

Responsible tourism sub regional workshop

Elaborating profitable partnership mechanisms for the local communities, the private sector and the GMS countries

1.0 Introduction

1. This paper aims to provide a back ground for the workshop to discuss approaches to the development of effective pro-poor tourism partnerships between local communities, the private sector and public sector intermediaries at the national, provincial and local level in the Greater Mekong Subregion. The paper first provides an overview of the objectives, principles and practices in the approach to tourism and poverty reduction to date. Next, the paper identifies existing cases and lessons learned—focusing on the key area of developing effective partnerships for pro-poor tourism. Finally, the paper attempts to examine some of the main elements concerned with developing effective partnerships for pro-poor tourism development.

2.0 Global & Regional Tourism Perspective

2. The tourism sector remains one of the world's most dynamic economic sectors with growth now being fueled by the rapid development of the developing economies of Asia, especially China, India, and the Middle East. The World Travel and Tourism Council (WTTC) estimates that in 2007, total global tourism demand reached \$7 trillion, accounted for around 10% of global GDP, and employed around 240 million people.¹ By 2007, global demand for inbound international tourism that accounts for the main economic benefits of tourism in developing countries exceeded 880 million arrivals with total receipts estimated at about \$700 billion.² Although the European Region accounts for more than 50% of global international arrivals, the Asia Pacific Region in which the GMS is located is now the second largest tourism region in the world having grown almost twice as fast as that of global international arrivals between 1995 and 2007.

3. Overall, the developing regions of the world now account for over 35% of total international tourism, a share that is likely to increase rapidly as the propensity to undertake international travel by the citizens of the developing countries accelerates due to faster economic growth, rapid urbanization and rising disposable incomes. Although tourism growth is subject to the impact of major global or regional events such as disease, conflicts, economic recessions, and natural disasters, it has demonstrated its resiliency as a sector. In this context, current forecasts by UNWTO indicate that by 2020, international tourism inbound arrivals will reach 1.6 billion, and generate around \$2 trillion in gross receipts. By then, the Asia Pacific Region is expected to account for around 25% of global arrivals, receipts and employment and consolidate its position as the world's second largest international tourism region.

4. In 2007, the GMS countries³ received about 25.6 million international tourist arrivals (an increase of 11.2% from 23.3 million in 2006) generating estimated receipts of \$18.85 billion and employing around 3.74 million people. Over the 1995-2007 period, international tourist arrivals to the GMS increased by an annual average rate of 8.12% - more than twice the world average. As a result, its share of world tourism increased over this period from 2.2% to 2.9% and its share of the Asia Pacific Region from 11% to 14%. Total international arrivals to the subregion are projected to grow by almost 13% per annum to 53 million by 2015 (around 4% of global tourism). The average length of stay has also increased from 6.5

¹ Total global tourism demand as defined by the WTTC includes demand for inbound international travel by nationals of other countries, outbound international travels by country nationals and residents, and travel within a country by its residents.

² United Nations World Tourism Organization (UNWTO), Tourism Highlights, 2007 Edition.

³ Figures for PRC include only Yunnan Province and Guangxi Autonomous Region

days in 1995 to 7.6 days in 2007. However, the average daily expenditure per tourist (including expenditure on air fares accruing to national carriers and visa fees paid off-shore) decreased from around \$134 to \$94. Rapid tourism growth is stimulating unprecedented demand for the development of urban and rural destinations, investment in new hotels and equipment, and demand for transportation, food and beverages and other services.

5. Despite rapid increase in international tourism arrivals to the GMS and its overall contribution to the subregional economy, tourism benefits are concentrated only on a few destinations and are not reaching the poor, while sometimes irresponsible tourism projects endanger their livelihoods and culture in particular among ethnic groups. The main reasons for this are: (i) inadequate public sector tourism policy framework and focus; (ii) weak public sector management capacities especially at the local government level; (iii) weak capacities of poor local communities to develop and implement tourism services and products; (iv) inadequate models for developing tourism that is more inclusive and pro-poor; and (iv) insufficient private sector participation. The key challenge for the GMS is how to manage this rapid growth to ensure that tourists are offered a diversity of good quality subregional products that benefit the poor and contribute to the preservation of the environment and the rich cultural heritage of the subregion. The GMS governments need to facilitate the establishment of partnerships between the private sector and local communities to develop models for a new subregional pattern of tourism development that will: (i) improve the sustainability of natural, urban and cultural assets for tourism, (ii) create new tourism products that benefits the poor, (iii) tap the opportunities offered by the network of GMS Economic Corridor roads to promote subregional tourist circuits, and (iv) enhance human resource capacities in tourism SMEs and among public sector officials to improve the competitiveness and quality of service. Ensuring a more inclusive and pro-poor pattern of tourism is a key challenge.

6. Models of tourism development are required that involve poor local communities in the production of handicrafts and food, transportation, accommodation, and guiding services. These models would include not only the development of community-based tourism products in areas attractive for tourists where the poor live, but also the establishment of supply chains that increase the contribution of the tourism sector to the local economy. As well such models shall no be limited to rural and remote areas but to mass and urban tourism destinations where the economic opportunities are most significant. Tourism has significant potential to reduce poverty because it is a labor intensive sector and uses the natural and cultural assets owned by the poor and because tourism consumption occurs in the place of “production”. Tourism can empower the poor to improve their lives by providing opportunities and building capacity for: (i) employment; (ii) economic benefits from the establishment of SMEs; and (iii) improved quality of life from investments in the areas where they live.

