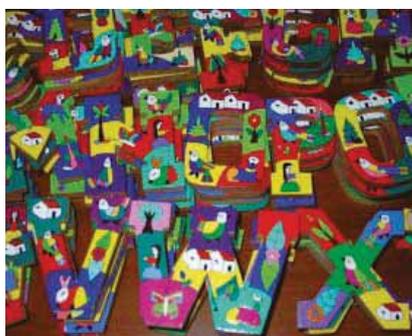


# INCLUSIVE TOURISM

## OPPORTUNITY STUDY GUIDELINES





# INCLUSIVE TOURISM

## OPPORTUNITY STUDY GUIDELINES

## Abstract for trade information services

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International Trade Centre (ITC)

**Inclusive Tourism: Opportunity Study Guidelines.**

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Study explaining how to identify viable projects adapted to tourism supply chains in order to promote poverty reduction – provides guidelines structured around three phases: 1) Diagnosis of Current Situation and Context includes tools to map the tourism value chain and the participation of the poor within it; 2) Project Opportunities, Prioritization and Feasibility includes a systematic approach to develop a list of high priority interventions that should be implemented; 3) Development of a Workplan provides a structure for reports, and tools to assist in developing institutional arrangements, targets and indicators for monitoring, and also project budgets; includes bibliography (pp. 85-86).

Descriptors: **Tourism and Travel Services, Supply Chain, Value Chain, Poverty Reduction, Project Management, Manuals.**

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English

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## Contents

Acknowledgements	iii
Abbreviations	ix
1. Background	1
1.1. International Trade Centre	1
1.2. Tourism-led Poverty Reduction Programme (TPRP)	1
1.3. Core principles of TPRP	1
1.4. Reducing poverty through tourism	3
2. How to use the guidelines?	5
2.1. Purpose of these guidelines	5
2.2. Application of the approach outlined	5
2.3. Methodology	7
<b>Phase 1. Diagnosis of the current situation and context</b>	<b>8</b>
3. Step 1: Preparation	8
3.1. Defining the scope of the ‘destination’	9
3.2. Defining the target group and definition of ‘poor’	9
3.3. Agreeing skills required and team composition	10
3.4. Planning the Itinerary	12
4. Step 2: Mapping the value chain and its context	17
4.1. Get on top of existing information	17
4.2. Map stakeholders	19
4.3. Identify relevant policies and plans	22
5. Step 3: Mapping where the poor participate	23
6. Step 4: Conduct fieldwork with tourists, enterprises and support institutions to gather data and perspectives	25
6.1. Surveys with hotels	25
6.2. Exploring the food supply chain with restaurants	26
6.3. Craft supply chain	27
6.4. Excursion, entertainment and transport supply chains	27
6.5. Tourists surveys	28
7. Step 5: Tracking revenue flows, pro-poor income and barriers facing the poor	29
8. Calculating pro-poor income	33
8.1. Calculating pro-poor income from hotel interview data	33
8.2. Calculating pro-poor income in the food sector	33

<b>Phase 2.</b>	<b>Project opportunities, prioritization and feasibility</b>	<b>37</b>
9.	Step 6: Identifying where in the value chain to seek change	38
10.	Step 7: Analysis of strategies	39
	10.1. What is going wrong – Problem analysis?	39
	10.2. What are we aiming at- analysis of objectives?	40
	10.3. What can be an obstacle – Assumptions and risk factors?	40
	10.4. What are the pros and cons of the project – SWOT analysis?	41
11.	Step 8: Developing a long list of intervention options	42
	11.1. A typology of strategies to benefit the poor	43
	11.2. Doing ‘what-if’ estimates of increased pro-poor income	46
	11.3. Considering trade-offs between objectives	46
	11.4. Locate potential partners for interventions	48
	11.5. Including different types of intervention	49
	11.6. Summary of steps to generate the long list	50
12.	Step 9: Developing the short list	51
	12.1. Applying eligibility and selection criteria	51
	12.2. Consulting stakeholders for Step 8	53
<b>Phase 3.</b>	<b>Development of a workplan</b>	<b>54</b>
13.	Step 10: Developing a project idea	54
	13.1. Formulating a project idea	54
	13.2. Timing	56
	13.3. Budget	56
	13.4. Sustainability and replication	57
14.	Step 11: Project programming	58
<b>Appendix I.</b>	<b>Logical Framework Approach (LFA)</b>	<b>63</b>
<b>Appendix II.</b>	<b>Sample tourism survey</b>	<b>65</b>
<b>Appendix III.</b>	<b>SWOT analysis</b>	<b>68</b>
<b>Appendix IV.</b>	<b>Format for budget tables</b>	<b>72</b>
<b>Appendix V.</b>	<b>Format and guidance for logframe</b>	<b>74</b>
<b>Appendix VI.</b>	<b>Reference material</b>	<b>76</b>
<b>Appendix VII.</b>	<b>Other tools and guidelines</b>	<b>78</b>
<b>Bibliography</b>		<b>81</b>

