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Policy Brief - January 2022

Analysis of Sierra Leone's Medium-Term Development Plan (MTNDP)

Challenges & Opportunities ahead of the tourism sector

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This policy brief is extracted from a graduate dissertation submitted in October 2020 as part of the MSc. Urban Economic Development program at the University College London (UCL). It was conceived in the context of a fellowship agreement between the Development Planning Unit (DPU) - UCL and the Sierra Leone Urban Research Center (SLURC) in collaboration with the Sierra Leone Ministry of Planning and Economic Development (MOPED) and the National Tourism Board (NTB). The author would like to acknowledge and thank MOPED and the NTB for their support in conducting this research.

Context

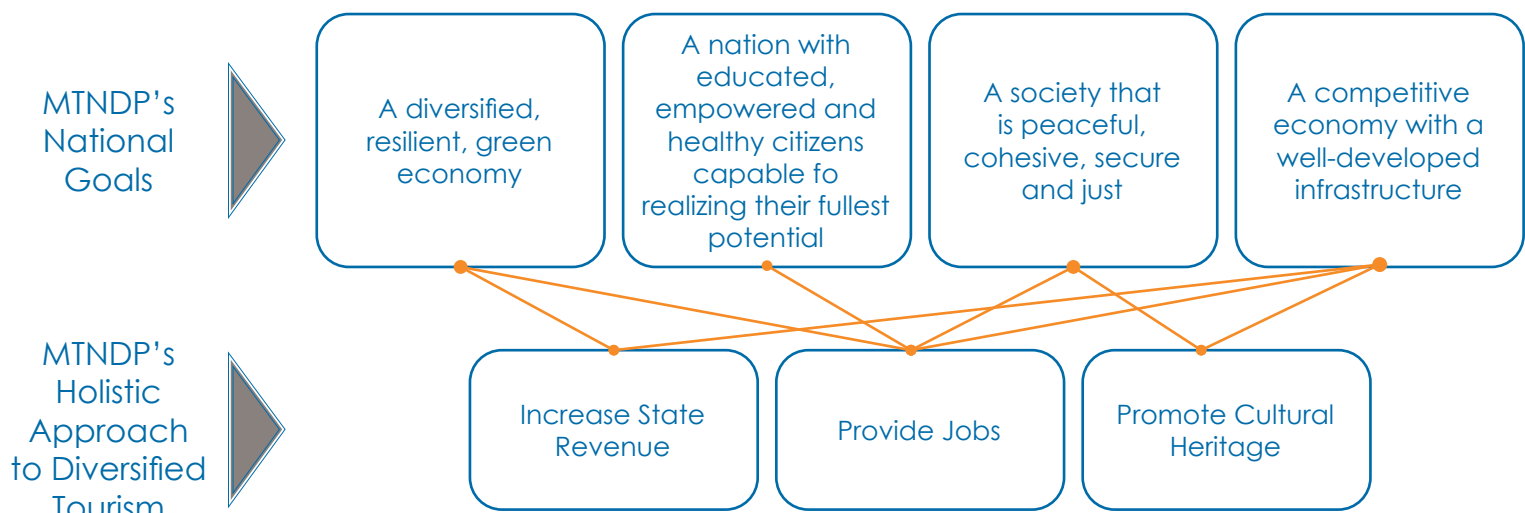
Sierra Leone has experienced several disasters since the 1990s, ranging from civil conflicts, natural hazards and pandemics. Nevertheless, the post-disaster recovery periods have highlighted the **various assets the country has that allowed it to generate rapid growth**. Development indexes have mostly been on an upward trajectory. In 2018, the government released a **medium-term national development plan**¹ that defined a path for the nation's progress. The authors divided the plan into several policy clusters that covered the various socioeconomic, cultural and institutional dimensions of development. One of the particularities of this plan was the intensive **participatory process** through which it is designers conceived it. This brief summarizes a masters dissertation that examines the challenges ahead of the implementation of this plan, specifically for the tourism policy sub-cluster. The dissertation focuses on three enablers of tourism development: **air connectivity, tourism labour market and the sector's institutional environment**². It analyses the existing setting and positions the national plan as the background context, before diving into each of the enabler's challenges and gaps that the government strategy does not highlight sufficiently.

