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Inclusive tourism: Promoting backward linkages

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



Tourism development issues to be addressed from a trade promotion perspective

Tourism provides a wide range of economic opportunities, especially for developing and least developed countries, but often without inclusion of poor segments of the population

Example **handicrafts**: products sold to tourists are imported due to lacking local supply capacity and quality

Example culture: loss of cultural heritage because its income potential is not used

Example agrifood: local supply of fruits, vegetables and fishery to tourism industry not developed





SCTD Portfolio of Services - Tourism for Development

1 Tourism governance and structure

2 Trade, investment, data and competitiveness

3 Employment, decent work and capacity building

4 Poverty reduction and social inclusion

Sustainability of the natural and cultural environment

UNWTO
ITC
UNDP
UNEP
ILO
UNESCO
UNIDO
UNCTAD
WTO





Rationale for identifying and developing business linkages for poverty reduction

- Increasing interest by hotel chains, restaurants and tour operators to invest more in local sourcing and provide their clients with an "authentic experience"
- Limited capacities and skills of entrepreneurs to meet quality requirements of tourism industry
- 90% of **DTIS** linked to tourism state the creation of business linkages as key challenge





Inclusive tourism: an integrated approach to developing sustainable & inclusive business linkages

- In-depth feasibility assessment identifying products and services currently sourced from abroad by the tourism industry that could also be sourced locally
- Facilitate stakeholder meetings to identify business opportunities for the tourism industry and how a demand-driven approach can link them with local producers.
- Enhance supply capacity, consistency and quality characteristics of local products and services to meet demand requirements of tourism industry and their customers.
- Provide market expertise and formal market linkages, assist in business negotiation and contracting





Inclusive tourism: an integrated approach to developing sustainable & inclusive business linkages (cont.)

- Cross-cutting: Strengthen support services by trade and tourism support entities and affected communities through the development of institutional capacities.
- Provide policy advocacy
- Facilitate partnerships with private actors to stimulate local economy
- Promote the integration of women and youth and the active involvement of local communities
- Emphasise sustainability by taking environmental, social and economic factors into account
- Work with existing tourism destinations and existing supply sectors





Inclusive Tourism assessment: Guidelines to carry out a value chain based opportunity study

- ➤ Identification of "winner" tourism products and services with market potential
- ➤ Identification of small producers and service providers to produce the selected products and services

PHASE 1: DIAGNOSIS OF THE CURRENT SITUATION AND CONTEXT

- Step 1- Defining scope and target group(s)
- **Step 2- Mapping the Value Chain and its Context**
- **Step 3- Mapping where the Poor Participate**
- Step 4- Conduct surveys with Tourists, Enterprises and Support Institutions to gather data and perspectives
- Step 5- Tracking Revenue Flows, Pro-Poor Income and Barriers facing the poor (pro-poor income)



United Nations Steering Committee on Tourism for Development

PHASE 2: PROJECT OPPORTUNITIES, PRIORITIZATION AND FEASIBILITY

Step 6- Identifying where in the Value Chain to seek change

Step 7- Analysis of strategies

Step 8- Developing a long list of intervention options

Step 9- Developing the short list

PHASE 3: DEVELOPMENT OF A WORKPLAN

Step 10- Developing a project idea

Step 11- Project programming

FOLLOWED BY:

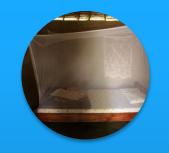
Validation roundtable with stakeholder and government to refine and validate project proposal

Submission of proposal to donors & Implementation





A simplified Tourism Value Chain (ex. Uganda)



Accommodation

Hotels/Lodges/camps /etc.



Food & Beverages
Restaurants.

Markets, Wholesalers, retailers Producers, farmers



Souvenirs

Souvenir shops, markets, sellers

Craftsmen, local producers



Transportation

Regional & Local

Bus, taxi, car rental, etc.

