

GMS Sub Regional Workshop - Elaborating partnerships mechanisms for the local communities, the private sector and the GMS countries

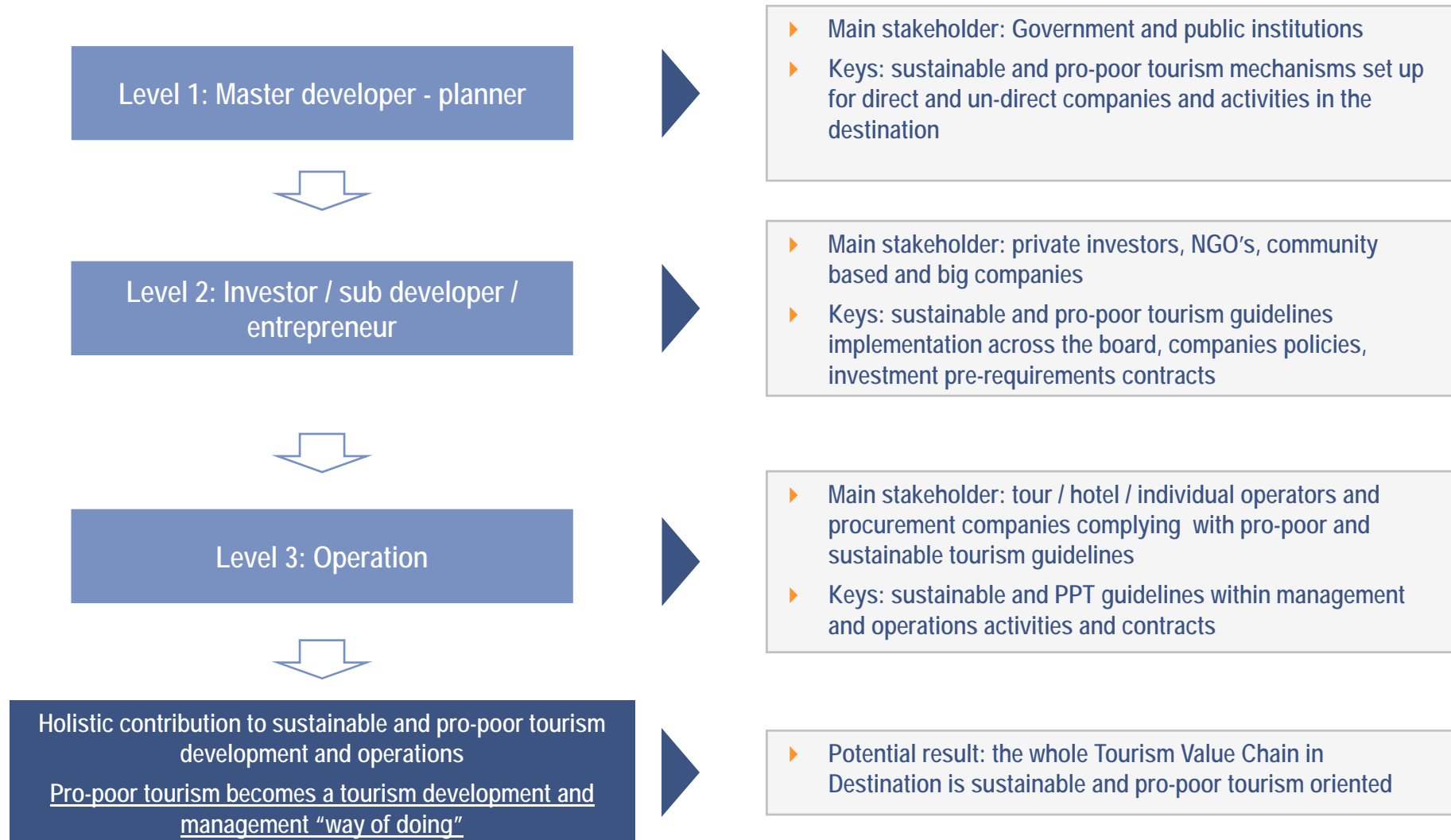
TOURISM & LEISURE
EUROPRAXIS CONSULTING

Best practices from outside the GMS – Case Studies

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There are different levels of stakeholders involvement where pro-poor opportunities can be afforded, and if holistically approached, makes the whole destination PPT oriented