Tourism in Sierra Leone: key characteristics

1. Both quantitative and qualitative data show a **strong demand and potential** for SL's tourism sector;
2. Tourism in Sierra Leone has witnessed **consistent growth** since 2010, only to be interrupted by unpredictable factors, such as disasters (Pandemics, natural hazards);
3. Following the end of the Ebola crisis in 2016, SL tourism witnessed a 300% growth rate;
4. Tourism in SL has the capacity to create **rapid economic growth** while enhancing **sustainability and inclusion** factors, as well as heritage preservation habits;
5. Tourism is highly intersectional, which translates into a **spillover effect** that benefits the entire economic structure of the country.

Tourism in the MTNDP

As shown in the figure below, there is a considerable overlap between the MTNDP's four national goals, and the sectoral targets for tourism. As such, revitalizing tourism in Sierra Leone will generate intersectional spillovers that go beyond the industry.



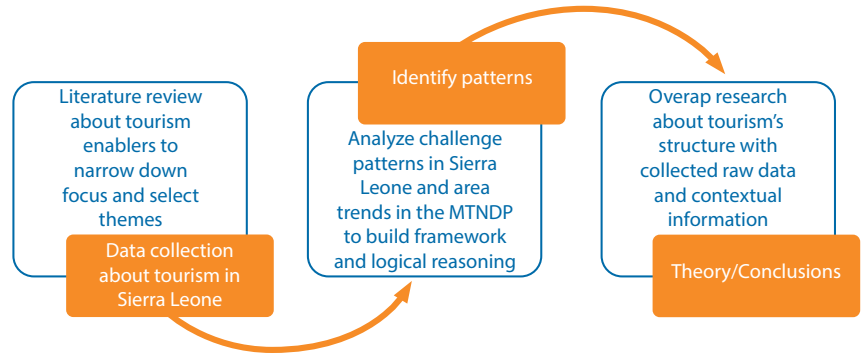
¹ The Medium Term National Development Plan (MTNDP) is Sierra Leone's 5-year development strategy published by the country's government in 2018. It presents a roadmap per sector, theme and policy cluster to achieve sustainable growth targets aligned with the 2030 Agenda.

² All data sources and references are specified in the original dissertation.

II - Analytical approach

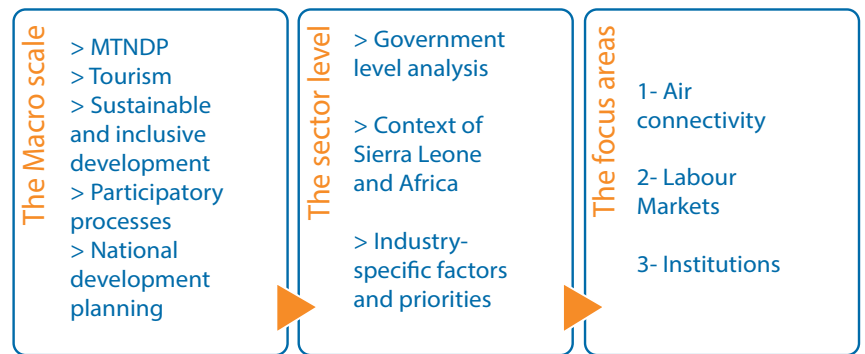
Methodology

The first step consisted in identifying the critical links between tourism's essential pillars, the MTNDP's objectives and its implementation mechanism. The chosen baseline conditions for this particular study are air connectivity, labour markets and institutions³. Achieving the MTNDP's tourism targets is linked to these factors, and can only be reached if reforms are implemented at their level. This interdependence exists because of the nature of tourism as a vague industry that cannot be isolated from a range of socioeconomic and institutional elements, such as infrastructure, fiscal policy, mobility, international relations, and others.

