, training and certification, research and statistics; and other related matters.

Strengthening of Existing Institutions:



Strengthening of Existing Institutions:

In order to strengthen the existing institutions, the following shall be undertaken:-

- Conduct a review of key tourism related public institutions and organizations;

- Support process of re-definition of institutional roles, functions, mandates and structure of key sectoral institutions; and
- Assist in possible right-sizing and implementation process for selected institutions.

The following will be the specific mandates of each institution:-

POLICY UNIT - The Minister for Tourism and Wildlife, the Permanent Secretary and the Department of Tourism shall remain largely responsible for Planning, Policy-making and Co-ordination, while the proposed new institutional structure(s) shall be responsible for implementation of policy.

KENYA WILDLIFE SERVICE – Conservation and Management of wildlife (Flora and Fauna) in coordination with other relevant stakeholders.

KENYA TOURIST DEVELOPMENT CORPORATION – Finance domestic tourism development.

KENYA TOURIST BOARD – Market the country as the preferred tourist destination.

CATERING TRAINING AND TOURISM DEVELOPMENT LEVY TRUSTEES – Collection of training levy, development of training curricula standardization.

KENYA UTALII COLLEGE – Training and establishment of hospitality standards.

BOMAS OF KENYA – Development and promotion of cultural tourism.

KENYATTA INTERNATIONAL CONFERENCE CENTRE – Development and promotion of conference tourism.

OTHER ORGANS

TOURIST POLICE UNIT – Safety and Security in the tourism sector.

TOURISM TRUST FUND – Funding of Tourism Diversification and Sustainable development and marketing promotion.

Tourism Act

A comprehensive single Tourism Act shall be promulgated setting out the necessary legal framework to implement the National Tourism Policy. As tourism is linked to several acts, the necessary amendments shall be made to streamline the existing legislation and regulations to make them transparent and enforceable.

Towards this end, the following will be undertaken:-

- A review of all the current legislative provisions (including Hotels and Restaurants Authority Act CAP 494 and Tourist Industry Licensing Act CAP 381);
- Review of licensing and classification provisions and regulations and related enforcement mechanisms;

- Preparation of a comprehensive Tourism Act;
- Analyse options and recommend timed and costed programmes for implementation of environmental standards in tourism legislation.

Regulation and Licensing

There is need to provide for the licensing and grading of operators of other tourist facilities or services not adequately controlled under the existing regulations, and to implement a uniform classification and grading system for other designated tourist facilities, apart from hotels, including provision for the inspection of such facilities. It shall be a condition for the renewal of licences that the applicant is current with regard to payment of tourism levies and other charges.

In addition, the regulatory and licensing regime shall be extended to include private home stays; private game sanctuaries, villas and other providers of tourist accommodation in order to put them on a par with hotels and other providers of tourism services. In particular, the current definition of “hotel” in the Hotels and Restaurants Act, which exempts villas and other properties having less than five beds, shall be changed to cover all providers of tourist accommodation (including those who may seek to claim exemption for various reasons) to establish a ‘level playing field’ and to enhance revenue collection. Providers of all types of accommodation used by international and domestic visitors should be obliged to furnish periodic occupancy and other business details to the appropriate authorities.

The hotel and general tourism licensing inspectorate shall be strengthened by establishing laid down regulations, procedures and systems. Methods of regulation for timeshare developments shall be examined.

Finally, it shall be a mandatory licensing requirement for operators of designated tourist facilities or services to belong to an industry association duly recognised by the Ministry of Tourism & Wildlife, and which has its own Code of Conduct (thereby prohibiting the sale of safari and other tour operations by unauthorised operators).

Regulation of Tourist Vehicles

There is need to ensure that high standards are maintained in the transportation of tourists. This should go hand in hand with provision of an enabling environment for regulation and licensing of tourist vehicles.