The first condition for feasible associations is to be related to real tourism products or destinations, and an accurate business plan is required to focus expectations and to easy self sufficiency



RUNA TUPARI, Ecuador

- ▶ Project description: 12 Lodgings with capacity for 36 persons
- ▶ Kind of partnership: Joint Ventures (shared equity)
- ▶ Stakeholder's roles and inputs: community as owners and operators; technical and financial support from ONG Agriterra and UNORCAC
- ▶ Lessons: hard transition to self- sufficiency when the initiative was overestimated; marketing and commercialization infrastructure is required

TOMARAPI LODGE, Bolivia

- ▶ Project description: Accommodation & food services, sale handicrafts
- ▶ Kind of partnership: Operational agreements
- ▶ Stakeholder's roles and inputs: 5 years of technical support from GTZ; investment from KFW and UNDP; community as final owner and operator
- ▶ Lessons: gaps between natural reserves and commercial regulations referring to communities in tourism; social and organizational processes are very demanding for stakeholders involved; local expectations and participation are critical for success.

MAULE REGION, Chile

- ▶ Project description: Creation of 70 micro-enterprises with unemployed persons
- ▶ Kind of partnership: operational agreements
- ▶ Stakeholder's roles and inputs: Finance support by the Basque Government and entities from Maule Region. Communities provide man labour for the start ups and are operators.
- ▶ Lessons: common features of different political territories that together make up a tourism destination allow for the creation of associations and the strengthening of local municipalities

Local poor people involvement is necessary for a PPT project success. They need to express opinions and to take decisions about their willingness and capabilities related to tourism. If community feels the project as an own initiative, there is the basis for social sustainability and success



CHAMAREL INTEGRATED DEVELOPMENT PROJECT - Mauritius

- ▶ Project description: Tourism value chain integrated development project
- ▶ Kind of partnership: operational agreements
- ▶ Stakeholder's roles and inputs: finance support from Global Institutions, public gathering of goals and efforts; technical support from NGO's, private sector participation
- ▶ Lessons: lack of social feasibility because of top-down approach (no community leaders, no motivation, no union)

CANDIREJO PROJECT - Indonesia

- ▶ Project description: small-scale tourism development approach
- ▶ Kind of partnership: government designation as a tourism Village; Operational Agreements
- ▶ Stakeholder's roles and inputs: Government as master planner and ruler.
- ▶ Lessons: change of approach reach good results – COMMUNITY & COMPETITIVE BASED TOURISM; governmental imposition resolved with intensive communication through opinion leaders as a key

LENCA TOURISM ROUTE (Honduras) and TOURISM IN MAULE REGION (Chile)

- ▶ Project description: tourism route, support for M&SME, support to procurement value chains for tourism
- ▶ Kind of partnership: agreements between counties – Lenca Mancommunity Association – Maule Region Municipalities Association
- ▶ Stakeholder's roles and inputs: coordination and commitment to development
- ▶ Lessons: good public coordination is necessary to reach common goals for a tourism destination; lack of economic sustainability vision constraints project continuance.

In bipartite partnerships (PPP), facilitating initiatives and leading the concept of the project development is the key role of Government; while the private role is to boost the tourism activity and invest in core operations



FOOD COURT PROJECT -Medan- Indonesia

- ▶ Project description: Food Court through time sharing usage of space
- ▶ Kind of partnership: Joint Venture, spin-off/contractual partnership (public-private) and Core Operations (private-private)
- ▶ Stakeholder's roles and inputs: Indofood leases equipment and materials to small private entrepreneurs; government as owner of public space
- ▶ Lessons: the presence of an intermediate strong food company financing and gathering individual interests, guarantees economic success of the food court.