3.0 Tourism Cooperation Initiatives in the GMS

7. GMS Cooperation Framework: The Strategic Framework of the GMS Economic Cooperation Program (2002-2012) agreed by the GMS leaders in 2003 focuses on: (i) enhancing connectivity; (ii) increasing competitiveness; and (iii) generating a greater sense of community among the GMS countries. This is being implemented through 11 flagship programs, of which tourism is one. Tourism has been reaffirmed as one of the priority sectors under the Vientiane Plan of Action for GMS Development (2008-2012), endorsed by the GMS Leaders on 31 March 2008. To date the GMS Program has succeeded in improving connectivity through the development of transport corridors. However, benefits have yet to accrue to the poor and urgent interventions are required to tap the potential opportunities and minimize risks created by these new corridors.

8. The GMS tourism cooperation program started in 1993, with the establishment of the TWG, comprising senior representatives of the national tourism organizations (NTOs) of each GMS country. During the last decade, subregional cooperation initiatives in the tourism sector focused on marketing the GMS as a single destination, developing tourism-related

infrastructure, improving the quality of human resources, promoting the dialogue between private and public sectors, and facilitating the movement of tourists to and within the subregion. In 2005, the TWG launched the GMS-TSS (2006-2015) that provides an effective framework to develop a pattern of tourism that will be environmentally and socially sustainable, distributes the benefits of tourism more widely and benefit the poor around 7 thematic programs. To support the implementation of the strategy, the TWG established the Mekong Tourism Coordinating Office (MTCO) in Bangkok in 2006, which is financed by contributions from the TWG members and supported by ADB and the French government. The MTCO has developed action plans for marketing and development to implement priority projects under the Strategy up to 2010, which were endorsed by the 1st meeting of the GMS Tourism Ministers in 2008 in Bangkok.

9. Tourism and Sustainable Development: Tourism is increasingly recognized by many developing partners as a tool for natural and cultural heritage conservation, and poverty alleviation. Many development partners have become involved in the tourism sector at the national and subregional levels in the last 5 years⁴. UNESCAP, UNWTO and other development partners supported initiatives to enhance the skills of tourism leaders, trainers and professional managers, to set up standards in the management of heritage sites, and to expand the benefits of tourism to the poor through various projects. A Mekong Tourism Forum has been organized annually since 1995 with the assistance of PATA and other partners to enhance dialogue between the private and public tourism sectors. In 2005 and 2006, tourism investment forums were organized with the support of the GMS tourism industry. Appendix 1 gives an indication of the initiatives undertaken by the development partners in the GMS.

10. Role of ADB: The ADB has played a prominent role in supporting the GMS tourism sector. The Mekong Tourism Development Project including 3 GMS countries (Cambodia, Lao PDR and Viet Nam) has facilitated the movement of tourists across the subregion by supporting the construction of airports, piers, and access roads to tourism destinations. It also contributed to the environmental sustainability of key GMS tourism destinations through the construction of wastewater and solid waste management systems, and the distribution of tourism benefits through the development of 25 community-based tourism (CBT) projects in poor areas of the GMS. The GMS Phnom Penh Plan for Development Management, , has supported several training courses to improve planning and management capacities of tourism government officials. ADB also provided assistance to the TWG to prepare the GMS-TSS and seconded staff to the MTCO to support its implementation, with financial support from the French Government.

5.0 Tourism and Poverty Reduction

11. In recent years, tourism has emerged as new sunshine industry among developing countries, providing a major source of employment and revenue, especially in developing countries. UNWTO also featured the developing countries as the leaders of the dynamic growth for world tourism. The market share of developing countries grew from 34% to 40% of worldwide international arrivals between 2000 and 2007. This proportion roughly translates to 360 million international tourism arrivals which is an overall 32% increase since year 2000. More interestingly, the international tourist arrivals of the 50 least developed countries increased to 13 million – an overall 110% increase and an annual average growth of 11% since 2000. These recent and continuing growth figures emphasize the key potential of tourism in developing countries and poorer areas around the world.

⁴ It includes (i) international organizations such as UNESCO, the European Union, United Nations World Tourism Organization (UNWTO), United Nations Economic and Social Commission for Asia Pacific (UNESCAP), International Finance Corporation (IFC), and Pacific Asia Travel Association (PATA); (ii) bilateral donors such as GTZ, DANIDA, JICA, and NZAid; (iii) international NGOs such Wild Aid, WWF, SNV and Conservation International, and (iv) training institutions such as the Mekong Institute, AFD French Development Bank and French decentralized cooperation.

12. Within the context of the United Nations Millennium Development Goals of poverty reduction, education, human development, environmental sustainability, and global partnership, tourism has come to be seen by the developing countries and their development partners as having great potential to contribute to these goals—most especially sustainable development and poverty reduction. The UNWTO, UNESCAP, UNESCO, ADB, World Bank, bilateral country donors and other organizations such as DIFID, NZAid, SNV, GTZ, geared themselves to support sustainable initiatives that recognize tourism's role in reducing poverty. Tourism is seen as a route to broader development and shared growth; and not just a mere generator of foreign exchange.