Table 1.	The what and why of pro-poor value chain analysis	6
Table 2.	Benefits and drawbacks of different study teams	10
Table 3.	Overview of phase 1: Steps, activities, tools, timeframes and reporting	15
Table 4.	Supply and demand information	18
Table 5.	How to analyse pro-poor options	44
Table 6.	Developing a long list of interventions	50
Table 7.	Short-listing intervention options with key criteria	52
Table 8.	Worked example	61
Figure 1.	Use of a value chain to show the distribution of value and margin in a hotel fish supply chain, for Tilapia in Addis Ababa, Ethiopia	12
Figure 2.	Developing a value chain of tourism stakeholders in central Viet Nam	20
Figure 3.	Use of a value chain to show tourism stakeholders in Viet Nam	21
Figure 4.	Mapping where the poor participate as workers and suppliers in nodes of the value chain in Luang Prabang, Lao People's Democratic Republic	24
Figure 5.	Use of a value chain to map flows of expenditure and shares reaching the poor in the Gambia, 2005	30
Figure 6.	Use of a value chain to map flows of expenditure and shares reaching the poor in Luang Prabang, Lao People's Democratic Republic 2006	31
Figure 7.	Mapping cereal supply in Ethiopia to assess pro-poor income	34
Figure 8.	Contrasting PPI estimates in two Ethiopian craft chains: Axum and Lalibela	35
Figure 9.	Breakdown of mountaineering package price	36
Figure 10.	Potential increase of pro-poor income in Rwanda	46
Figure 11.	Illustrating trade-offs between interventions and objectives using graphs	47
Figure 12.	Bubble graph of benefit flows to the poor: ways of representing value chain intervention options	54
Box 1.	Moving on from community-based tourism towards tourism-led poverty reduction	4
Box 2.	Defining a value chain	8
Box 3.	Definitions of who is poor affect the results of the diagnostic analysis	10
Box 4.	Adding agricultural expertise makes a valuable difference	11
Box 5.	Preconditions for making a massive task manageable	14
Box 6.	Two examples of wayward official tourist statistics	17
Box 7.	What is a 'tourist' in statistics?	18
Box 8.	The How to? Gathering contextual information	18
Box 9.	'How to? Tips on doing a stakeholder map	22
Box 10.	How to? Identify relevant policies and plans	22
Box 11.	Avoid two extremes when analysing the tourism context	23
Box 12.	How to? Tips on mapping poor participants	23
Box 13.	Where are the poor in the food chain?	27
Box 14.	Types of information that can be collected from visitors	29
Box 15.	Estimating flows of PPI	32
Box 16.	Making assumptions when jumping from description to prescription	38
Box 17.	Key questions to ask potential partners	49
Box 18.	Examples of action points	49



## Abbreviations

CBTE	Community-based Tourism Enterprises
EPRP	Export-led Poverty Reduction Programme
ITC	International Trade Centre
LFA	Logical Framework Approach
NGOs	Non-governmental organizations
ODI	Overseas Development Institute
PPI	Pro-Poor Income
SWOT	Strengths, weaknesses, opportunities and threats
TPRP	Tourism-led Poverty Reduction Programme
TSI	Tourism Support Institution
UNWTO	United Nations World Tourism Organization



## 1. Background

### 1.1. International Trade Centre

The International Trade Centre (ITC) is the focal point in the United Nations for technical cooperation with developing countries and economies in transition in the area of trade promotion. The ITC was created by the General Agreement on Tariffs and Trade (GATT) in 1964 and since 1968 has been jointly operated by the World Trade Organization (WTO) and the United Nations (UN). As an executing agency of the United Nations Development Programme (UNDP), ITC is directly responsible for implementing UNDP-financed projects in developing countries and economies in transition related to trade promotion.

#### ITC's mission

ITC is a technical cooperation agency whose mission is to support developing and transition economies, and particularly their business sectors, in their efforts to realize their full potential for developing exports and import operations with the ultimate goal of achieving sustainable development.

### 1.2. Tourism-led Poverty Reduction Programme (TPRP)

In order to contribute to the Millennium Development Goal of reducing by half the proportion of people living in extreme poverty by 2015, the mission of the International Trade Centre's (ITC) Tourism-led Poverty Reduction (TPRP) is to 'link poor communities with promising products and services to markets using technical support, in order to achieve a direct impact on their economic development'. The programme aims to match the demand for particular labour-intensive products and services with the capacities of poor communities, by creating new job and income generation opportunities. Responding to formal requests from countries for technical assistance, the TPRP operates through pilot projects in countries in sectors that offer the best leverage for poverty reduction, including tourism (ITC, 2005). TPRP projects are currently being implemented in Brazil, Colombia, Mozambique, Philippines, and Senegal.