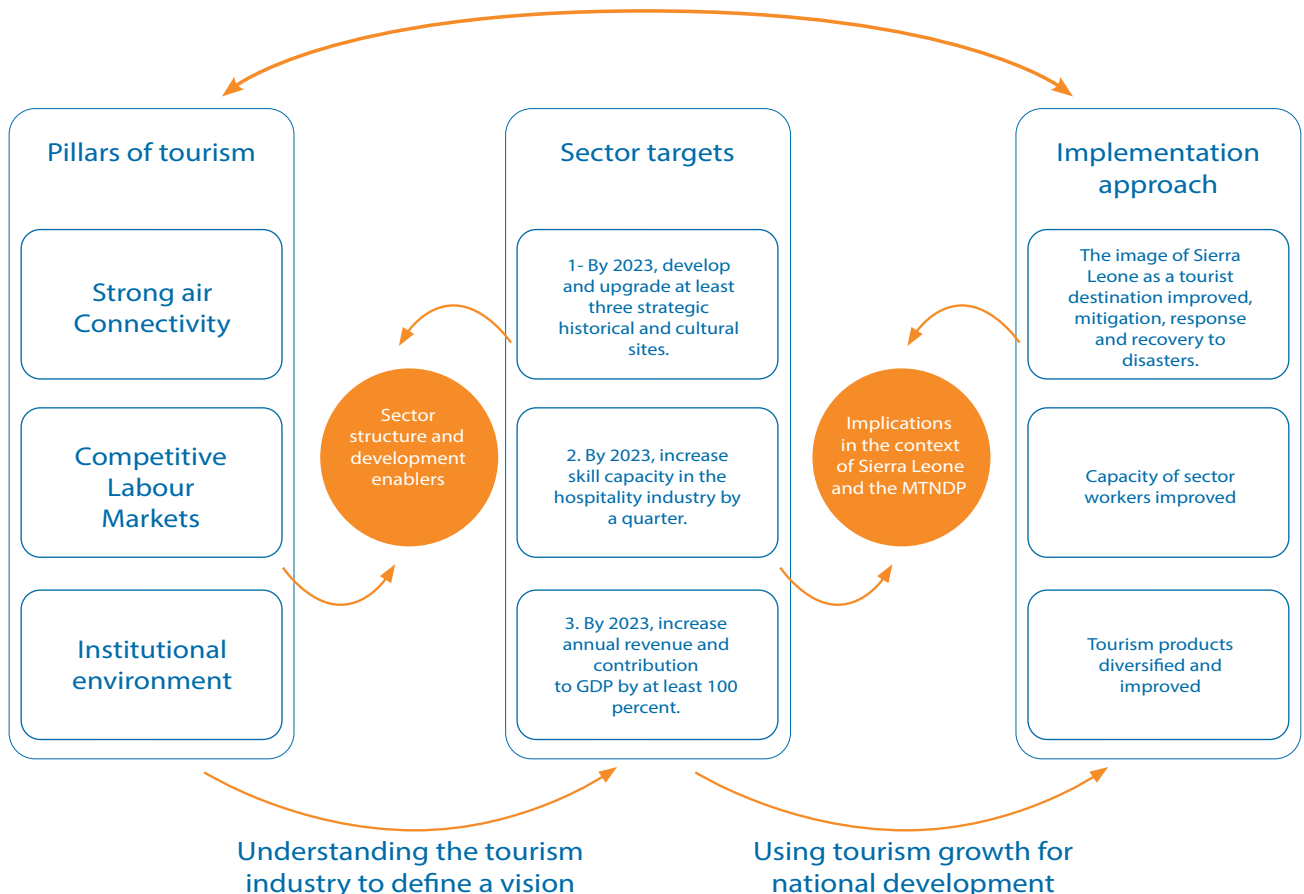


From national strategy to sectoral focus

These sectoral targets are part of a larger vision, as they contribute to the agenda outlined in the MTNDP inspired from international development frameworks. However, implementation relies heavily on the plan's multidimensional context (image, labour markets, competitiveness, and others). By mapping these interrelationships, we can trace challenges to their root causes, in order to better visualize how we can resolve them. The analysis looks at obstacles stemming from the local context as well as obstacles related to the structure of the tourism industry itself. The diagnosis goes back and forth between these two areas, all while staying rooted in the stated targets of the MTNDP. Eventually, this framework will be able to assess how the MTNDP contributes to Sierra Leone's competitiveness as a destination and where it falls short. It will ultimately highlight opportunities that can be taken advantage of to fill missing gaps.



Identify sector challenges in the specific context



³ Tourism in Sierra Leone faces challenges beyond these three aspects. However, this work focused only on these three pillars because of time and resource constraints. Furthermore, the choice to work on these three aspects specifically was driven by (1) the availability of enough published data as field research was not possible, as well as (2) their high importance to achieve the MTNDP's tourism targets.



Air Connectivity

Travel affordability

Sierra Leone is the most expensive destination amongst its neighbouring countries. Today's leisure travellers, especially those on a budget, do tend to prioritize affordability. From a wider lens, this is a factor that directly contributes to the weakness of Sierra Leone's air connectivity, as well as an obstacle to increasing tourism and destination competitiveness.

Safety concerns and licensing bans

Airlines certified by SL authorities are prohibited from flying into European airspace. The country ranks 43/46 in terms of aviation safety on the African continent. Local authorities only achieved 20% of safety standards compliance while 60% is the required minimum for restrictions to be lifted gradually on behalf of the EASA. These conditions have prevented the creation of a national flag carrier using Lungi airport as its home base, or hub, which might be costing Sierra Leone several opportunities.

Disconnection from global networks and regional hubs