SANTA ANA HILL – Guayaquil - Ecuador

- ▶ Project description: restoration and recovering of poor neighbourhood for tourism
- ▶ Kind of partnership: Operational agreements with community equity
- ▶ Stakeholder's roles and inputs: government as a planner and settler of operational framework, and technical assistance; community as owners and operators
- ▶ Lessons: tourism feasibility basis; social participation and identity reinforcement as sustainability keys; regular citizens support through taxes provision for the project; more access to micro-credits (85% of companies belong to residents)

In private-community tourism projects there is a slow but remarkably necessary process to discuss and develop a new common perspective for the project, where the goal is to reach real expectations from all partners



POSADA AMAZONAS - Perú

- ▶ Project description: ecotourism resort
- ▶ Kind of partnership: Joint Venture – Contractual Partnership and Spin Off operation
- ▶ Stakeholder's roles and inputs: Community as owner and active participation in management – Rainforest Expeditions as leasers and managers for 20 years
- ▶ Lessons: lack of confidence towards private partner; incremental costs; slow decision making processes; change of community's idiosyncrasy is needed; wrong community's expectations

MADJADJANE LODGE - Mozambique

- ▶ Project description: Community Based Lodges and ecotourism activities
- ▶ Kind of partnership: Joint Ventures – Core Operation
- ▶ Stakeholder's roles and inputs: the Madjadjane community owns and operates the lodge and the IUCN and Ford Foundation provided financial and technical assistance.
- ▶ Lessons: the main goal was to implement Community Based Natural Resources Management, with no business approach, which constraint the self sufficiency of the Community; tourism as an economic activity must be approached integrally, not only as a tool for other purposes

A pro-poor tourism project in partnership between a community and private sector requires clear visions at manager's levels about what is expected, which can create a PPT business idiosyncrasy which will lead the tourism activity (either in company or in the community)



PUNTA ISLITA HOTEL – Costa Rica

- ▶ Project description: Ocean Resort – SPA & Villas
- ▶ Kind of partnership: Operational agreements
- ▶ Stakeholder's roles and inputs: the hotel is the owner, and provides incentives through a Foundation for local development of M&SME's; community act as hotel suppliers, tour operators and visitor's services.
- ▶ Lessons: a good example of "inner sourcing" and pro-poor hotel management, as a way to reduce business risks, to improve quality performance and to provide added value for visitors

COVANE AND TINTI GALA LODGES - Mozambique

- ▶ Project description: Community Based Lodges and ecotourism activities
- ▶ Kind of partnership: Joint Ventures – Core Operation
- ▶ Stakeholder's roles and inputs: Gala and Canhane Communities own and operate the lodges. HELVETAS provided financial, design, development, management and commercial assistance from the beginning.
- ▶ Lessons: lack of technical skills and marketing infrastructure are strong constraints for the project's success and lodge's self sufficiency; well organized Social Management Committees are key factors to decide management, revenues destination and distribution within the community; strong accountability is needed to avoid financial problems

Sometimes when the partners are "mature" enough in business skills, it is better to keep classical private-private partnerships format, which guarantees some operations and benefit distribution dynamics



YACHANA LODGE, Ecuador

- ▶ Project description: ecotourism resort in Amazonia
- ▶ Kind of partnership: Joint Venture – Core operation
- ▶ Stakeholder's roles and inputs: FUNEDSIN finances the project and creates two companies Yachana Lodge and Yachana Gourmet; community participates in operations and receives the companies revenues and other benefits; donations by visitors and inter-institutional cooperation (UNICEF, Churches, Schools)
- ▶ Lessons: good conceptualization of the project, but low participation of communities in operations, commercialization and management of economic funds for conservation.