The ultimate objective is to enhance the benefits from tourism resources for the population in host communities while maintaining their cultural and environmental integrity. This process requires involving local people in decisions that affect their lives and life chances. Inclusive Tourism provides direct and indirect economic benefits to participating communities, thus improving their living conditions and giving them a common sense of direction.

#### TPRP mission

TPRP is an ITC programme whose mission is to link poor communities with promising products and services to market using technical support, in order to achieve a direct impact on their economic development.

### 1.3. Core principles of TPRP

As indicated, TPRP has to be understood as a concept for mainstreaming the objective of poverty reduction into tourism development strategies and related technical assistance. Seven principles can be singled out that represent drivers of impact and sustainability of the TPRP concept. While there may be compelling reasons for a pragmatic approach to project design and implementation, these principles should be considered seriously, because taken together they summarize the essence of tourism-led poverty reduction.

**TPRP principles**

1. Technical assessment by prior opportunity study.
2. Formalization of business relations and facilitation of networking.
3. Regular impact measurement.
4. Scaling-up and creation of multiplier effects.
5. National capacity building.
6. Working at different policy levels simultaneously.
7. Phased implementation and clear exit strategy.

**1. Technical assessment by prior opportunity study**

The opportunity study has to be understood as an extended assessment of project feasibility and stakeholders' needs and commitment. It helps to identify innovative ways and means to integrate poor communities into the value chains of tourism and facilitates the selection of promising products and services and project partners based on technical criteria only. Above all, it facilitates project ownership and attainment of concrete results.

**2. Formalization of business relations and facilitation of networking**

As a matter of fact, business relationships in developing countries are often highly informal and discriminating against poor and small-scale producers. The introduction of fair and enforceable contracts that are detailing the rights and obligations of the corresponding parties will promote transparency as well as accountability and is thus a prerequisite for mutually beneficial business networks. To be sure, ITC should equally apply this principle to the relations with project beneficiaries avoiding to raise unrealistic expectations.

**3. Regular impact measurement**

As a proof of concrete development impact, but also because TPRP wants to induce demonstration effects, the measurement of poverty reduction progress through TPRP is imperative. TPRP is committed to impact measurement through a set of poverty indicators, which are collected by means of a survey at the start, middle, and end of a pilot project. Regular impact measurement also helps for proper project monitoring.

**4. Scaling-up and creation of multiplier effects**

Real poverty reduction impact cannot be achieved in isolation, but is the outcome of the combined efforts of different societal groups and institutions. Thus, TPRP intends to give positive examples through its projects, which shall later be adopted and replicated by government agencies, NGOs and the private sector. These scaling-up and multiplier effects must actively be sought when conceptualising a TPRP project.

**5. National capacity building**

National capacity building implies favouring a tailor-made and country-specific over a one-size-fits-all solution. Training and consultancy should be as practical as possible and adopt a hands-on, learning-by-doing approach. National counterparts must be included into decisive project activities from the very beginning to facilitate learning and local ownership.

**6. Working at different policy levels simultaneously**

The debate of 'bottom-up' versus 'top-down' does not have much significance when dealing with poverty reduction and local development. In fact, all political levels are relevant and should rather complement each other inside their respective realms. Micro-level capacity building, meso-level institutions building and linkages and macro-level replication policies are aspects to be addressed by every TPRP project according to the realities of each country.

## 7. Phased implementation and clear exit strategy

Having said the foregoing, a phased approach in the implementation of TPRP has proven to be most effective: first, efforts should be concentrated on harnessing the capacity of the poor for exports and linking them to the tourism industry. Second, these success stories have to be promoted with government and other interested donors to bring about scaling-up and multiplier effects.

### 1.4. Reducing poverty through tourism

Globally, 1.2 billion people live in extreme poverty. More than 800 million people (15% of the world's population) suffer from malnutrition, and the life expectancy at birth in the world's least developed countries is less than 50 years (27 years less than in developed countries) (UNDP, 2003). Poverty is defined in many ways, but is generally considered to be 'a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights' (UN, 2001). Given that many of these factors are difficult to evaluate consistently, development agencies often employ financial measures of poverty, such as a threshold of US\$ 1 a day (UNHCR, 2002).

Many developing countries are seeking to develop their tourism sector. Tourism impacts on several sectors that can generate substantial inflows of foreign exchange, complementing primary exports. Tourism stimulates a wide range of economic opportunities that impact on many sectors including transport, communications, infrastructure, education, security, health, immigration, customs, accommodation, agriculture and culture (OMT/UNWTO Secretariat, 2002).

