

Program D: PRO POOR TOURISM DEVELOPMENT PROGRAM

Title	Countries	Estimated costs	Priority class.	Contacts
D.1. GMS Tourism Initiative to Alleviate Poverty Through Tourism	Cambodia, Lao PDR, Myanmar, PRC, Thailand, Viet Nam	US \$ 13.5 mlns	1	Christine Jacquemin, project coordinator, Mekong Tourism (Coordination) Office. Email: cjacquemin@adb.org , christine@MekongTourism.org ; ; website: www.MekongTourism.org . GMS National Tourism

1. Title of Proposed Project: GMS Tourism Initiatives to Alleviate Poverty Through Tourism
2. Location and Geographic Scope: Six pilot projects are to be planned, in different geographic zones each one co-ordinated by a GMS country
3. Name of Project Leading Agency: GMS countries National Tourism Organisations
4. Name of Principal Sponsor/s: GMS members and Development partners (i.e. ADB, SNV, NZAID, GTZ, EU, UNDP)
5. Sector or Division (Market, Infrastructure, Circuit, Border Zone, Corridor, Study, HRD, Culture, Protected Area, Investment Support): Social/Pro Poor/Infrastructure
6. Type of Proposed Project (Technical Assistance or Loan): TA and Subsequent Loans
7. Government Priority (High, Medium, Low): High in Cambodia, China, Lao PDR, Myanmar, Thailand and Vietnam.
<p>8. Project Background and Rationale:</p> <p>The GMS countries (except Thailand) have a low per capita GDP and all of the GMS countries have areas of particularly poor people with over 50 million living below the poverty line in the region. The overarching goal of ADB is poverty alleviation but many projects help alleviate poverty through employment creation, HRD and infrastructure development. These pro-poor projects outlined below target the poor directly.</p> <p>The recent ADB review of the current situation regarding the development of pro-poor tourism in the subregion indicates that much of the current benefits of tourism in the subregion do not touch the vast majority of persons living below the poverty line, especially in the high incidence provinces of the subregion. There are already pro-poor tourism initiatives underway in the subregion including those related to Part B of the MTDP already commenced in Lao PDR, Cambodia and in Vietnam. However to date, much of the focus of pro-poor tourism development has been based upon preparing single communities or destinations to host either day trips or on an over-night basis. What has been found by those involved in the process is that many other factors, outside the village must be integrated as well if tourism is to play anything other than a marginal role in contributing towards the goals of the GMS Cooperation framework and the MDG's. A wider approach clearly needs to be adopted that has the capacity to make a much greater contribution towards poverty alleviation in the GMS countries.</p> <p>A pro-poor tourism approach can provide cost savings, increased access for the poor into the market place, better products and experiences for the private sector and can assist the government in reaching poverty reduction targets.</p> <p>Fortunately, the key elements of such an approach are in place already in the subregion i.e. there is a good intersection between the location of tourism resources of high-market interest, the location of the incidence of poverty and the evolving transportation system under the GMS transportation and infrastructure development Flagship Programme.</p> <p>This situation provides an opportunity to shape the pattern of tourism development in such a way that it will lead to greater equity in the sharing of benefits, and thus contribute more substantially to poverty alleviation.</p> <p><u>The key issues confronting pro-poor tourism development in the Subregion are:</u></p> <ul style="list-style-type: none"> • The fact that poverty alleviation is still not mainstreamed in many tourism policies, plans and programmes of the GMS countries. • The need to move away from the current rather narrow approach towards a wider and more inclusive conception of pro-poor tourism for poverty alleviation (in other words focus needs to be given to mainstreaming opportunities to allow the poor and disadvantaged greater access to the tourism economy). • There are currently low levels of tourism's contributions to poverty reduction and the benefits of this approach and that effective pro-poor tourism development principles and practices including ensuring that all the stakeholders are engaged in the product development process to maximise buy-in and commitment are not applied. • Threatening overall progress is the failure to act and adopt (and where necessary adapt) sustainable development principles and practices at the natural and cultural resource management and community levels. <p>This project will pilot pro-poor tourism initiatives including improving economic linkages between the tourism industry and tourism suppliers in poverty areas. The project will also support increasing pro-poor tourism input into policy, planning, HRD, marketing and managing impacts and infrastructure development.</p>
9. Project Objectives:

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“TO ASSIST IN REDUCING THE INCIDENCE OF POVERTY IN THOSE AREAS OF GREATEST NEED IN THE SUBREGION.”