A “Tourist Vehicle Service” (TSV) category will therefore be introduced to distinguish tourist operations from mainstream PSV vehicles used for general public transportation. The TSV category will be clearly defined and administered under the Tourism Act. Vehicle standards will be clearly defined and administered under the Tourism Act, in consultation with the Ministry of Transport.

Regulation of Boating Activities

There is need for greatly improved regulation of boating activities (especially craft carrying passengers) on Lake Victoria and other inland waters in the areas of licensing, insurance, training of coxswains, navigation, safety of passengers (life jackets), maintenance, etc., as well as provision of jetties and other facilities. The same need for improved regulations applies to boat operators plying on coastal waters. To this end, existing regulations and the International Maritime Organisation's recommendations on inland waters (especially as regards navigation and operation of passenger carrying vessels, and the creation of a body to inspect, license and classify boats and other vessels on Lake Victoria and other inland waters not covered by KPA's jurisdiction) shall be implemented so as to establish the necessary pre-conditions for the development of cruise and pleasure boating, especially on Lake Victoria. This shall be done in co-operation with neighbouring countries.

- Currently, the crafts used for boating activities with regard to tourism operate without adequate minimum standards in terms of seaworthiness, licensing, insurance, training of coxswains, navigation, safety of passengers (life jackets), carrying capacity and maintenance.
- The tourism industry will develop adequate minimum standards to be used by the Tourism licensing authority in conjunction with the Kenya Maritime Authority when Licensing crafts used for tourism related activities. These standards should incorporate the International Maritime Organizations recommendations.
- In order to address the above concerns, a representative from the tourism sector should be incorporated on the Kenya Maritime Authority Licensing Board.

Environmental Regulation

Government shall ensure that the provisions of the Environmental Co-ordination and Management Act of 1999 (and related regulations) are enforced and that the National Environment Management Authority is sufficiently strengthened so that it can fully discharge its responsibilities under this Act, including enforcement of the need for mandatory Environmental Impact Assessments (EIAs) for all significant new tourism developments; the development and implementation of a Coastal Area Management Plan; the enforcement of regulations to eliminate pollution from vehicle exhausts; and the control of siltation at Malindi and other coastal locations.

In order to enforce the Environmental Management Act (EMCA) 1999, the Ministry of Tourism and Wildlife shall:-

- Identify the appropriate legal framework within Environmental Management Coordination Act (EMCA) 1999 and incorporate it within the proposed Tourism Act.
- Support the formulation and develop guidelines on environmental impact assessment for the tourism industry.

Funding

A sustainable source of funding for tourism development shall be established under the control of a public/private sector tourism body known as the Kenya Tourism Development Fund.

The sources of the fund shall constitute of:-

- ❖ Money payable to the Fund from moneys appropriated for that purpose by Act of Parliament;
- ❖ Levies, fees and other moneys paid under the proposed Tourism Act;
- ❖ Any moneys that the Fund may obtain, with the approval of the Minister for Tourism and the Minister for Finance, by way of donations, loans or other financial assistance; and
- ❖ Any other moneys that may vest in or accrue to the Fund, whether in terms of the new Tourism Act or otherwise. Various methods of collecting other funds to be paid into the Fund shall be explored.

Uses

The Fund shall be used for the following purposes:

- Product Development
- Destination marketing;
- To support civilities that are linked to the marketing effort, such as market research and intelligence, website development, etc.
- To support the upgrading and expansion of tourism training; and
- To fund programmes that contribute towards the development of excellence in the tourism product.
- Tourism Research and Statistics

Roles of Stakeholders

Responsibility for implementation of the National Tourism Policy should be *shared* by all stakeholders and stakeholder' institutions. The expected roles of the main players – Government (both central and local); private sector; labour; communities; women; NGOs; conservation agencies; and development partners – is set out in the following sections.

(i). Role of Central Government

The role of central government in the tourism sector is to ensure the implementation of the articulated sectoral development policy strategies and plans of action, and the stimulation and promotion of private investment activities. The tourism sector deals with cross-cutting issues which involve all Ministries. Government should therefore play an enabling or facilitating role in the development of the tourism sector.