Lungi Airport is only connected to 10 destinations in total, with only 3 of them outside of the African continent. Even though the country has several bilateral and open skies agreements with other nations, it only profits from a very few. Furthermore, Lungi airport is only connected to one of the thirteen African airports, which are considered points of entry to the entire continent.

Instability of the air connectivity

Sierra Leone has experienced several disruptive events over the past decades that bore a heavy impact on passenger demand for this destination. The Ebola crisis for example (2014 – 2016) dissuaded tourist and business travellers from visiting the country, significantly reducing the passenger flow through Lungi airport in parallel with seat capacity. The low number of connections from the airport accentuates this decrease, as the terminal acts mostly as a final destination port, instead of a connector within a hub and spoke system.



Tourism Labour Markets

Labour market supply/demand mismatch and high turnover

Local labour is available and accessible in terms of price and quantity, yet it lacks proficiency to adequately supply tourism services at high standards, even if this is improving with time. There are a few public and private vocational institutes and training programs, with a wide range of relevant subjects taught (Housekeeping, catering, hygiene, safety, security, interior design, and others). However, their graduate students face a significant challenge in finding jobs that require the education they invested in because it remains dissociated from the exact needs of tourism businesses.

The Urban-Rural divide

The Western area regroups most touristic activities in Sierra Leone. Furthermore, the only four universities that offer tourism degrees are located in urbanized areas, with the great majority of districts, including the Western Rural Area, lacking access to education facilities. The centralization of tourism education and its disconnection from most of the country presents a grave threat of chronic inequality that leads to rural migration. This concentration of skilled labour and access to training not only prevents the rural population from developing their skills; it also precludes rural touristic destinations from upgrading their services by accessing a more skilled labour market. This condition leads to negative externalities since the entire economic development of these districts becomes jeopardized.