13. In the pro-poor situation analysis for the Greater Mekong Subregion (GMS), poverty reduction policies are clearly stated and/or integrated in each of the countries' tourism policies and/or national strategies. The reduction of poverty is an internationally agreed priority and there is a commitment to reduce the proportion by half poverty by 50% by 2015. This requires actions on different scales and tourism is an industry that clearly offers a sensible investment through pro-poor tourism projects and initiatives.

14. Pro-poor tourism (PPT) as defined is an approach to tourism development and management that results in net benefits for poor people. (Ashley *et al*, 2004). Even though some initiatives existed before, the first paper using the term pro-poor tourism was written for the British Department for International Development (DFID) in 1998 by Harold Goodwin and Caroline Ashley. Tourism's pro-poor potential was then adopted by different agencies, various donor partners, and importantly by the Commission on Sustainable Development in 1999. WTO adopted PPT in their Sustainable Tourism – Eliminating Poverty (ST-EP) program in 2002 and then became a UN agency. Donor organizations, financial partners, and private investors have been interested and have been actively engaging on these investments and in the process. Since then, the challenge for a more inclusive pattern of tourism development through pro-poor tourism initiatives has become a standard approach. Five years on, since UNWTO's ST-EP program, there are still only a handful of cases where we have demonstrable impacts, as reported by the Pro-poor Tourism Annual register 2007. Most impacts are usually at very micro-local level, based on single products or localities. In most cases, good data on the impact of pro-poor tourism has been lacking. Such data is essential if we are to identify the best practices to encourage funder's in backing initiatives. As long as PPT will be limited to ecotourism or community based tourism, there is little chance it contributes significantly to poverty reduction, there is a clear necessity to expand the PPT approach to all forms of tourism; coastal, urban, MICE, etc.

15. The pro-poor situation analysis in Asian Development Bank's (ADB) GMS Tourism Sector Strategy indicated that high proportions of the population below the poverty line (up to 60% of these populations) are present in and around the vicinity of strong natural and cultural tourism resources—rural areas. These resources include heritage and historical sites, protected areas; and cultural heritage resources such as the traditions, customs of ethnic groups, and tangible heritage such as monuments and historic sites. It was also noted that: (i) these populations comprise mainly ethnic minorities; (ii) they have significantly less access to economic and social development resources compared to their urban counterparts; and (iii) they generally play a marginal role in the management and benefits derived from the natural and cultural resources in their vicinity. The coincidence of high levels of poverty with strong natural and cultural tourism resources presents the GMS countries with an important opportunity and challenge to apply tourism development to the task of poverty reduction.

16. Tourism and Its Impact on Poverty Reduction: ODI's briefing paper in June 2007 – “Can Tourism Offer Pro-poor Pathways to Prosperity?” presented a conceptual framework on how tourism affects poor people. It categorizes three pathways by which tourism affects different poor people – (1) Direct; and (2) Secondary effects from tourism to the poor; and (3) Dynamic effects on the economy.

17. Direct effects are labor income from tourism job, other forms of tourism income, and non financial livelihood changes whether positive or negative. The poor affected are likely to live in the vicinity of, or commute to, the tourist destination. Secondary effects are the indirect earnings from non-tourism sectors that supply tourism e.g. agriculture and handicrafts products and other services (taxis, construction workers, etc.). Dynamic effects on the economy include the impacts of entrepreneurialism, factor markets, other exports sectors, and the natural environment. Dynamic effects are likely experienced in the macro economy, or may be limited to the local destination economy. Whether the poor may be affected more or less than the non-poor, depends on the nature and extent of the changes. Some examples of these dynamic effects are wages and land prices.

18. Similarly in UNWTO's publication "Tourism and Poverty Alleviation: Recommendations for Action" the ST-EP Programme presented 7 different mechanisms through which the poor can benefit directly or indirectly from tourism. These mechanisms are employment; supply and direct sales of goods and services; establishment and management of tourism enterprises; tourism tax and levy profits benefiting the poor; voluntary donations; and tourism infrastructure investments. Note that the list is neither exhaustive nor limited. These mechanisms have become an important philosophy of the ST-EP initiative and have been widely disseminated and incorporated in ST-EP projects, studies, seminars, training and related conferences.

19. According to ODI's briefing paper, most studies of tourism poverty linkages examine only the impacts of one of the pathways – a few look at two and nowhere in over 300 related articles reviewed by ODI was there an assessment of the impacts of a destination via all three pathways. Hence, existing research is always missing at least one vital part of the puzzle. In addition, despite the huge related literature on tourism and poverty reduction only few studies address the share of the economic benefits of tourism that actually benefit the poor.