The STRATEGIES will be to:

1. Broaden the current approach to the development of pro-poor tourism in the GMS countries in order to increase income generation and livelihoods benefits for those members of the subregion living below the poverty line.
2. Mainstream a wider approach to pro-poor tourism development into all aspects of tourism poverty, planning, development, marketing, education, impact management and country poverty programmes in the GMS countries.

10. Project Scope and Description:

The Project will be developed in 6 zones with two parts to each component, Part A will cover broadening pro-poor tourism initiatives and Part B will address mainstreaming pro-poor tourism initiatives.

Part A: Broadening Pro-Poor Tourism Initiatives.

Facilitate sustainable development and socio-economic growth through systematic support and development in Seven Tourism Zones.

Each component will involve the following:

- A feasibility and design mission.
- A training needs analysis that will consider: tourism awareness raising workshops, food preparation, hygiene and regulations, hospitality skills training (including first aid, safety, guiding, vehicle and boat management), wildlife tourism, faculty's management, small business support (including book management and marketing, handicrafts and leadership).
- Pro-poor tourism planning, (particularly at a provincial level).
- Policy and planning at a provincial level.
- Product development, with a focus on products that suit the culture, nature and adventure markets and marketing (including website marketing support for community tourism and development).
- Relevant infrastructure development e.g. Park Visitor Centres, signage, wells, toilets, roads/transport facilities to assist suppliers.
- Preparation of loan programmes for tourism related infrastructure development.
- Small – medium size enterprise support, including working with financial institutes to facilitate access to credit and support for those involved in activities such as handicrafts, agriculture and tourism supplies.
- Sharing best pro-poor practices and experiences within the GMS.
- Developing targets and indicators to measure distribution and pro poor effects at local, national and subregional levels.
- The revised AMTA could coordinate and provide support to the activities.

The Seven Tourism Areas:

Criteria for selection included: A high incidence of poverty, government support, potential tourism resources, potential access to direct and indirect markets, located near GMS borders, not a single destination i.e. covers 2 –3 provinces/divisions. The areas are:

1. Cambodia – In the Stung Treng and Rattankirri provinces in North East (population 175,300). A nature based destination currently receiving some MTDP support and with good tourism potential. It is situated in the GMS Green Triangle Zone.
2. Lao PDR – In the provinces of Phongsaly, Houaphan and Xienghuang (population 598,000). This area includes important ecological Karst landscapes and is the birthplace of modern Lao PDR. It has excellent tourism potential and is situated in the GMS North East Lao PDR and North West Vietnam Highlands Zone.
3. Myanmar, in the Mount Popa area North of Bagan in the divisions of Mandalay and Magwe (population about 900,000). Mount Popa is an important National Park that is an old volcano. It is heavily forested and has significant cultural values.
4. Thailand in the North East, in the provinces of Ubon Ratchathani and Sisaket (population 3,170,000). This rural border area is the poorest region in Thailand and is situated on a high plateau that butts into the Mekong River and is in the GMS Emerald Triangle.
5. Vietnam in the Son La and Dien Bien provinces in the North West (population 1,086,315). This highland, forested, ethnically diverse area and site of important battle from the Indo-China wars shares a common border with the Lao PDR pro-poor tourism priority area above and in the GMS North East Lao PDR and North West Vietnam Highlands Zone.
6. China (Yunnan) – Xishuangbanna area of the GMS Golden Quadrangle population about 900,000). It is rich in wildlife resources including China's main tropical rainforest. It is very diverse ethnically with about a third being Dai.
7. China (Guangxi) – the specific tourism zone will still be determined. However, it will likely be in the southwest area of the Autonomous Region which is characterized by mountain and river-based tourism activities, rich tropical ecosystems, and an ethnically diverse population – many living in poor communities. This area borders Vietnam, with which it shares many significant cultural, historical and natural resources.