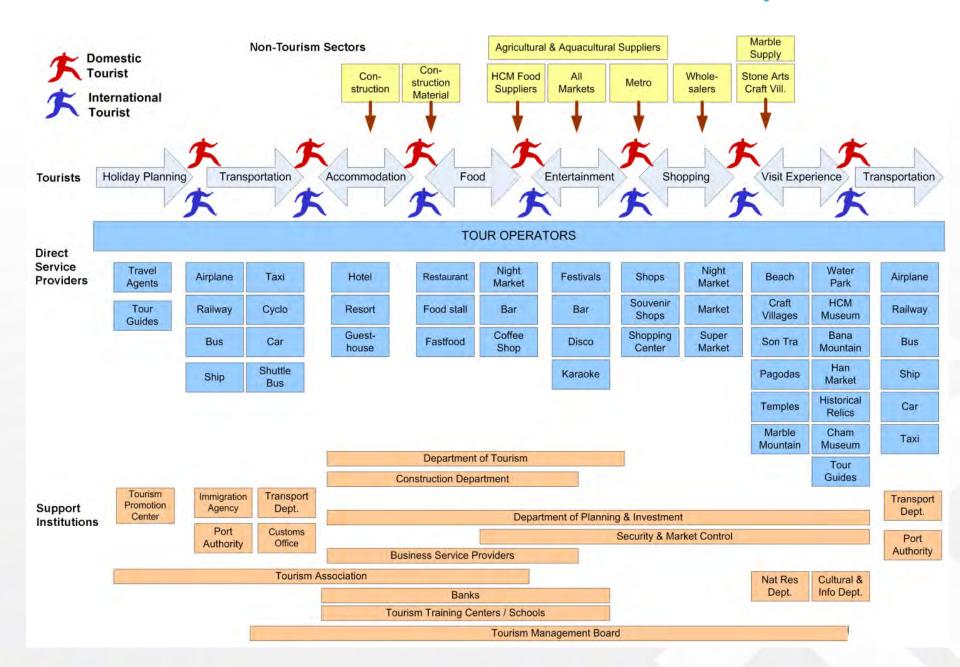


Excursions

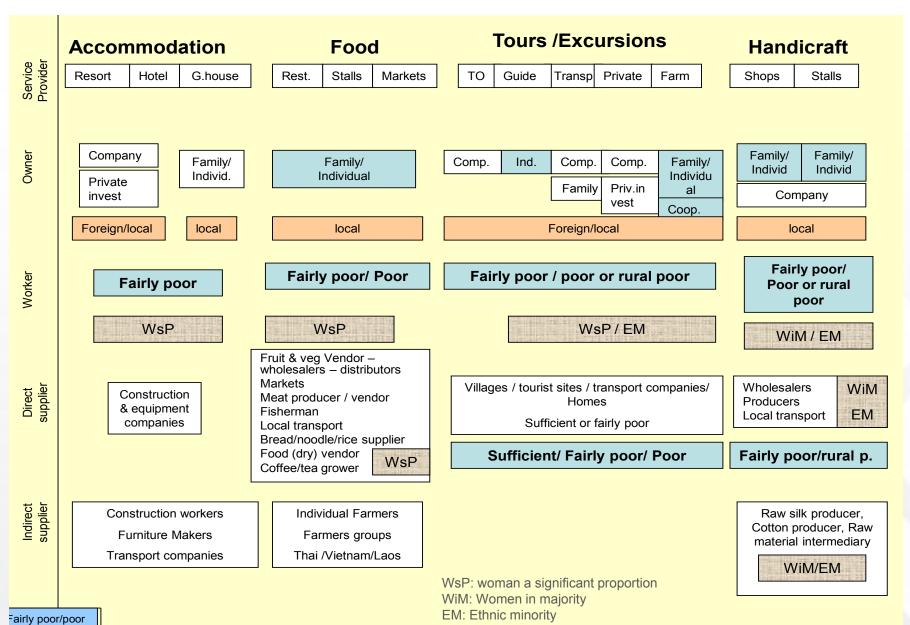
Guides, tour operators, travel agencies, etc



Assessment of Tourism Value Chain & Service providers



Pro-poor income mapping





Linking agriculture to tourism markets

Provide capacity building and facilitate partnerships between agroproducers and the tourism industry

Aim: To provide **farmers**, **fishermen** and **their associations** with the **tools** they need to assess the tourism market, and **buyers** with the **skills** to develop sustainable partnerships with local producers.

Target audience:

- Representatives of farmer community institutions
- Potential and existing private sector partners
- Government representatives involved in the tourism sector or other related industries
- Local support organizations (NGOs)





Linking environmental management and climate change to tourism markets

Provide capacity building in the management of environmentally sound tourism developments

Aim: To encourage **governments**, **enterprises**, **communities and people** to 'act locally while thinking globally'. Provide information on efficient and effective **energy use**, **waste reduction**, **recycling** and guide on environmental management for **eco-hospitality**.

The target audience:

- Micro, small and medium-sized enterprises
- Producer groups, governmental bodies
- Community institutions & NGOs
- Tourism industry (Tour operators, Hotels, Restaurants)







Linking artists to tourism markets

Provide capacity building to develop local artistic and cultural services and market these through the tourism value chain.

Aim: to develop and market local artistic and cultural services.