20. A key issue in developing a better understanding of the impact of tourism on poverty reduction is the need to focus on partnerships and data sharing that cover the full dimensions of impact. In ODI's framework, it presents a wider and more general scope than other approaches as this includes the aspect of the dynamic effects on the economy to the poor. Though, ST-EP also identified the significance of voluntary support and donation programs by tourism enterprises – this is a relatively new approach. Synthesizing complementary studies like these may provide the complete picture. The combination of these two would be a good framework to base research or strategies upon. The development of PPT in GMS should be able to present this full and complete picture which could be utilized to encourage funders and coming up with good PPT examples and initiatives.

6.0 Existing Approaches to Pro-poor Tourism Development

In the last 2 years a strong focus has been placed on the development of value chains favoring local procurement of goods and services that can be provided by the local communities including the poorest. In order to strengthen the potential supply of such goods and services by locals and optimize the benefits they can draw from it, the establishment of fair contract agreements between the private sector and local communities is crucial. And the role of the public authorities is sometimes required to act as a facilitator and support for local communities.

21. Partnerships Approaches: The term partnership in this discussion paper should be understood in the context of partnerships among the key stakeholders in promoting pro-poor tourism, i.e. local communities, the private sector, the public sector (especially local government), development partners, and NGOs for poverty reduction initiatives. These partnerships are meant to deliver socio economic benefits from tourism to the poor in a fair and more sustainable way than could be achieved alone or through traditional contractual business relationships. The defining characteristic of partnership in PPT is that parties

involved share the risks and benefits and go much further than in view of profit and commercial exchange.

22. Partnership approaches to pro-poor tourism exist in many types and collaborations. In these partnerships, the three main subjects are the (1) community or the poor (2) the governing institution or the public sector (3) the private entity and or the funding partner. The table below, as summarized from the *Tools Ideas, Steps, and Plans (TIPS) Building Local Partnerships*, describes different approaches to collaboration and partnership for PPT especially in South Africa:

Type of Partnership	Parties Involved	General Characteristics and Existing Examples
Operational Agreements	Communities, residents, local entrepreneurs	Involves some expectation of return input from the community and mutual benefit over time. Agreements with residents can cover local access rights, training expertise, security measures, or enterprise development. Differs from joint venture partnerships in the degree of shared input and risk but are complementary.
Joint Ventures	Communities, residents, local entrepreneurs	A partnership where an established company and a local partner invest in, manage, and profit from one particular business. Partners share risk and profit, but to how much, depends on how exactly the partnership is structured.
• Core Operation	Communities, residents, local entrepreneurs	Community is brought into the core operation of the business such as in lodge operations. <i>Jan Harmsgat's Old Gaol Coffee Shop in South Africa</i>
• Spin-off Operation	Communities, residents, local entrepreneurs	An established business operation enters into a local joint venture for a new spin-off business. Enterprise is usually smaller-scale, potential risk of the company's core product is lower, direct community participation in business is higher. <i>Mbotoyi River Lodge with the Mbotoyi Campsite, and</i>
• Shared Equity	Communities, residents, local entrepreneurs	Equity is divided between partners, wherein the community shares the financial risk and benefits of the business. <i>Wilderness Safari's (WS) lodges in Maputaland where the community holds equity in the lodge operating and holding company</i>
• Contractual Partnership	Communities, residents, local entrepreneurs	Community enters into contractual lease agreements with a company that operates the business. <i>(WS) Damaraland Camp in Namibia was set-up in partnership with Torra Conservancy on the basis of lease fee (percentage of turnover) for the site with equity transfer only in the last 5 years</i> <i>Lekgophung Lodge in Madikwe is owned by the community and the company has a partnership management contract.</i>
• Tri-partite	Communities, residents, local entrepreneurs, Public Sector	A government agency is usually the lead partner in initiating the development and setting the terms. The company's partnership with the government strongly influences its partnership with the community. This case is most often appearing as concessions in National Parks managed by a government agency <i>Greater Sta Lucia Wetland Park (GSLWPA) and Kruger National Park in Kwazulu-Natal South Africa</i>
• Bi-partite	Communities, residents, local entrepreneurs, and Public Sector	The role of the government institution is not indicated in the signed contract; however government institution plays vital role in brokering through confirming land or lease, grants or loans, or allowing the use of water, forests, & other resources.
• Public Private Partnerships	Communities, residents,	Contract between a public sector institution and a private party in which the private party assumes substantial financial, technical and operational

Type of Partnership	Parties Involved	General Characteristics and Existing Examples
(PPP) and Community Public Private Partnerships (CPP)	local entrepreneurs, Private companies, Public Sector	<p>risk in the design, financing, and operation of a project.</p> <p>A PPP⁵ is a partnership between government and a company a private party performs an institution's functions, and/or makes use of state property for its own commercial purposes, but it often involves neighboring communities (who can also become the private party), usually by specifying that the private partner must establish linkages. The local linkage may be via employment and procurement or, more formally, a joint venture partnership involving shared equity.</p> <p>In the tourism sector, PPPs most commonly involve the private sector being granted concession rights to use state land, e.g. a conservation area.</p> <p><i>SANParks' commercialization program has led to a network of lodges in Kruger National Park and other national parks.</i></p> <p><i>Madikwe Game Reserve has been developed through PPPs between North West Parks Board, the private sector and local communities, resulting in 25 active lodges.</i></p>

Source: Tools Ideas, Steps, and Plans (TIPS) Building Local Partnerships produced by Overseas Development Institute Business Linkages in Tourism (Sep 2005)

23. Summarized from the same source some of the main benefits of local partnerships and collaborations in tourism include: (i) access to resources; (ii) increased credibility and license to operate; (iii) creation of new products and improved customer experience; (iv) staff morale and customer satisfaction, brand enhancement; and (v) most especially benefits for the communities and the poor.