FINCA ESPERANZA VERDE, Nicaragua

- ▶ Project description: 87 ha. private wildlife reserve, with ecotourism resort (4 cabins, 26 pax, camping area, trails, butterflies, organic coffee, bird watching); 7 guesthouses network in San Ramón Village; 10 tour guides; aircrafts, musicians and other related stakeholders
- ▶ Kind of partnership: operational agreements, local supply and employment
- ▶ Stakeholder's roles and inputs: Durham San Ramón Sister Community is the owner and general manager of FEV; San Ramón Community defines projects to receive support from FEV; other NGO's, governmental and private agencies provide technical assistance.
- ▶ Lessons: financing was guaranteed by a project Business Plan; a strong commercialization framework; diversification of incomes (accommodation, coffee exports, donations); enterprising project leaders among the community

In tourism products & destinations, where skills and functions are quite clear and each stakeholder assumes its responsibility in tourism development, tripartite partnerships profiting from each partner strength are a good option



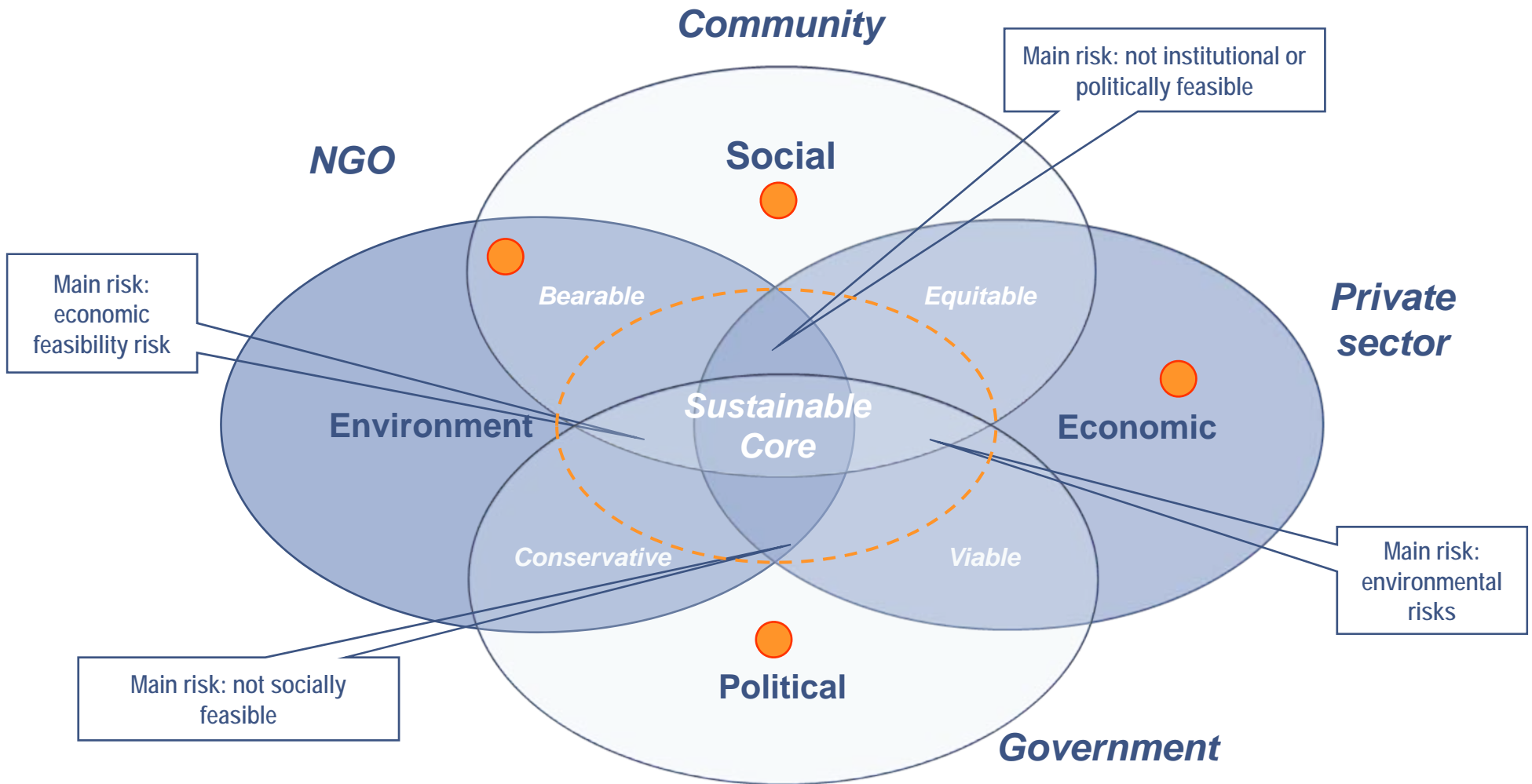
TERIYA BUGU, Mali

- ▶ Project description: tourism resort with 20 rooms and several services; farm; eucalyptus forest
- ▶ Kind of partnership: Joint Venture - CPPP
- ▶ Stakeholder's roles and inputs: Financial support from regional councils and private and French funds. Technical support from CIRAD and volunteers
- ▶ Lessons: Management through a committee; for the community success is important have opinion leaders, community participates revenue share, including the offer in the tour operator circuit is important for sustainability, connexions with tourism sector makes easier the training for free

THE OLD HAN'S CULTURAL TOURISM – Tianlong - China

- ▶ Project description: rural tourism within the Cultural Tourism Programme of the Old Han.
- ▶ Kind of partnership: Joint Venture - CPPP
- ▶ Stakeholder's roles and inputs: model "government + company + travel agency + farmer's tourism committee". Government's task is to guarantee the environment and organization of investment; corporation is in charge of operation and marketing; travel agency attracts tourists; Farmer's Committee organizes participation of villagers in the tourism development and protection of tourism resources.
- ▶ Lessons: division of interests between stakeholders, and between tourism activities and other industries was the major problem, which was solved through negotiations

Every stakeholder has a specific development perspective which will influence the balance of the four pillars of sustainability, affecting the internal equilibrium of the sustainable core for a PPT project



The kind of partnership is not the only factor for PPT success, but are the terms and contents of the partnerships, and their day to day operations. Partnerships are tools to manage and express these issues