The target audience:

- Public sector offices
- Private sector associations
- NGOs supporting the artistic sector
- Artists' associations/organizations
- Private tourism sector (Hotels, Restaurants, Tour operators)
- Individual artists





EXPORT IMPACT FOR GOOD



Linking handicraft to tourism markets

Provide capacity building for artisans on how to adapt their products to international requirements (quality, trends, design...) and link their products to tourist markets.

Aim: to increase the **artisans' income** and to provide facilitators with the know-how to develop sustainable business linkages between handicraft producers and the tourism markets.

The target audience:

- Micro, small and medium-sized enterprises (MSME's)
- Producer groups and associations
- Governmental bodies
- NGOs supporting the craft sector





Impact Measurement Tool

Tailor-made for the following sectors:

- Agro-food products
- Creative Industries
- Inclusive Tourism

Undertaken at 3 stages of the project:

- start, prior to project implementation (baseline)
- half-way to be able to take corrective actions
- completion of project in order to assess final impact

Face to face interviews with beneficiary households

Survey

- A. Social indicators
- B. Economic indicators
- C. Community development
- D. Project-specific information (agriculture, textile or tourism sector)





Lessons learnt

- Scaling up: shift from Community-based Tourism to Inclusive Tourism
- Economic sustainability:
 - Focus on income generating backward linkages
 - Create corporate linkages on local and international level to achieve win-sin situation (Cruise ship companies, Hotel chains, etc.)
 - Tap on existing tourism destinations
 - Work only with commercially viable and already existing sectors
- Coordinated assistance by involving several UN agencies (SCTD)
- Use enhanced tourism supply capacity as spring board for exports





Objective of joint support

- Maximize the tourism industry's positive impact on local producers and service providers & entrepreneurs (e.g. agro-food, creative industries, services).
- LDCs able to take advantage of the complementary institutional and technical strengths of the SCTD/UN Agencies
- Inclusive tourism interagency cooperation track record:

Benin: ITC-UNCTAD

Uganda: ITC-UNCTAD

Mozambique: ITC-UNESCO-ILO

Syria: ITC-FAO-UNDP-UNIDO

Lao PDR: ITC-ILO-UNIDO-UNOPS





Example 1. Luang Prabang Province Lao PDR: Enhancing sustainable tourism, clean production and export capacity

Results

- Increase local production of clean agricultural products (cultivated under GAP Good Agricultural Practise) and sales to Luang Prabang Restaurants and Hotels
- Increase sales value of silk and cotton crafts sold to tourists by members of the Luang Prabang Handicraft Association
- National sector support organizations enabled to undertake supply-chain analysis, identifying obstacles and service areas for producers and traders



Support organizations capacitated to provide business development services





Results

One hundred and nine farmers from eight village groups undertake pilot production of new varieties' of lettuce and tomatoes, using clean agriculture field school curriculum, for supply to hotels and restaurants. Supply chain mapped and analysed, and business development for forward linkages' initiated.

"Handmade in Luang Prabang" Label of Origin developed to provide locally produced craft with a Unique Identity in conjunction with the first Luang Prabang Handicraft Festival organized during December 2012. Over One hundred entities have adopted the label.

Design and quality enhancement capacity-building for weavers by a Thai designer. **Five new designs launched, production efficiencies enhanced.**





All agencies use joint national expertise and focus on their mandates and comparative advantage:

UNCTAD: mainstreaming of organic agriculture through creation of LOAF (Lao Organic Agri Forum) through which LP farmers can graduate from Clean to Organic. Technical cooperation with a Thai NGO for LP farmer groups under ITC support

ITC: structuring and developing farming and weaving groups through direct technical assistance on product adaptation/development, marketing, quality and commercialization and building capacities in several private and public sector trade support institutions'

ILO: cooperation with ITC in delivering "Good Housekeeping" modules for weaving communities to improve productivity and workplace conditions

UNIDO: providing quality testing infrastructure that enables on-site and labbased analysis for agricultural and silk/cotton quality assessments.





Example 2. Benin Promoting sustainable and inclusive tourism (ITC-UNCTAD)

<u>Abomey</u>: project helped to process and sell 100% organic soaps for local tourism market. <u>Ganvié</u>: stakeholders able to use techniques to transform water hyacinth into local craft products.

<u>Ouidah</u>: services offering of the Tourism Office upgraded with new promotional materials and tools.

Both agencies used joint national expertise and focused on its mandate and comparative advantage:

UNCTAD: mainstreaming of sustainable and inclusive tourism in Benin's national and local political agenda working with policy makers and TSIs

ITC: structure of sector associations, development and commercialization of new products, working at grassroots level with local communities

UNCTAD: training sessions on inclusive tourism development

ITC: direct technical assistance on product development, marketing, quality and commercialization to local producers / farmers