24. A good partnership framework favoring local procurement is important in carrying out PPT development in GMS. The framework should also distinguish different sides of partnership in terms of marketing, capacity building, financing, operations, etc. Special attention may be given in bipartite partnerships where the role of the public/government sector is not stated formally in the contract, yet it plays a critical role in brokering fair partnerships between a poor community and the private sector in terms of access to land, the use of the natural tourism resources, and most importantly, in ensuring a fair and sustainable outcome.

25. Inclusive Business Models: As defined by the United Nations Development Program (UNDP), “inclusive business models” are business models that include poor as employees, entrepreneurs, suppliers, distributors, retailers, customers, or sources of innovation, in ways that further their human development and that are financially, environmentally, and socially sustainable. Private and tourism companies can configure these models in many ways, and apply the best suit configuration. Some of the known configurations are either focused on the aspects of employment, procurement, corporate culture and policy, or product development. Illustrating by examples, these are done by increasing the quantity of the local employment; or by increasing the quality and quantity of procurement; or by establishing community revenue profit sharing schemes; or by combination and innovation of such.

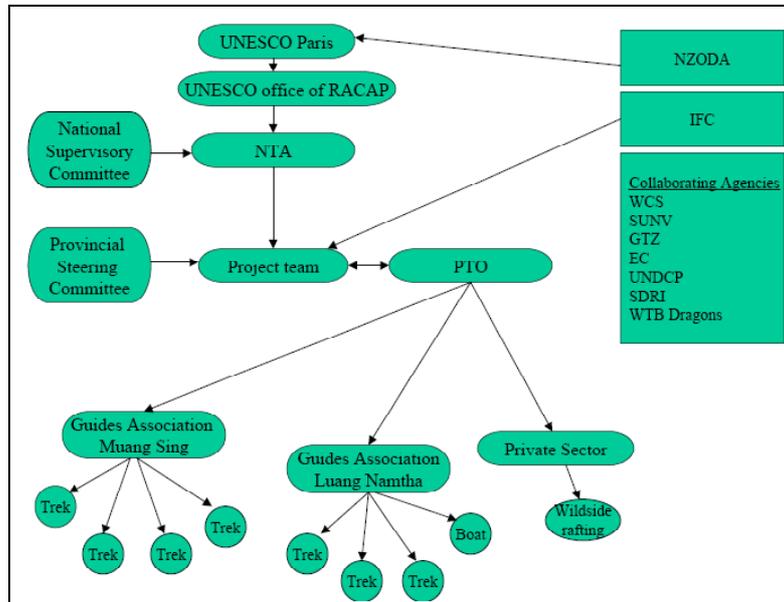
26. The following are pro-poor tourism initiatives which are identified to have come to satisfactorily illustrate demonstrable benefits for the poor. These could be the closest alternative to best practices, cases, and examples where we could base our lessons and strategies from. Although as said earlier, the absence of proper monitoring and assessment of the full range of impact does not allow to fully evaluate them, these initiatives can be considered as models in the key area of interests (e.g. Project Profiles, Partnerships, and Pro-poor Impacts), in the development of PPT in the GMS.

27. Nam Ha Ecotourism Project, Lao PDR

⁵ Sa National treasury has produced a tool kit to facilitate such process see www.ppp.gov.za

(Emphasis on the project model, PPP/CPPP partnership and monitoring and evaluation of Impacts). The UNESCO-LNTA Nam Ha Ecotourism Project is a community-based ecotourism initiative implemented by the Lao National Tourism Administration (LNTA) in and around Lao PDR's Nam Ha National Protected Area. The project is encouraging cooperation between the public and private sector to implement a community-based ecotourism development approach that places local communities at the center of the tourism development and management process.

The organizational chart below gives the overview of the roles, responsibilities, and to how the flow of the partnership works in the operations of the project.



Source: *Tourism as a Tool for Development' UNESCO-Lao National Tourism Authority: Nam Ha Ecotourism Project External Review 2002*

28. The main donors are the Government of New Zealand through NZODA and the Government of Japan through the International Finance Corporation. NZODA Funds are channeled through UNESCO Paris to the UNESCO office of RACAP in Bangkok as the executing agency. The Bangkok office manages the international advisers and establishes bi-annual Fee Contract with the Lao National Tourism Authority to manage other activities. The LNTA is the implementing agency for the project. IFC funds are channeled directly to the project or the advisers through the World Bank Lao country office in Vientiane.