Skills migration

Sierra Leone suffers from a growing skills migration problems, that threatens the country's sustainable and long term educational and social development. Furthermore, the growth of migrant communities abroad contributes to the rise in group immigration, which, in the case of Sierra Leone, creates a snowball effect. Data shows that Sierra Leone has been suffering from a negative net migration almost a decade now, similar to its direct neighbours. The short-term positive effect of the growing Sierra Leonean diaspora is the increase in personal remittances received. However, studies have shown that remittances contribute to the creation of a rentier state on the long run, which threatens a country's economic and political dependence, especially in the post-conflict contexts. One study does qualify Sierra Leone's economy as being "exploitative", or following a rent-seeking model, with its high dependence on natural resources, foreign aid and expatriate money. Therefore, the immigration of skilled and talented labour threatens not only the tourism sector but the foundation of the country's economy as a whole.

⁴ This research was conducted at the earliest stage of the Covid-19 Pandemic, and therefore did not factor the multidimensional impact of the sanitary crisis in its scope.



Institutional Environment

A weak image due to safety concerns and access to amenities

Safety remains a multilateral dimension that affects all visitors considering a trip to a particular region, regardless of the purpose. Travel advisory reports issued by developed countries can inhibit a destination's unobstructed tourism growth. The country has been dealing with increasing crime and other threats for a while, and extreme caution was recommended for visitors considering Sierra Leone as their destination. Previous disasters and conflicts have also scarred Sierra Leone. The negative perception is not only limited to the country's history or security contexts, but also with its level of amenities and services provided. Weak law enforcement is also considered an enabler for crimes against visitors. Power cuts, lack of clean water, high costs and low transport accessibility are all factors that contribute to the risk concerns foreigners may have.

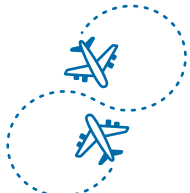
Ease of doing business

The prohibition of lending in foreign currency remains a barrier preventing the expansion of businesses that may rely on certain imports. The inability to compete with and adjust to global requirements for trade and services reduces the chance of foreign investment and capital flow significantly into the country. Tourism development in Sierra Leone also suffers from a lack of coordination between the various actors involved. Unclear jurisdictions between public agencies prevent the careful monitoring of some areas within the field.

Corruption

Systemic corruption is an endemic problem in Sierra Leone. Even anti-corruption institutions are perceived as complicit, lenient and biased when it comes to prosecuting government officials and their entourage. According to a 2019 Survey conducted in Sierra Leone, corruption in the tourism sector is perceived to exist at a great extent, which impedes the healthy development of the industry and local benefactors.

IV - Opportunities



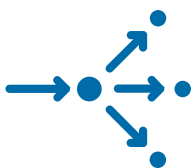
Attracting Low Cost Carriers

Low Cost Carriers (LCCs) not only attract customers looking for cheaper tickets, but also activate an inexistent category of travellers, who would not be considering travel arrangements if it was not for the extremely low ticket prices. The introduction of LCCs in various destinations has been a source of rapid economic growth due to the significant increase in tourist arrival. This type of airlines has a more prominent tendency to operate via a point to point system, as opposed to a hub and spoke system which increases centralization and therefore layovers. Airlines using a point to point model cover more expansive geographic areas, and are also more resilient in the face of unexpected interruptions erupting in a single geographic area.



Leveraging the diaspora

An opportunity could present itself if Sierra Leone's government, in partnership with all the stakeholders, works on increasing the appeal of its tourism sector. By leveraging diaspora skills and networks, Sierra Leone can create the right conditions to convince expats to return to their home country. Once back, expats should be encouraged to share their expertise with local educational facilities in order to constantly adapt to international operating standards.



Tourism as a catalyst

Tourism can act as a catalyzer for increased collaboration, international outreach, investment and internal reforms. The sector is an ideal platform to attract foreign investors through partnerships with international agencies. Involving the local civil society, the private sector and government agencies can be an efficient means to implement transparency frameworks and ensure economic growth benefits both local populations and international stakeholders. Anti-corruption measures, implemented with the help of diplomatic missions, UN agencies and private stakeholders can increase confidence as well as the country's reputation and therefore destination attractiveness.