Development agencies have become increasingly focused on the potential for tourism to provide net benefits to the poor. Tourism's 'pro-poor' potential lies in five main areas (DFID, 1999; Ashley, Roe and Goodwin, 2001):

- Tourism is a diverse industry, which increases the scope for wide participation, including the participation of the informal sector.
- The customer comes to the product, providing considerable opportunities for linkages (e.g. souvenir selling).
- Tourism is highly dependent upon natural capital (e.g. wildlife, scenery and culture). These are assets that some of the poor have, even if they have no financial resources.
- Tourism can be more labour intensive than manufacturing, although less labour intensive than agriculture.
- Compared to other modern sectors, a higher proportion of tourism benefits go to women (e.g. jobs, petty trade opportunities).

Many organizations have been seeking ways to enhance the impacts of tourism on poor people in recent years. While the initial focus tended to be on micro level 'community projects', our understanding of the opportunity provided by mainstream tourism to benefit the poor has grown. For example (Mitchell and Ashley, 2008):

- Where local supply chains and indigenous enterprise are strong and out-of-pocket tourism expenditure high, incomes to the poor can equate to as much as one quarter to one third of destination-level tourist expenditure (Mitchell and Ashley, 2007).
- Strong pro-poor impact is not automatic; positive and deliberate interventions can significantly enhance the impact of tourism on poor people. Building market access for the poor requires the private sector, practitioners and poor people, together with government, to work together at destination level.
- Achievements in community-based tourism enterprises (CBTE) have often been disappointing (see bBox 1).
- In order to achieve poverty impacts at scale, development practitioners need to engage with mainstream tourism.

### **Box 1. Moving on from community-based tourism towards tourism-led poverty reduction**

Many development and conservation organizations have invested in community-based tourism enterprises over the decades. However, there is growing concern that there is little benefit to show. The common problems identified in a series of evaluations and lesson-learning exercise include (Mitchell and Ashley, 2008):

- Commercially unsustainable products that are isolated from the private sector and thus the market and viable flows of tourists;
- Reliance on a collectivist approach to business management, rather than an entrepreneurial one;
- Requirements for long-term and expensive inputs for a product that can only ever generate a tightly constrained benefit flow for one community.

#### **Evidence from southern Africa, South America and Asia**

For example, in a review of 218 community-based tourism enterprises (CBTEs) operating in twelve southern African countries, Spenceley (2008) identified severe business capacity constraints. Limitations reported by CBTEs included accessibility (among 91% of enterprises), market access (72%), advertising (70%) and communications (57%) – despite more than half of the CBTEs receiving some form of external support from a third party. Also in southern Africa, Dixey (2008) found that only 9 of 25 CBTEs in Zambia evaluated had sufficient information on their income to compare their level of donor investment, visitor numbers, gross revenue and net income. Key determinants of success were linkages to tourism companies, proximity to main tourism routes, competitive advantage, financial management, visitor handling and community motivation. In looking for reasons why these problems occur, Häusler (2008) found that in CBTE funding proposals in South America and Asia, donor agencies frequently consider participation, gender, empowerment and capacity building in their criteria. However, proposals have not been required to address business plans, administration, marketing strategies, product development, target groups, cooperation with private sector or communication channels.

#### **Changing the terms of engagement**

The TPRP is now taking the goals of community-based tourism, namely changing the extent and terms of engagement between tourism and the poor, to a more market-led approach within the tourism value chain.

A diverse set of organizations (including multilateral, bilateral, non governmental and research) are re-evaluating their approach to tourism along the lines of this ‘new thinking’ above. They are developing interventions that consider the entire tourism value chain and boost market access of the poor, often in relation to mainstream tourism. At the same time there is change within the private sector, where good practice is no longer just the domain of the small owner-operated or niche companies. Hotel chains, international tour operators and a range of NGO or commercial networks are now developing more socially-oriented practices, or what is often called ‘inclusive business’. Inclusive business explicitly incorporates engagement with the local economy, but organizations may engage in the arena under the terms sustainable tourism, responsible tourism, or corporate social responsibility/investment (Mitchell and Ashley, 2008).

UN World Tourism Organization department of sustainable development: [www.unwto.org/sdt/index.php](http://www.unwto.org/sdt/index.php)

Policy research on tourism and poverty: [www.odi.org.uk/tourism](http://www.odi.org.uk/tourism)

Pro-poor tourism: [www.propoortourism.org.uk](http://www.propoortourism.org.uk)

International Centre for Responsible tourism: [www.icrtourism.org](http://www.icrtourism.org)

## 2. How to use the guidelines?

### 2.1. Purpose of these guidelines

#### Why conducting an opportunity study?

The opportunity study is intended to build the TPRP project in a result-oriented manner that has the potential for success, in terms of achieving concrete and measurable poverty reduction results and enabling nationals to replicate the experience for the benefit of other regions/sectors in the country.