29. the roles of each stakeholder was as follow
 the project team (composed mainly of foreign, local technical assistants and staff): lead The operation of the projects .
 The National Tourism Authority: general supervisory role and reports to UNESCO and other donors.
 The provincial tourism office PTO: coordination and liaising of every project activity.
 The guides associations: trek and boat trip operations on behalf of the PTO. They make the bookings and lead the tourists into the ethnic villages.
 The village communities provide the guides in the villages and oversee the tourist activity. They provide food, lodging, and operate livelihood programs such as handicrafts etc for the tourists. At their level, they provide stewardships and management of the protected area and provide feedback to the PTO to assist in the monitoring and evaluation.
 The framework for the participation of the private sector has also been prepared.
 A private sector wilderness adventure travel company formally signed a contract with the PTO to operate the rafting trips in adherence with PTO's regulations.

30. Since the start of the project in 1999, there were 13,000 tourists who visited and spent over \$320,000 on local goods and services in the area. Nam Ha Ecotourism Project Phase I External Review reported that for the period of October 2000 – February 2002 over 2000 international tourists from 38 countries went on treks and boat trips. The gross revenue generated by the Nam Ha Ecoguide Service Trekking and River tours for the same period was US\$ 34,400. The data from monitoring indicates that ecotourism revenues are contributing up to 40% of total village income. And despite the fact over 50 % of the revenue accrued to the richest (20% of the total households) against only a maximum of 11% to the poorest (40% of total households), all households were benefiting from tourism income.⁶

31. In 2007, a PPT oriented marketing and promotion strategy for Luang Namtha Province has been completed and has attracted two more private sector operators. The project team has also assisted the Nam Dee Village to obtain a concession to operate the popular Nam Dee Waterfall. Under this agreement, the village retains 80% of entry fees to the site. At present seventeen villages in the region are actively involved in the community-based tours.

32. Nabji-Korphu Trail Pro-poor Community-Based Nature Tourism, Bhutan

(Emphasis on partnership PPP/CPPP and importance of mentoring, capacity building and private consultations). This is the first pro-poor tourism pilot project of the National Tourism Strategy of Bhutan and it officially opened in November 2006. It is located in the Jigme Singye Wangchuck National Park in central Bhutan. The project involved the Department of Tourism (DOT), Nature Conservation Division, the Association of Bhutanese Operators, and the village communities along the route of the 6-day low altitude winter trek.

33. According to SNV who provided the technical assistance, the six villages inside the park used to lack self sufficiency and depended only on the forests as a source of sustenance and income. When the area was declared a national park, their use of its natural resources was restricted. Also, their location inside the national park limited their opportunities for earning cash income. Tourism could provide supplementary income for the villagers in the national park. Bhutan's DOT requested SNV's assistance in areas of product development, organizational, and institutional strengthening, and support to the private sector. In this particular case, the private sector is the Association of Bhutanese Operators. The project involved the development of a trail with SNV's advisory assistance on policy and strategy development, community mobilization, business training and environmental conservation together with the association. This enabled each village along the route to participate in revenue generating tourism activities such as lodging, provision of camping sites, cultural programmes, village guides, and food. Tour operators were then compelled to use these local providers as indicated in the Memorandum of Understanding with the Association of Bhutanese Tour Operators.

34. Monitoring and impacts data indicate that in the first three months of operations, the community tourism project has attracted approximately 70 trekkers, contributing up to US\$38,000 directly to the communities. About 210 households in the six villages received a supplementary income from tourism. A number of villagers have generated additional income through handicraft, and through cultural presentations and entertainment. There is also the recognized potential of women, given that the participation of women in the village committees reached up to 33%. Almost all (98%) of the local respondents felt that tourism had brought tangible economic benefits as well as a range of indirect benefits.

35. As of SNV's last update in 2007, the villages are in the process of having telecommunication facilities installed to facilitate bookings directly from the tour operators

⁶ A Best Practice Community Based Tourism Programme in the Lao PDR: Trekking in Nammat Kao and Nammat Mai (Financial Benefits and Income distribution) By Thavipheth OulaLNTA february 2005

associations. The Department of Tourism is currently revising its tourism law to integrate more and bring more focus to pro-poor. Along the process, the private sector is also currently being consulted about the issues that must be addressed by the law.

36. Spier Hotel South Africa

(Pilot Project in South Africa with emphasis on local procurement and in enterprise and non-enterprise linkages). This PPT initiative is part of the PPT Pilot Projects in South Africa established in May 2002. The aim of PPT Pilots was to work directly with 5 selected partners to help them implement PPT and to learn from the experience. The main aim is to be able to demonstrate approaches and learn lessons from replication. Monitoring and data on impacts are also part of the framework of the Pilot Projects.

37. Spier is one of the selected and willing partners to carry out PPT Pilot projects through their Spier Hotel in South Africa. It is owned by Spier Holdings, a large, family owned operation that also includes a winery and other leisure products. Spier Village Hotel is located outside Stellenbosch in the wine lands of Western Cape. It consists of 155 rooms, targeted at the four star market.

The PPT focus was on assisting Spier Hotel with the revision of its procurement policy and practice, shifting procurement to local and environmentally sustainable suppliers. As of last update, all new suppliers are now evaluated on their social, economic, and environmental performance; meaning price and quality are not the only decisive factors in awarding contracts.