Part B: Mainstreaming Poverty and Tourism Agendas.

This part will involve Mainstreaming Poverty Alleviation into Tourism Development.

The project will also support increasing pro-poor tourism input into policy, planning, HRD, marketing & managing impacts and infrastructure development, and sharing good practices at a National level.

The objective will be:

- To integrate (mainstream) a wider approach to pro-poor tourism development into all aspects of tourism, planning, development,

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marketing, education, and impact management and country poverty programmes in the GMS countries.

- Sharing best pro-poor practices and experiences within a country and the GMS.
- The country projects will be coordinated within a country by Project Implementation Units (PIU's) and supported by Technical Assistance.

11. Links with GMS Countries and to Other Project/Donor Initiatives, etc:

- The focus of the projects' poverty alleviation reflects the Millennium Development Goals of: Eradicating poverty and hunger; promoting gender equality and empowering women; ensuring environmental sustainability.
- The project will expand and compliment the current ADB Tourism loan and T/A projects in Cambodia, Lao PDR and Vietnam. And build on initiatives already supported by National programmes, donors and agencies (i.e. UNDP, UNESCO, SNV, EU, GTZ, DFID, NZAID)
- The project builds on several donor initiatives to date e.g. the C.L.V Development triangle, Emerald Triangle, Golden Quadrangle and activities of the ADB Mekong Tourism Development project.

12. Expected Outputs and Overall Outcomes:

This project would provide for comprehensive technical assistance that would significantly expand the knowledge on tourism and poverty alleviation through pilot programs.

This project has 7 components (one for each GMS country, except China where there will be one site each for Guangxi and Yunnan) and a range of proposed deliverables

In Part A:

- 1 Supporting pilot projects to broaden the delivery of pro-poor tourism initiatives.
- 2 Technical assistance that builds on current pro-poor tourism initiatives including this TA.
- 3 Development of pilot projects that trial pro-poor tourism ideas e.g. input into policy and plans, partnerships with goods and services, web based pro-poor tourism marketing facility.
- 4 Identification of loan programmes for infrastructure requirements and implementation.
- 5 Specific programs for training including: tourism support services and products, government offices and private operators as identified in the training needs analysis.
- 6 Workshops and seminars in tourism zones and at GMS level.
- 7 Inclusion of all stakeholders in the development of projects.

And in Part B:

Technical assistance and support to the relevant National Organisations (i.e. NTO's and Poverty Alleviation Offices) in the Capitals. The overall outcome will be the shift in the use and focus of tourism as a tool to assist in alleviating poverty in the GMS and assistance in reducing poverty levels in the areas.

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13. Impact on Poverty Alleviation:

The project is specifically directed at poverty alleviation and therefore is expected to have a major positive impact on the poor, particularly through the design of effective programs. All the areas selected have high levels of poverty based on country assessments and the ADB Poverty map 2002.

GMS Pro-Poor Tourism Pilot Areas

Areas	% in Poverty	Population in 2002	Source	Total in poverty 2002
Cambodia (Provinces)				
- Stung Treng	16%	175,300	MRC* 2002	21,590
- Rasingfhkh	9%			
Lao PDR (Provinces)				
- Houaphan	71%	598,000	MRC*	348,400
- PhongSaly	58%		2002	
- Xiengkhouang	43%			
Myanmar (Divisions)				
- Mandalay	35%	900,000	Nat'	315,000
- Magwe			Ave'	
			NTO	
Thailand (Provinces)				
- Sisaket	26.5%	3,170,000	MRC*	723,950
- Ubon Rachathani	18%		2002	
Vietnam (Provinces)				
- Lai Chai/Dien	72%	1,470,000	MRC*	1,086,315
- Bien	71%		2002	
- Son La				
China - Xishuanbanna Prefecture	40%	900,000	NTO PADO est.	360,000
China - Southwest Border Counties	60%	~ 1,500,000	Estimate	~500,000
		8,713,300		3,355,255

Sources: Mekong River Commission, ADB, National Tourism Office's and Consultants Estimates.