Government participation shall therefore be confined to the provision of services that cannot be provided adequately or efficiently by the private sector (such as planning and formulating policy; regulating the industry; setting standards; assisting small, local hotels; and providing infrastructure and security). It shall co-ordinate inter-

Ministerial activities relevant for tourism and ensure the development and maintenance of the essential infrastructure of importance for the future development of tourism.

Central government shall therefore play four key roles in the development and promotion of the tourism industry:

- Planning, policy-making and co-ordination
- Regulation and monitoring
- Facilitation and implementation
- Development promotion

Planning, Policy-making and Co-ordination

- Fully support the development of tourism in Kenya and the implementation of the National Tourism Policy;
- Develop integrated national tourism development plans in collaboration with relevant stakeholders;
- Establish mechanisms for co-ordination and consultation that involve the relevant Ministries and other interested parties (including the private sector, international and regional government, and community organisations, as well as training institutions and universities) engaged in the development of the tourism sector;
- Ensure regional co-operation in tourism; and
- Seek finance from foreign governments and donor agencies for national and local tourism development;

Facilitation and Implementation

- Establish a safe and stable political and economic environment for tourism to flourish;
- Jointly with local government and the private sector, ensure the safety and security of residents and visitors;
- Build and maintain tourism infrastructure;
- Promote wildlife protection and conservation;
- Facilitate and provide appropriate incentives for private sector investment in tourism, including promotion of Kenyanisation and SME development;
- Provide adequate financial resources and fiscal support for tourism development and marketing;
- Jointly work with private sector to enhance tourism training and education in Kenya; and
- Undertake research and compile statistics for the tourism sector.

Regulation and Monitoring

- Implement the new Tourism Act;
- Establish and facilitate enabling and appropriate legal and fiscal frameworks for the industry;

- Provide for the settlement of disputes on matters such as land and environmental issues before proceeding to arbitration;
- Put into place sound mechanisms for the collection of government revenue accruing from licences, prescribed fees and other relevant charges; and
- Establish and maintain quality control mechanisms and standards for products and services;
- Provide inspection services and monitor the compliance of operators and developers within the tourism sector with regard to taxation, health, safety and environmental standards set; and
- Ensure the application of integrated environmental management principles in land-use development proposals to facilitate sustainable utilisation of natural and cultural resources.

Development Promotion

- Facilitate and conduct the effective marketing and promotion of the country;
- Promote the involvement of communities at appropriate levels of tourism activity;
- Prepare and disseminate, on a regular basis, marketing and other promotional materials;
- Improve and extend tourist information services within and outside Kenya;
- Formulate a proactive concession policy within and outside protected areas to enhance investments in the sector; and
- Provide support to environmental protection and development as stipulated in Section 3 of the National Tourism Policy.

The MoT&W shall remain largely responsible for Planning, Policy-making and Co-ordination, while the proposed new institutional structure(s) shall be responsible for implementation of policy.

(ii). Role of Local Government

At the district or local level, the focus shall be more on the implementation and application of national policy guidelines as appropriate to local conditions. Local authorities are closer to the product than national or district government, and take on a much more important role in facilitating and developing the tourism product.

The precise role of the local government in the tourism development thrust shall be determined by local conditions existing and, most importantly, by the availability of the necessary financial means and skills base to carry out the respective functions. Specific roles of Local Government include

- Initiate the compilation of inventories of district tourist attractions and tourism statistics
- Establish District Tourism Committees comprising public and private sector representatives (including environment, wildlife, etc.).
- Employ tourism officers in key areas to initiate local tourism co-ordination and establish links with the central administration and central tourism bodies;

- Undertake responsible land-use planning and allocation for urban and rural development, and protection of the environment;
- Initiate local stakeholder collaboration and support private sector initiatives;
- Register and license tourism establishments in accordance with national framework;
- Support the protection of local level natural and cultural resources as the basis for tourism development; and
- Provide and maintain tourism infrastructure, services, sites and attractions (e.g. access roads; recreational facilities; historical buildings; sports facilities; museums; road signs; parking, public health and safety, and other public services).