38. Some of the existing enterprise linkages identified were laundry, LPG, fuel wood, crafts, greeting cards, construction, and clearing of alien vegetation. The enterprises linkages identified in the pipeline as of 2005 were organic produce, recycled soap, and chemical supplies. Non enterprise linkages were the tourism development over four years and the Kayamandi Township. Documented impacts over the four year study of the Pilot Projects (2002-2005) include the percentage of procurement spend going to local suppliers increased; the percentage of Black Economically Empowered (BEE – meaning 25% black ownership) suppliers also increased. There was also a pro-active intervention to mentor emerging, small black, local suppliers. In 2007, there were 11 new suppliers operating in Spier which have created a total of 79 new jobs of which 59 are held by previously unemployed people, and 40 by women.

39. From Ashley's paper on Lessons learned from 'Pro-Poor Tourism Pilots in Southern Africa in 2005, it was clearly stated as a warning that the report does not assess total impacts but rather, the incremental impact created by new linkages that result from doing business differently and in which PPT facilitation played a part. The paper also pointed out that these impacts were very significant to specific families but not yet to levels of local poverty; small relative to existing local benefit from tourism, but disproportionately significant for their potential to increase and multiply; and small relative to project input, but large in future via expansion and replication.

6.0 Lessons Learned in Partnership Approaches for Pro-poor Tourism Development

6.1 Lessons for the Government and the Local Community

- **Leading the way.** The governing entity should be able to lead in brokering fair pro-poor tourism partnerships between local communities and the private sector. It is important that these projects team up with National Tourism Sector as well as engagement with local and provincial levels. There should be a local community commitment together with local-governmental cooperation.

- **Framework for development.** There should be the presence of a structured framework for entry strategy, sustainable planning, development, implementation, management, and monitoring. Inclusive business models should be encouraged through regulatory fiscal policy and public contracts. It is also important to issue a code of conduct to visitors in order to reduce potential socio-cultural friction. It is important to establish tourism standards guidelines, and tourism policy that should be able to attain poverty reduction targets and goals.
- **Promote a conducive business environment.** Government should promote and sustain a conducive environment for tourism business. This healthy business environment would attract more partners, as well as small and micro level entrepreneurs. .
- Support local entrepreneurs in the development of SMMEs by offering technical assistance and training to local contractors, so that not only the richest and most educated can profit from new opportunities by providing mentoring and assistance in access to finance.
- **Create a mindset** to the host communities that these initiatives are truly pro-poor. Educational and environmental awareness programmes are important in changing the local community mindset from short-term unsustainable benefits to longer term sustainable and tourism-related benefits
- **Engage with PPP in increasing training and capacity.** HRD is one inevitable component and also the main strength of the locals. PPP engagements should be able to harness and maximize the potential of locals and minimize outsourcing to increase capacity.

6.2 Lessons for the Tourism Sector and Private Investors

- **Change of Mindset and the appropriate partnership framework.** Build a corporate culture that passionately seeks business approaches that increase economic opportunity along the value chain. Situations where there is a mutual relationship between the commercial interests driving the tourism business and achieving pro-poor and poverty reduction goals should be encouraged. Participate in the joint advocacy for pro-poor tourism.
- **There should be a structured framework for planning, partnership, development, implementation, management, and monitoring.** Address issues in property rights, and increase government understanding on the importance and favorable outcomes of business and development-friendly policies. There is also a need for transparency in financial systems and revenue allocation, ensuring that villagers are properly compensated for involvement within these partnerships.
- **PPP and Collaborations.** Forging partnerships with the community in a more inclusive pattern of development is still a challenge. Consider seeking funds or leads from government, NGO's, or international financial institutions for a catalytic start and maximize the impacts.
- **Development of the Human Capital.** Support local economies by continue employing community members whenever possible. There should be focus on employment and training programs that fosters motivation for locals to vie for these tourism jobs, in turn providing competence, and customer satisfaction. Push women empowerment and gender sensitive programmes.

- **Improve procurement practices.** Tap local produce and practice to partner with local suppliers in procurement of tourism and non-tourism goods. Mentoring in the early stages should be considered to be able to meet the standards of the products being procured. In addition, allow transfer of technology and support in form of credit, to raise product quality, quantity, and reliability.
- **Conservation and preservation programs for natural and cultural resources.** There is a need to be aware of carrying capacity and the restriction of visitor numbers in relation to environmental programmes. Consider issuing a code of conduct to visitors in order to reduce potential socio-cultural friction.
- **Create joint promotions, marketing strategy and product development.** Link tourists to local cultural products and experiences e.g. festivals and village living. Provide a diversity of tourism products in addition to the unique selling proposition. Develop multiple tourism destination programs. Learn to foster domestic tourism in complement to international tourism.
- **Share best practices.** Through proper research, monitoring, and impact assessments, PPT initiatives may be evaluated to come up with the best practices in providing benefits to the poor. It is significant that results, methods, data, examples, and initiatives be continually published so that concerned actors within the tourism industry may be able to adapt their lessons from these.