These guidelines aim, in a practical way, to show how to identify viable projects to adapt tourism supply chains so that they promote poverty reduction. This is a tourism-led poverty reduction approach to development which fosters links and interaction between different actors in the tourism industry and partnership with private actors, stimulates the local economy, integrates women, and stresses the involvement of local communities and their enterprises (Ecole Hôtelière de Lausanne, 2008).

The overall objective of interventions that address the tourism supply chain is to enhance the positive impacts of tourism on poor people. It can mean removing barriers that prevent poor people entering the industry, or enhancing the terms on which they work, or improving the knock-on effects that tourism operations have on surrounding communities. The types of intervention vary enormously and we give many examples in these guidelines to illustrate this diversity. Since tourism is a private sector-led activity, supply chain activities invariably involve working with non-poor groups too, but the common goal is to expand benefits to the poor, ideally at a significant scale.

This document includes a set of practical, specific and user-friendly tools, which have been developed and tested in the field over the past three years. Using these guidelines will provide support to people undertaking feasibility studies, and will also provide consistency to the way assessments are conducted which will enhance their reliability and validity.<sup>1</sup>

People who will find these guidelines useful include practitioners, consultants, tourism planners, policy-makers and also private sector executives who are interested in applying inclusive tourism to their business. While the guidelines are designed with one specific audience in mind – namely consultants undertaking scoping studies and project planning tasks for the International Trade Centre's Tourism-led Poverty Reduction Programme (TPRP) – they draw on experience from a wide range of organizations and will be useful to other project planners.

### 2.2. Application of the approach outlined

These guidelines are structured around three different phases. These phases may be undertaken concurrently but in some situations will be more easily done separately allowing some time for reflection in between:

- **Phase 1. Diagnosis of the current situation and context:** This phase includes tools to map the tourism value chain (or economy of the destination), and the participation of the poor within it. The purpose here is to understand financial flows and how the tourism sector currently works. This phase also helps to understand the policy and regulatory context and the existing tourism market.
- **Phase 2. Project opportunities, prioritization and feasibility:** This phase includes a systematic approach to develop a 'long list' of project options. It then guides the move towards a 'short list' of high priority interventions that should be implemented, by applying specific criteria that include the likely impact of the intervention on poverty.

<sup>1</sup> These guidelines are a second generation of feasibility assessment guidelines, following the ITC's 'Conducting an opportunity study on community-based tourism guidelines', from 2005, and incorporating work by students from the Ecole Hôtelière in Lausanne on Inclusive Tourism Analysis.

- Phase 3. Development of a workplan:** This Section is used to package proposed interventions into bankable projects that can be assessed by potential financiers. The Section provides a structure for reports, and tools to assist in developing institutional arrangements, targets and indicators for monitoring, and also project budgets.

The basic elements of ‘what to do’ in a pro-poor value chain assessment, and ‘why’, are outlined in table 1, with a series of component steps.

**Table 1. The what and why of pro-poor value chain analysis**

Phase	Step	What to do?	Why?
<b>Phase 1: Diagnosis</b>	Step 1	Preparation	To define the destination, target group of poor, and the project team
	Step 2	Map the big picture: enterprises and other actors in the tourism sector, links between them, demand and supply data, and the pertinent context	To organize a chaotic reality, understand the overall value chain
	Step 3	Map where the poor do and do not participate	To avoid erroneous assumptions about poor actors and take account of the less visible suppliers
	Step 4	Conduct fieldwork interviews in each node of the chain, with tourists and service providers including current and potential participants	To provide data and insights for Steps 5 to 8
	Step 5	Track revenue flows and pro-poor income and estimate how expenditure flows through the chain and how much accrues to the poor Consider their returns and factors that enable or inhibit earnings	To follow the dollar through the chain down to the poor, and assess how returns can be increased
<b>Phase 2: Identify and appraise opportunities</b>	Step 6	Identify where in the tourism value chain to seek change: which node or nodes?	To use Steps 1 to 5 to select areas ripe for change to ensure Steps 6 to 9 are focused on priority areas
	Step 7	Analysis of strategies: undertake a SWOT analysis to analyse internal and external factors influencing project outcomes	To think rationally of what has to be done, as well as opportunities and risks
	Step 8	Analyse blockages, options, and partners in the nodes selected, to generate a long list of possible interventions	To think laterally and rationally in generating the range of possible projects
	Step 9	Prioritise projects on the basis of their impact and feasibility	To generate a project shortlist, comprising projects most likely to deliver impact
<b>Phase 3: Programming</b>	Step 10	Project idea: To give a clear and logical statement of the project set-up including a tentative budget and time frame	To structure the presented facts
	Step 11	Project programming	How to package selected projects for funders

**Note:** these steps have to be iterative and cannot be entirely sequential. For example, some initial thinking from Step 6 (where to focus) will probably inform where you go into most detail in Step 5. Some thinking on partners’ activity will inform Step 6, but be more detailed in Step 8.