(iii). Role of the Private Sector

The private sector shall be called upon to play a pivotal role in the implementation of the tourism policy.

The private sector bears the major risks of tourism investment as well as a large part of the responsibility for satisfying the visitor. The delivery of quality tourism services and providing the customer with value for money are also largely private sector responsibilities. Furthermore, the private sector is in a position to promote the involvement of local communities in tourism ventures by, inter-alia, establishing partnership tourism ventures with them. The private sector also has the social obligation to ensure that tourism becomes a major contributor to poverty alleviation.

Trade associations have an important role in ensuring high standards and maintenance of harmony within the industry. This shall be facilitated by encouraging the adoption and implementation of mandatory Codes of Conduct for members, and other forms of self-regulation. It shall be mandatory for persons providing tourism services to belong to an appropriate and legally registered industry association, which has developed a code of conduct recognized by the Ministry of Tourism and Wildlife. Trade associations will be encouraged to join an umbrella body to facilitate coordination with the Government.

Government is committed to providing a climate conducive to the further growth, development and profitability of the tourism private sector. In order to foster the continued development of partnership and co-operation between the public and the private sectors, Government shall ensure that the private sector is properly represented on the Boards of all relevant public and quasi-public institutions having responsibility for tourism or tourism-related concerns. Such representation shall be through nominations by particular relevant private sector associations.

Specific private sector functions include:

Institutional

- Through stakeholder associations, establish close working relations and collaboration with Government, local government and local tourism associations in respect of planning, product development, protection of natural and cultural resources, and investment;

- Provide necessary statistical information to MoT&W, and other relevant governmental agencies to develop a comprehensive management information system for the tourism sector;
- Represent the interests of private business on the boards of the major national and provincial tourism bodies; and
- Support the further strengthening and empowerment of the Kenya Tourism Federation as the industry's umbrella body.

Product Development and Quality Assurance

- Encourage members of industry associations to develop and adhere to (where not already existing) appropriate Codes of Conduct to ensure quality of tourism products and services are maintained;
- Develop and promote the kind of tourism that is socially, culturally and environmentally acceptable, including adoption, where appropriate, of an eco-rating system;
- Provide full support to the registration and licensing system;
- Operate and manage the tourism plant efficiently, profitably and sustainably;
- Undertake investment activities within the tourism industry, including refurbishment of plant and equipment on a regular basis, or as necessary;
- Satisfy customer needs by providing quality products and services; and
- Collaborate with Government and other members of the private sector in ensuring the safety, security and health of visitors.

Human Resources

- Support tourism and hospitality training through co-operation with approved tourism training institutions as regards standardisation, delivery and certification of tourism training courses;
- Provide good terms and conditions of service for the staff; and
- Contribute to the upgrading of skills in the work force by continuously providing in-house training, re-training and skills upgrading.

Community Involvement

- Work with local communities and community associations to develop community-based tourism projects;
- Provide support to community tourism development through provision of expertise and skills development assistance to community projects; and
- Work with districts councils to develop new, sustainable tour routes/circuits, and new tourism products.

Marketing and Promotion

- Advertise and promote individual tourism services as well as Kenya as a whole – locally, regionally and internationally; and
- Undertake marketing and promotion co-ordination, including specific joint marketing and promotion activities with individual private sector stakeholders.

(iv). Role of Labour

Labour has a critically important role to play in improving the quality, productivity and competitiveness of the tourism industry. At the same time, labour is often taken for granted, even though it holds the key to quality. In particular, many front-line employees – the first and often the most frequent point of contact for visitors – are often not adequately prepared or trained for their role.

The role of labour shall be to support the growth of the industry and the creation of more job opportunities in the process; deliver quality services to the tourism industry; continuously upgrade skills and take advantage of all available training opportunities provided by Government or the industry; negotiate through laid down channels for equitable terms and conditions of service, including transportation and special conditions for female employees; and support measures to eliminate child labour from the tourism sector.

