

**ROOM DOCUMENT**  
**11<sup>TH</sup> MEETING OF THE COMCEC TOURISM WORKING GROUP**

The COMCEC Tourism Working Group (TWG) has successfully held its 11th Meeting on February 15th, 2018 in Ankara, Turkey with the theme of “Destination Development and Institutionalization Strategies in the OIC Member Countries.” During the Meeting, Tourism Working Group, made deliberations on destination development and institutionalization strategies in the OIC Member Countries in tourism sector. Accordingly, the participants has come up with some policy recommendations.

***Policy Advice 1. Encouraging the establishment of/Strengthening local and regional public-private Destination Management Organizations (DMOs) with the assignment of responsibilities related to destination planning, development, marketing and management.***

**Rationale:**

Destinations need a holistic approach in planning, development, marketing and management that would coordinate and lead various stakeholders as well as integrate their efforts effectively. Existence of a governing body (i.e. DMO) to develop, lead and implement destination wide strategies is of particular importance for a destination’s success.

Destinations have different characteristics and their development, marketing and management need to be customized to local needs. Besides a central governing body (e.g. National Tourism Organization); developing, facilitating and empowering regional and local tourism governance structures (e.g. DMOs) lead to a more effective and efficient use of limited resources. This would also improve stakeholder engagement and participation, internalize external costs and create synergies between different actors.

Effective coordination and communication among various stakeholders is of utmost important for the success of a destination. A public-private legal structure of a DMO can facilitate all stakeholders’ involvement, pooling of knowledge and expertise, and cooperation, coordination as well as communication among the various stakeholders. In this respect, a purely public DMO managed by central governments may not have the necessary efficiency, funding, expertise and outcome orientation whereas a purely private DMO might focus on short-term gains while neglecting sustainable development, the needs of locals and environmental costs associated with tourism activity. Thus a combination of two approaches might create necessary efficiency while ensuring sustainability and transparency. In this framework, DMOs can be managed by private sector and audited by public authorities through a public private partnership.

***Policy Advice 2. Planning supply and demand as well as identifying and monitoring KPIs for ensuring sustainable tourism development at the destination.***

**Rationale:**

Traditionally, DMOs mainly focus on destination promotion. However, in developed destinations their role has expanded to cover product development, stakeholder coordination, as well as monitoring, evaluation and ensuring sustainability. Stakeholder engagement, carried by local and regional DMOs, requires effective coordination of various stakeholders including local tourism companies, government bodies, professional associations, universities, the local community and tourists. Since the interests of stakeholders differ, it is important for the DMO to balance the needs of different stakeholders. DMOs should create platforms such as stakeholder meetings and seminars, a digital portal etc. that can facilitate engagement of the various stakeholders. DMOs

should also allocate sufficient staff to manage stakeholder relations, planning and representation of destination as a whole.

Countries seeking to attract more tourists often overlook the risk it imposes on natural and cultural resources, as well as its negative effect on the quality of life of the locals. In order to preserve natural environment and economic benefits and to distribute the latter equitably, tourism must be planned, developed and managed within step-by-step, ranging from the local to the territorial or provincial, to the national, and even to the international level. The responsibilities at each level must be clearly identified and implemented. Majority of the OIC Member Countries, have national public governance structures and very few of them have DMOs at regional level. Planning supply and demand and conducting impact analysis at the local level will help avoid overuse of shared resources and prevent underutilization during stagnant periods. Destinations at the development stage should therefore prepare master plans defining their vision of desired future state while preserving the resources. Mature destinations on the other hand are recommended to diversify their products and manage supply and demand at optimum prices in order to avoid overcrowding and low per tourist spending. DMOs should also encourage local participation, entrepreneurship and employment in tourism. Key performance indicators (e.g. average spending, occupancy levels, average length of stay, amount of leakages, level of environmental degradation, extent of community participation) should also be developed.

***Policy advice 3. Encouraging self-funding of DMOs and improving efficiency as well as transparency in utilization and management of resources.***

**Rationale:**

Funding DMO activities is a major challenge for countries. Many OIC member countries use public resources to finance local DMOs. On the other hand, other resources can also be utilized for this purpose. When DMOs are encouraged to create their own funds (e.g. membership fees, commissions, marketing contributions, sponsorships, ticket sales, project grants, revenues from attractions and convention centres), the demand for public funds decrease. In this framework, while government incubation funds might be utilized during their establishment phases, DMOs should have the ability to finance some of their activities.

The public funding should also be linked with private funding and major KPIs (e.g. tourism tax revenues). Since DMOs are not profit organizations, they should aim to facilitate increased sales and improved sustainability of the region rather than concentrating on improving their own revenues. Therefore, transparent and fair use of funds raised also need to be ensured.

***Policy Advice 4. Promoting destinations through forming OIC country alliances and the alliances with external stakeholders.***

**Rationale:**

Complementary OIC cross-border destinations (e.g. national parks, cultural routes) can pool resources and efforts to promote the region as a whole, even an umbrella DMO can be created which might focus on a specific shared travel theme such as mountain climbing or desert safaris. In this respect, OIC Member countries can collaborate to promote each other's destinations, which would allow them to promote their destination, with limited expenses, to the tourists visiting other complementary OIC destinations.

Additionally, DMOs can form strategic alliances with external stakeholders (e.g. national airlines, sports federations, retail outlets (as in the case of shopping festivals)) for joint projects that would be benefited by both sides. To illustrate, Dubai Department of Tourism and Commerce Marketing formed a strategic alliance with Emirates Airlines to promote the destination. They implemented joint advertising campaigns such as "Hello Dubai" and joint familiarization tours for influencers

and journalists. They also jointly offered special promotions aimed at attracting tourists to Dubai, including special airline ticket fares from certain destinations as well as complimentary products such as visas, park tickets etc. They also jointly developed “My Emirates Pass” which offers discounts to tourists for various activities and attractions.

***Instruments to Realize the Policy Advices:***

- **COMCEC Tourism Working Group:** In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner.
- **COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above-mentioned policy areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organizing seminars, training programs, study visits, exchange of experts, workshops and preparing analytical studies, needs assessments and training materials/documents.
- **OIC/COMCEC Private Sector Tourism Forum:** In its future meetings, the OIC/COMCEC Private Sector Tourism Forum may elaborate on the above-mentioned policy areas and the sub-areas from the private sector perspective.