It is important not to over invest in Phase 1 at the expense of decision making in Phases 2 and 3.

Institutions vary enormously in the resources they dedicate to the project scoping and planning process. For example, diagnostics of tourism value chains have been conducted in 15–20 days by the Netherlands Development Organisation (SNV), and over 1–2 years by the Mekong Private Sector Development Forum of the International Finance Corporation (IFC). The ITC intends the work outlined here to be completed in around 40 days. Section 3.4. provides an illustrative 20 day schedule for an initial field work visit, which comprises analysis for the diagnostic phase (Phase 1) and Steps 6 and 7 of Phase 2 which should always be included in the first analysis and feedback. From thereon, there may be a break in the fieldwork for writing up findings and organising further consultation, before moving into Step 8 (short listing and selecting) and then the planning of projects (Phase 3).

Phases 2 and 3 are less intensive in terms of data collection, but are nevertheless demanding in both consultation and analysis.

Tools for collecting data are included in these guidelines, with further detail in the appendices. In addition, at the end of the guidelines, there is a useful list of web links to supplementary tools and information. This includes questionnaire and analysis frameworks, which can be adapted to local situations.

### 2.3. Methodology

The Logical Framework Approach (LFA) is a tool for designing, planning, implementing and monitoring projects. The main reason for using the LFA when drafting an opportunity study is because it is useful for structuring and validating the intended objectives, intermediate results, required activities and inputs of a TPRP project. It also helps to set priorities and provides an overview of the project that can be used for the evaluation or the identification of problems.

**Logical Framework Approach:**

1. Analyse the status quo – Situation analysis.
2. Analyse suitable strategies (incl. alternatives and risk factors) – Strategy analysis.
3. Draft the project-planning matrix – Implementation plan.

These steps guide the author to address the most important questions before starting a project in a logical and organized manner. In addition, the approach calls for a strong participation of the TPRP stakeholders – especially in the first phase when prospective products, communities and support institutions are analysed.

A flexible methodology, which draws upon many different sources of information, is most appropriate for conducting an opportunity study:

- Reviewing relevant documents and databases on tourism that are pertinent to the envisaged tasks as can be accessed through the potential stakeholders and the national consultant’s own network.
- Consulting knowledgeable experts of the tourism sector (e.g. experienced tour operators and service providers or policy makers inside support institutions, NGOs, donors and others).
- Undertaking focus group discussions and brainstorming sessions with concerned stakeholders and conduct interviews on selected informants.
- Employing best research practices, i.e. define the problem domain and parameters/yardsticks properly, apply useful approaches to gather data, analyse and interpret the collected information, compile results and findings and draw diligent conclusions and recommendations while producing the output documents.
- Last but not least: read this document carefully and use the step-by-step approach and other tools provided!

The following chapters will give you an indication of the type of information to be gathered for the three essential surveys. You should keep in mind that the outlined structure of the opportunity study is based on optimal circumstances, which may not be reflected by the real-world situation in many developing

countries. Therefore, the requested information and data should be collected in a responsible manner, while using a flexible and practical approach.

## Phase 1. Diagnosis of the current situation and context

The purpose of this phase is to collect sufficient information to map the tourism value chain (or tourist economy of the destination), to understand the policy and regulatory context that this fits within, and to understand the market for tourism in the destination. The diagnosis will help you to identify where the poor participate currently, and evaluate where there are blockages or opportunities that could be addressed to enhance impacts on the poor.

At the end of Phase 1, you should have a good understanding of the tourism economy in the destination.

### Using value chains to answer key questions

Value chains are a way of assessing and mapping the workings of a sector or supply chain. These guidelines make use of value chain analysis as a diagnostic tool to help identify effective pro-poor tourism interventions. Value chain analysis is about mapping out the value chain, understanding how actors or stakeholders interact, who captures value, and why. Here, the pro-poor value chain approach focuses specifically on the poor, and how value chain development can benefit them. It answers questions such as:

- At which points in the value chain do poor people participate?
- Who are the key stakeholders in the value chain, and which of these shape the parts of the chain where the poor engage?
- How much revenue is being captured by poor people from different activities in the chain?
- How does this 'pro-poor income' (PPI) compare with income at other points in the chain?
- How does the PPI compare with total expenditure in the destination, or in other destinations?
- Where are there blockages to participation of the poor or greater income of the poor?