(v). Role of Communities and Community-Based Groups

Community involvement, including benefit-sharing between local communities and tourism projects and wildlife management, shall be placed at the centre of the new national tourism policy. It is imperative for communities living within or around wildlife areas to be fully involved in the development and management of these and other local tourist attractions and, in addition, to get a share of the income generated from tourist activities within their areas. Policy shall seek to ensure priority for community members in terms of information and awareness of interventions, employment opportunities, training, sharing of park entry fees, and other social and economic benefits accruing from tourism activities or investments within their areas.

In addition, many communities, particularly those in rural areas that have not hitherto actively participated in the tourism industry, possess significant tourism resources that can form the basis for community-based tourism developments. Cultural tourism and eco-tourism are seen as tools for achieving locally directed and participatory rural development, and some community groups (e.g. Il Ngwesi Group Ranch, Shompole Group Ranch) are now in charge of revenue accruing from the areas they control. Government shall give maximum support to such developments, including the development and implementation of a strategy to build management skills among the local communities for future sustainability.

Policy strategies for community participation shall encourage them to

- Organize themselves to play a more effective role in the tourism industry and interact with government and stakeholders at all levels (e.g. through the formation of community trusts and the training of trustees);
- Identify potential tourism resources and attractions within their communities;
- Exploit opportunities for tourism training and awareness, finance and incentives for tourism development (for product identification; preparation of business plans, business development, etc.);

- Seek and enter into partnership opportunities with the established tourism private sector players (but need for assistance in negotiating terms of co-operation and benefit sharing); and
- Participate in decision-making with respect to tourism developments planned or proposed for their respective areas, and oppose developments that are harmful to the local environment and/or culture of the community.

For its part, Government shall sensitise the private sector, tourism parastatals, environmental agencies and NGOs to the importance of community involvement in tourism development; seek to involve communities in the management of tourist attractions located within their areas; and educate and sensitise developers and investors to value and respect local communities, and their rights, traditions and customs.

(vi). Role of Women

The National Tourism Policy shall support and encourage women's initiatives in tourism development activities as well as promoting self-help projects.

The role of women shall include:

- As mothers, teachers, and mentors, to generate awareness of the potential of tourism to stimulate community growth and development, and create awareness of the importance of tourism among community members;
- To actively assist in development of sustainable community-based tourism projects;
- To ensure equality in the conditions of employment of women as regards security of tenure, maternity leave, investment in career development and other areas.
- To promote and ensure respect for, the dignity of women in the development, marketing and promotion of tourism; and

(vii). Role of Non-Governmental Organisations

Non-Governmental Organisations (NGOs) have been a major factor in supporting community and cultural tourism development. NGOs often work at the grass roots level and therefore can strongly contribute to capacity building; environmental awareness; protection of natural and cultural resources; and the establishment of general support for sustainable tourism development.

While it is clear that NGOs have an important role to play in facilitation of institutional development, partnerships, training and capacity building among the communities, they must reciprocate by accepting to be accountable to the communities who are their clients rather than their subordinates. To a certain extent, the programmes and activities of NGOs have been uncoordinated at national and district levels, and may therefore not always be directed to the areas of greatest need or relevance. There is need therefore for NGO programmes and activities to be better co-ordinated to ensure maximum effect, and, as far as possible, development partners should recruit NGOs through prior consultation with the communities.

Under the new tourism policy, it is therefore proposed that NGOs shall

- Support the overall policy ideas included in the new National Tourism Policy;
- Contribute to the implementation (jointly with other stakeholders) of the strategies and tourism area action plans coming out of the new policy;
- Continue to provide assistance to community-based tourism projects that are tourism-related (including projects dealing with the environment, infrastructure, culture and/or awareness campaigns);
- Provide technical assistance and know-how to communities to ensure product quality;
- Support the linking of community projects with tourism industry operators. This should include assistance with regard to the preparation of MoUs for benefit-sharing between communities and private investors;
- Provide educational and training services and bringing these courses within the reach of local communities;
- Attract funding from donor agencies to develop specific community-based tourism projects; and
- Support the role of the Kenya Community Based Tourism Network (KCTNet) as the national umbrella body representing the interests of community organisations involved in tourism.