Final considerations I



All

- ✓ **Business Plan** for the tourism project - Tourism as an economic activity must be approached integrally, not only as a tool for other purposes
- ✓ **Marketing and accountability** is needed
- ✓ **Technical assistance** is needed to support stakeholders requirements and to ensure the projects self sufficiency
- ✓ **Social traditions**, structures and cultures must to be considered when thinking to involve women and young people
- ✓ **Awareness** must be done for all stakeholders
- ✓ **Committee** is a good tool to include and represent stakeholders' interests and ambitions, as well as to support the poor to get involved in tourism, and to guide their relations to the rest of stakeholders
- ✓ **"Community based on competitive tourism"** approach reach good results (local traditional values, goals and needs incorporated, as well as competitiveness and economically feasibility issues)

Communities

- ✓ Tourism must be treated as a **complementary alternative** to the community's daily work - **Hard transition to self sufficiency** when the initiative is overestimated
- ✓ **Social participation and identity reinforcement** were crucial to guarantee the feasibility and sustainability of projects
- ✓ Change of **community's idiosyncrasy** and adjustment of community's **expectations** is needed
- ✓ Respecting **local traditional organization** assures an efficient and suitable revenues' distribution
- ✓ **Community confidence opens new business opportunities** (consultancy, other productive projects for the community)

Final considerations II



Government

- ✓ **Legal gaps and opportunities** related to PPT initiatives must be filled
- ✓ Tourism associations can be created around **territories with similar features** (themes) or **complementing attractions**
- ✓ Consider **top-down approach** constraints, and solve them with **intensive communication** to opinion leaders in the community
- ✓ Good public **institutional coordination** is necessary to reach common goals for a tourism destination
- ✓ Regular support through **credit and tax provision** was crucial to enable citizens to create their own businesses

Private sector

- ✓ Direct contact between tourists and local communities represent an **added value for visitors**
- ✓ **Inner-sourcing** is a good way of **reducing business risks**, improving quality performance and providing added value to clients
- ✓ Private sector **involvement** is needed, for **marketing networks** and tourism **product viability** (to include the offer in tour operator circuit is important for sustainability of the project)

NGO's

- ✓ The fixed **cost of community projects** need to be **realistic**, without inflated salaries or bonuses
- ✓ Any tourism **project/initiative** needs to have an **Integral Business Approach** to be successful



Thank you very much

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