14. Impact on the Natural, Cultural and Social Environment and Mitigation Measures:

The project is aimed at protecting the natural cultural and social environment of the GMS Tourism Zones. A focus of the program is to minimise any negative impacts on the tourism zones. These include the social impacts of increased tourism and the environmental impacts of any development.

15. Participatory Development Issues, if any:

There is a need to ensure all stakeholders, including local communities, are involved in the planning and implementation. Whilst some participatory planning has occurred in some areas (i.e. NW Lao PDR and North West Vietnam) further work will be required at the next stage.

16. Sustainability and Financial Viability of the Project:

The project will focus on sustainability through the increased economic linkages between the stakeholders, reduced economic leakage and increased livelihoods and management capabilities of the stakeholders.

17. Expected Impact on Target Beneficiaries:

Target beneficiaries and impacts on them would be:

- The Poor – with increased income, improved livelihoods, knowledge and capacity.
- Government – with increased poverty alleviation for tourism development capacities, at a Provincial and National level.
- The Counties – through a healthier and better-educated population, which can be expected through alleviating poverty.
- Local, provincial, and national government officials - through enhanced know how and skills to plan, develop, and manage sustainable tourism development that focuses upon poverty alleviation in the context of community participation and in the area of natural and cultural resource alleviation.
- The private sector - through enhanced participation in the development process, and in related business opportunities.
- Local communities - through participation in the ownership and operation of tourism related enterprises, increased job opportunities,

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protection of cultural values and protection of women and children from undesirable social impacts.

18. Private Sector Participation:

The pilot projects will seek to study how private sector funding can be maximised through investment, direct funding and/or other alternative methods.

19. Proposed Development Partners (Donors/Funding Sources):

ADB/ JICA/ DANIDA/ UN/ SNV/ EU/ NZAID

20. Proposed Implementing Agency:

The respective National GMS Project Implementation Units (PIUs) co-ordinated by the National Tourism Organisations. (NTOs).

21. Project Readiness (local approvals; availability of pre-feasibility study, etc):

This varies from country to country with Cambodia, Lao PDR and Vietnam already managing ADB pro-poor tourism projects and being reasonably prepared to implement projects.

Thailand, China, Lao PDR and Myanmar have several pre-feasibility studies and project documents prepared and available. Some further feasibility work will be required e.g. in Myanmar.

22. Implementation (incl. preparations) Arrangements:

A Technical Assistance Mission will be required to prepare the Terms of Reference for this project and in some cases to assess the feasibility of the project components.

23. Initial Estimated Cost (US\$)

- Project formulation: **\$300,000** for the GMS.
- Project implementation: **\$377,142.86** annually, per pilot site, for 5 years:
 - Training including the Needs Analysis
 - Technical Assistance
 - Small infrastructure including Loan Preparation
 - Planning/Policy
 - Marketing & Product Development

TOTAL = \$13,500,000.00

The Project Implementation Unit (P.I.U) and external assessors will undertake evaluation.

Indicators will include: Completion of key reports including the GMS pro-poor tourism feasibility and design study, the respective training needs analysis and completion of targeted courses, an increase in capacity, improved and new products, small infrastructure completed, infrastructure loans raised and relevant private-public sector partnerships established, the reduction of poverty levels in the pro-poor tourism pilot areas by up to X% by the year 2015.

24. Implementation schedule:

- Project Preparation – 2006.
- Implementation – 2006-2010.
- Evaluation - ongoing but focused reviews in 2008 and 2010.

25. Major Constraints and Risks:

- Failure of stakeholders to pilot a broader approach to poverty alleviation than the current approach.
- Lack of mechanisms to share best practices and lessons learnt amongst the GMS.
- Other development initiatives e.g. industries/mining have a higher priority as a development tool.
- Possible border conflicts and natural and epidemic diseases.