(viii). Role of Conservation Agencies

National and local conservation agencies play an important role in developing and implementing a sustainable wildlife conservation and management policy for Kenya. The Kenya Wildlife Working Group (KWWG), which exists as a sub-committee of the East Africa Wildlife Society (EAWLS), is an umbrella organisation that brings together bona fide district/regional wildlife forums with the aim of creating an enabling environment for sustained and gainful engagement in wildlife conservation.

The roles of conservation agencies (such as KWWG) are as follows:

- To enhance good governance and proper management of the wildlife sector and natural resources;
- To win stakeholder support for improved management and sustained utilisation of wildlife resources;
- To ensure the protection of biological diversity in Kenya within the network of protected areas and other areas which contribute to nature conservation and tourism;
- Where appropriate, to provide tourist facilities and experiences in areas under their control in a responsible manner;
- To facilitate and support the establishment of biosphere reserves, conservancies and community-owned game reserves;
- Where appropriate, to facilitate and support the establishment of partnership tourism ventures between communities, private business and conservation agencies inside or adjacent to protected areas;
- To assist tourism and district authorities in the conduct of environmental tourism awareness programmes; and
- To contribute to the development of policies and plans for the industry.

Kenya Wildlife Service

As far as development of tourism is concerned, it shall be policy for KWS

- To expand and advertise tourist opportunities within the National Parks and develop appropriate infrastructure to permit this diversification;
- To expand its own income from tourism by diversifying products and opportunities; and
- Outside protected areas, to encourage local communities to develop wildlife-based tourism and educate people in appropriate skills – guiding, bird watching, etc. - thereby spreading tourism benefits directly to the people.

(ix). Role of Media

The local print and electronic media have an important role to play in promoting awareness of tourism to the Kenyan population, highlighting positive trends and developments and, as far as is consistent with fair and honest reporting, minimising negative stories that may be picked up and reported upon by the international media.

Areas of participation and involvement by the local media include promotion of positive tourism initiatives; support for tourism awareness programmes to the population at large; and co-operation with district and other local tourism organisations in promoting their areas to the domestic market.

Monitoring and Evaluation

The National Tourism Policy represents a comprehensive strategic framework for the development of Kenya's tourism in the early years of the 21st century. It contains many interdependent and interlocking elements. In order to avoid concentration on a particular core or support strategy, Government shall establish an implementation and monitoring committee to undertake a rolling review of progress made in implementing the Policy as a whole. Progress shall be reported and remedial actions suggested at a National Tourism Conference to be held annually with effect from 2007 as a summit for tourism stakeholders. The Ministry of Tourism and Wildlife shall organise the annual National Tourism Conference.

ANNEXES

ANNEX A: DEFINITION OF TERMS

The following tourism definitions have been adopted by the World Tourism Organisation (of which Kenya is a member):

Visitor: A person travelling to a country other than the country in which he/she has usual residence for a period not exceeding one year without seeking work in the country visited.

Visitors are divided into

Day visitors: Staying in the country visited for less than 24 hours.

Tourists: Staying in the country visited for more than 24 hours (at least one overnight stay)

Tourists are divided into categories according to the travel purpose e.g.:

- *Pleasure or holiday tourists*
- *Business and official travellers*
- *Participants in conferences, workshops or meetings*
- *Visiting friends and/or relatives (VFR)*
- *Plus other reasons for travelling (study, sports, religious gatherings, etc.)*

Categories can then be further sub-divided e.g. into group and individual tourists, and whether they have travelled on a pre-paid package or independently. Different visitors have different characteristics (length of stay; expenditure pattern; need for facilities and services, etc.)