

**PPP – PARTNERING FOR TOURISM
GROWTH**

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COMBINING OF FORCES

Within any tourism economy there are, naturally, two powerful forces: the Public Sector and the Private Sector. Individually these two forces have the ability to achieve greatness.

The Public Sector, that being government, ultimately acts as the architect of a nation's core identity, policy and legacy. With a clear mandate of national growth and development, efforts and energies of officials and institutions seek to advance society, the economy and the environment for the well-being of all people - present and future. In theory, visions are outlined, policies are developed, programmes are created, metrics (especially regarding employment, opportunity creation and national competitiveness) are defined, budgets are allocated, outcomes are anticipated. Timelines can stretch beyond tenure. Success is generally defined qualitatively. Design is everything.

The Private Sector, effectively the business community, shares the desire for future growth and development of the nation, however with a different set of goals, metrics, expectations and end accountabilities. With firm business plans, objectives, investment allocations, accountabilities and targets for returns, success is generally defined quantitatively. Delivery is everything.

Working independently, which is most often the case, the Public and Private sector are each able to mobilise their respective strengths, scale and sensibilities to have an enduring, positive impact on a destination. Each trying to establish and advance the tourism economy, the sectors apply resources towards initiatives that, from each of their points of view, are critical to long-term quality and competitiveness of the destination. In

theory they are united by a common goal of tourism development, with a shared sense of vision and commitment to its realization.

More often than not, however, these forces are in opposition. Differing priorities, timelines and processes result in differences of opinion which cause different paths to be taken.

The net effect: underutilization of critical resources, under-appreciation of respective contributions to industry development and underachievement of destination potential.

THE POWER OF PARTNERSHIP

The fact remains, however, that were these two forces to come together, working synergistically for development of the tourism economy in a way which truly leveraged their respective areas of experience and expertise, the value could be exponential.

Fortunately there is a way to make this happen: it's about the power of PPPs.

Recognising the importance and innate logic of bringing government and private enterprise together, yet the instinctive challenges of same, a vehicle was created by government to bring together these entities for the achievement of shared objectives.

PPPs – *Public Private Partnerships* – have become a globally utilized term and template for the establishment and execution of projects which call upon cooperation between government and private business. Effectively a contract between government and private business, a PPP makes it

possible for two traditionally opposing forces to come together as experts, combining, *inter alia*,:

- Visions
- Goals
- Access
- Structures
- Expertise
- Intelligence
- Funds
- People resources

for the sole purpose of achievement of a clearly defined, mutually desired end-goal.

Importantly, PPPs are activated when specific challenges need to be addressed, or opportunities need to be unlocked, which clearly require the support of both parties. These may include:

Government's need for:

- Specific skills or expertise for implementation
- Capital investment
- Risk management
- Accelerated delivery

- Budget leverage
- Industry advancement

And / or:

Private business's need for:

- Planning permission
- Incentives
- Funding
- Policy modification
- Lobbying support
- Elimination of red tape

The PPP tightly outlines the fundamentals of an initiative so that both partners are able to deliver against set expectations as mutually understood, mutually agreed, and mutually invested.

SCOPE OF PPPs FOR TOURISM

From a Tourism perspective, PPPs are developed to directly address destination needs as regards:

- Infrastructure development
- Safety and security systems

- Regional development
- Crisis recovery
- Economic stimulation or recovery
- Education / Skills Development
- Mega-event activation
- Marketing and promotion of the destination,

And a variety of other destination specific needs.

Most recently PPPs were strongly encouraged by the UNWTO as a vehicle for stimulating T&T sector recovery during the 2008/9 global economic crisis. The global recession, which caused a dramatic arresting of industry growth rates experienced prior to Q4 of 2008, generated sharp losses in the global tourism economy, particularly in employment and revenues. PPP formed an important lever for governments to spark industry activity and support with private sector stakeholders.

Interestingly, what one party may see as a simple project the other may see as a profoundly important programme.

One such example of a PPP which created an impact far exceeding expectations was a seemingly simple road infrastructure development which brought the provincial government and a private hotelier together. *Bushmans Kloof Wilderness Reserve and Wellness Retreat* in South Africa, a globally award winning property of the Red Carnation Collection nestled in the Cederberg Mountains, faced ongoing challenges in resort development due to guests being forced to travel a 50km stretch of

breathtakingly beautiful, cliff-side road known as the Pakhuis Pass which, during time of rain and resulting erosion, severely hampered journey safety, duration and comfort. Through discussions and PPP development with local government and the neighbouring community, tarring of the road was undertaken.

The effect was transformational. Not only were resort guests able to dramatically decrease travel time and increase journey pleasure, as stated by the Minister of Tourism for the province:

“In Clanwilliam, the simple act of tarring a stretch of road to Bushmanskloof has unlocked economic and tourism activity to the area, and enhanced the quality of life for local communities. PPP of this nature have proven to not just development of the T&T sector. Indeed, they have become an essential mechanism to drive employment and economic growth on a much larger scale.”

Ultimately, as with any partnership, commitment and accountability to delivery are paramount.

That said, while seemingly simple concepts with logical rationale, PPPs represent so much more than simply a partnership between the Public and Private sector. They are the platform for possibility.

For this reason, to truly deliver, PPPs must represent shared PURPOSE, PASSION and PRINCIPLES. Period.

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