Appendix 1

EXTERNAL ASSISTANCE FOR TOURISM AND TOURISM-RELATED PROJECTS

Table A2.1: Tourism-Related Infrastructure Projects with the Asian Development Bank

Project	Year	Institution	Amount (\$'000)
GMS Regional Communicable Diseases Control	2005	ADB	30,000
North-South Economic Corridor (Lao PDR)	2004	ADB	30,000
Mekong Tourism Development Project (Lao PDR, Cambodia and Viet Nam)	2003	ADB	35,000
Southern Yunnan Road Development	1999	ADB	770,300
East-West Corridor Project (Lao PDR and Viet Nam)	1999	ADB	76,000
Phnom Penh – Ho Chi Minh City Highway (Cambodia and Viet Nam)	1998	ADB	197,500
Siem Reap Airport (Cambodia)	1996	ADB	17,000

ADB = Asian Development Bank, GMS = Greater Mekong Subregion, Lao PDR = People's Democratic Republic

Table A2.2. Technical Assistance for Tourism and Tourism-Related Projects with the Asian Development Bank

Project	Year	Institution	Amount (\$'000)
GMS Tourism Strategy Sector	2005	ADB	850
GMS Phom Phen Plan for Development Management Phases I, II and III	2005	ADB	800
GMS Preinvestment Study for the East-West Corridor	2001	ADB	350
Preventing HIV/AIDS among Mobile Populations in the GMS	1999	ADB	610
Tourism Skills Development in the GMS	1998	ADB	135
Protection and Management of Critical Wetlands in the Lower Mekong Basin	1998	ADB	2,070
Mekong-Lancang River Tourism Planning Study	1997	ADB	655

ADB = Asian Development Bank, GMS = Greater Mekong Subregion, Lao PDR = People's Democratic Republic

Table A2.3: Other Technical Assistance for the Tourism Sector in Selected GMS Countries

Project	Year	Institution	Amount (\$'000)
NZAID Tourism Support Program	2008	NZAID	
Strengthening Human Resources in the Tourism and Hospitality Industry	2008	Luxembourg Development	5,000
National Tourism Strategy Implementation Support Program	2008	NZAID	2,500
Tourism Development on the East-West Corridor	2008	JICA	
Nam Khan Eco-Valley Project	2008	AFD	
Preparation of Tourism Law	2007	UNWTO,SNV	50
Cultural heritage Site managers training program	2007/8	France	80
Cultural Heritage Specialist Guide Training Program at UNESCO World Heritage Sites	2006	ADB,UNESCO	
Facilitation of Tourism on the East-West Corridor	2006	JICA	
Xe Pian Ecotourism Project	2006	WWF, France	400

Marketing Sustainable Tourism in Lao PDR	2006	EU,SNV	250
Plain of Jars Heritage Tourism Program	2005	NZAID,UNES CO	450
Marketing Support for the Lao PDR	2005	IFC	
EU Community-based Ecotourism Program	2003	EU	100
GTZ Community-based Tourism Program	2002	GTZ	
SNV Sustainable Tourism Support Program	2000	SNV	
Nam Ha Ecotourism Project	1999	NZAID,UNES CO	850
DED Tourism Support Program	1999	DED	
Support to Revise the National Tourism Plan	1997	UNDP	210
Green Corridors Project	2008	WWF	
SME Development Program, Tourism value-Chains in Quang Binh	2008	GTZ	
Capacity Building for the Development of Agro-tourism Business in Vietnam: Lao Cai, Son La Provinces	2008	Agreterria, SNV	
Supporting Formulization of Vietnam Tourism Marketing Plan	2008	AECI	64
Supporting Livelihood Improvement and Biodiversity Conservation in Bach Ma National Park	2008	IUCN	23
Feasibility study: Community-based Tourism Model in Da Krong, Quang Tri	2008	Government of Finland	
Nature Conservation and Sustainable Management of Natural Resources in the Phong Nha Ke Bang National Park Region	2007	KfW,GTZ	12,000
ST-EP Project: Ha Tay Handicraft Villages Tourism Project: Ha Tay Province	2007	UN-WTO, SNV	180
Implementation of the Law on Tourism for Sustainable Development and Poverty Reduction	2007	UN-WTO, SNV, AECI	120
Raising Awareness and Strengthening Policy Making Capacity for the Development of Sustainable Tourism Cultural Heritage Specialist Guide Training Program at UNESCO World Heritage Sites	2007	EU	64
Tourism Marketing Support Programme	2006	ADB,UNESC O	20
Hospitality and Tourism Development in Vietnam	2005	IFC	
	2003	Luxembourg Development	13,000
Pu Luong Nature Reserve Community-based Tourism Project	2003	FFI, DED,	
EU-HRD in Tourism Project	2002	EU	10,000
<i>SNV Sustainable Tourism Support Programme</i>	2000	SNV	

ADB = Asian Development Bank, AECI = Spanish Development Cooperation, AFD = Agency France Pour Development, DED = German Development Service, EU= European Union, FFI = Flora and Fauna International, GMS = Greater Mekong Subregion, GTZ = German Technical Cooperation, IFC = International Finance Corporation, IUCN = World Conservation Union, JICA = Japan International Cooperation Agency, KfW = German Financial Cooperation, Lao PDR = People's Democratic Republic, NZAID = New Zealand International Development Agency, UNDP = United Nations Development Program, SNV = Netherlands Development Organization, UNESCO = United Nations Educational, Scientific and Cultural Organization, UNWTO = United National World Tourism Organization, WWF = World Wildlife Fund