#### Box 2. Defining a value chain

'The value chain describes the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use' (Kaplinsky and Morris, 2001).

For primary commodities, this means everything from growing the coffee bean to retailing the coffee and recycling the plastic cup. For tourism, the value chain is a combination of services (accommodation, catering, entertainment, transport), in which commodities play an important role (e.g. agricultural products, craft etc.), many of which occur near-simultaneously within the tourist destination.

The concept of 'pro-poor income' (PPI) is central to pro-poor analyses of value chains. Pro-poor income is all types of income that is earned by poor people, whether from wages, sales earnings, tips, or community earnings (such as rental of communal land to commercial lodges). While the aim of intervention is not solely focused on boosting financial benefit to poor people, understanding where the poor are earning and how much they earn, is an important basis for choosing interventions that can have impact at scale.

## 3. Step 1: Preparation

The scope of the study may be included already in your terms of reference, but make sure the study team; ITC and key partner institutions share understanding, particularly on:

- The definition of the 'destination' or the geographic/functional target area;
- The potential target groups of poor people;

- The breadth of the study team and its skills;
- How far the study will go in terms of proposing options or detailing their feasibility and plan (phases 2 and 3);
- The precise nature of the project output (i.e. policy options brief for decision-makers or fully-costed project proposal).

### 3.1. Defining the scope of the ‘destination’

The scope of the destination to be assessed may be defined in purely geographic terms, such as the area of an island, or tourism inside a city, 100km from a beach resort, or a whole country. Often though, there is also a particular type of tourism that is the focus: leisure tourism as opposed to business tourism in a city, safari tourism in a wilderness area, or all-inclusive hotels in a resort area. In other cases, the focus is on a tourist segment, which may straddle a number of geographical areas, such as routes covered by safari tourists in the United Republic of Tanzania.

Defining the ‘destination’ is important, because big picture data for the whole destination will be needed. At the least, arrival trends, tourist spending, market segments, and key stakeholders need to be mapped for the whole destination, before focusing on specific parts. The scope of the destination has implications for the activities you can do in the available time, and also the size of your study team. In some cases, scoping is done at national level, in order to choose where to intervene regionally. In other cases, some initial rough scoping will be necessary in the first few days in country, in order to choose which region or geographic area should then be the focus of the Opportunity Study. The approach outlined here assumes that the destination of focus is already broadly agreed, and the role of the Opportunity Study is to define where to focus within that, in terms of where in the value chain and with whom. In practice, there may be a considerable process in advance of this, to define the broad area of focus, based on needs expressed by partners and donors, along with a ‘rough’ assessment of the dynamics of tourism.

### 3.2. Defining the target group and definition of ‘poor’

Perhaps the most challenging and important step in a rigorous project screening procedure is defining the potential target group.

The value chain approach starts with an assessment of the tourism economy, working out where the poor already operate and where their participation can be increased. This is by contrast to conventional community-based tourism approaches that tend to start with a target community, and then help them develop tourism products. A weakness, however, was that they selected a target group before analysing the value chain to see where best to intervene.

There is a two-stage process of target group selection:

- Define the broad criteria for ‘the poor’.** Criteria may include: people living on or under US\$ 1 per day, those below the national poverty line, women, ethnic minorities, unskilled or semi-skilled workforce, those from homes without tin roofs, and so on.
- Identify particular target groups who meet the criteria.** The groups fall within the broad criteria, and their position in the value chain (or exclusion from it) implies a good chance that intervention that will benefit them, at a significant scale. For example, these may be people who can provide products and services that are demanded by tourists and the private sector.

The initial step of defining who counts as ‘the poor’ is usually a challenge, and affects the whole process. For example, using the international definition of extreme poverty (US\$ 1 per person per day at purchasing power parity or PPP) often implies that all non-managerial staff counts as poor. However, a national poverty line would exclude many of the semi-skilled participants in the industry from being relevant to the target group (see example from Rwanda in Box 3). The question for this study is not just ‘who is poor’ based just on income, but who are the potential target groups for the ITC, partners, or other clients?

A middle ground may be needed, in between the very wide international definition, and the very narrow national one. This needs to be discussed early on, with the client and key partners. Often it is necessary to do the analysis with reference to two poor groups – using a broad definition, but flagging up points in the value chain where particular minorities (e.g. women, the very poor) participate. It is also important to select beneficiaries who have the potential to succeed, and who have some initial capability and skills.

**Box 3. Definitions of who is poor affect the results of the diagnostic analysis**

In most countries the national poverty line is much lower than the international poverty line of US\$ 1 per person per day at 1995 purchasing power parity.

**Take the example of Rwanda**

The Rwandan Government’s own upper poverty line is consumption of 250 FRW per adult per day, equivalent to just under US\$ 0.50 per person, or a family income of around US\$ 68 per month for a family of five. So tourism can benefit the poor through, for example, an unskilled job in a mid-market hotel in a rural area paying around this level in a salary.

If instead we take the international poverty line, this translates into a monthly income for a household of five of US\$ 150. With this boundary, even waiters in a 4 or 5 star Kigali hotel (who earn more than teachers) can be included as ‘poor’. If we use the even higher US\$ 2 a day international poverty line, even the headwaiter’s family could count as poor if his is, the sole salary.

The opportunity study guidelines apply the international poverty line of US\$ 1 per day, but it is important to understand differences between destinations.

**Source:** Ashley, C. (2008) Creating pro-poor linkages around Rwandan tourism, ODI and SNV Summary Brief.

**3.3. Agreeing skills required and team composition**

Diagnostic studies can be done with many different types of teams. Studies have been done by a team of two researchers; in teams with agricultural, handicraft, institutional and tourist specialists; and, in teams with up to 20 local stakeholders. None of these options is easy and they all have their own benefits and drawbacks (see table 2), and in reality there should always be local counterparts.

**Table 2. Benefits and drawbacks of different study teams**

Study team	Benefits	Drawbacks
1 or 2 external professional researchers	Coordination is great, understanding of the project is fine, minimise reputation risk	<ul style="list-style-type: none"> <li><input type="checkbox"/> Lack local and sector-specific knowledge</li> <li><input type="checkbox"/> Lack local credibility</li> <li><input type="checkbox"/> Missed opportunity to empower local stakeholders</li> <li><input type="checkbox"/> A technocratic solution</li> </ul>
1 external professional and 1 local professional	<ul style="list-style-type: none"> <li><input type="checkbox"/> Combination of local knowledge with an external and independent perspective</li> <li><input type="checkbox"/> Key stakeholder interviews can be undertaken</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Relies on credibility and awareness of individual team members</li> </ul>
5 or 6 local professionals / field researchers	<ul style="list-style-type: none"> <li><input type="checkbox"/> Ability to investigate beyond the first tier suppliers, deep into the food, craft, construction and transportation supply chains</li> <li><input type="checkbox"/> Opportunities to bring national and regional expertise into the team</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Problems with coordination and communication</li> <li><input type="checkbox"/> Potential difficulties with quality control</li> </ul>
Participatory exercise	<ul style="list-style-type: none"> <li><input type="checkbox"/> Excellent local insight and ownership</li> <li><input type="checkbox"/> Often an important capacity building exercise</li> <li><input type="checkbox"/> Findings have much more weight with local politicians</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Team needs 2 days of training before the start of data collection</li> <li><input type="checkbox"/> Data collection has to be standardised on forms to avoid significant coordination problems</li> <li><input type="checkbox"/> Sometimes key stakeholder groups may not participate</li> </ul>

Typically ITC diagnostic studies are conducted by an outside expert or team, with in-country support, on the assumption that value chain analysis can be complex, and somewhat new to local partners. Generally the international expert has solid knowledge of value chain analysis, gender expertise, sustainable tourism experience and some practical and general knowledge of the ITC's five Business Lines: Trade Intelligence, Export Competitiveness, Export Strategy, Business in Trade Policy, and Trade Support Institution (TSI) Strengthening. The lead consultant would ideally be complemented by a sector value chain specialist (i.e. in food, culture, etc.) once the initial diagnosis is known, and complemented by at least one national consultant to ensure local knowledge transfer.

Diagnostics can be done in a participatory way, where the role of the external consultant becomes one of trainer and coordinator, synthesiser and quality control – rather than primary researcher. There is less control over final outputs and more need for quality control and tact, but there should also be considerably more buy-in and additional insights that the outsider lacks.

The scope and depth of the diagnostic will depend on the configuration of the team and the type of destination. Several scoping assessments have been done with one lead professional supported by in-country researchers. However, additional sector specialists can add considerable value. They are very useful for understanding the detail of a part of the value chain, and reaching down (or 'upstream') to the level at which the poor engage. The question is whether you know in advance which sectors to focus on, so as to acquire the relevant sector skills.

Box 4 illustrates how a lack of agricultural expertise led to some general estimates in Luang Prabang and in Rwanda, whereas a food supply chain specialist added considerable detail at the level that matters to poor fishermen in Ethiopia. Similarly, a handicraft specialist will be well placed to go beyond interviews with craft retail outlets to a better investigation with the traders and producers.

#### **Box 4. Adding agricultural expertise makes a valuable difference**

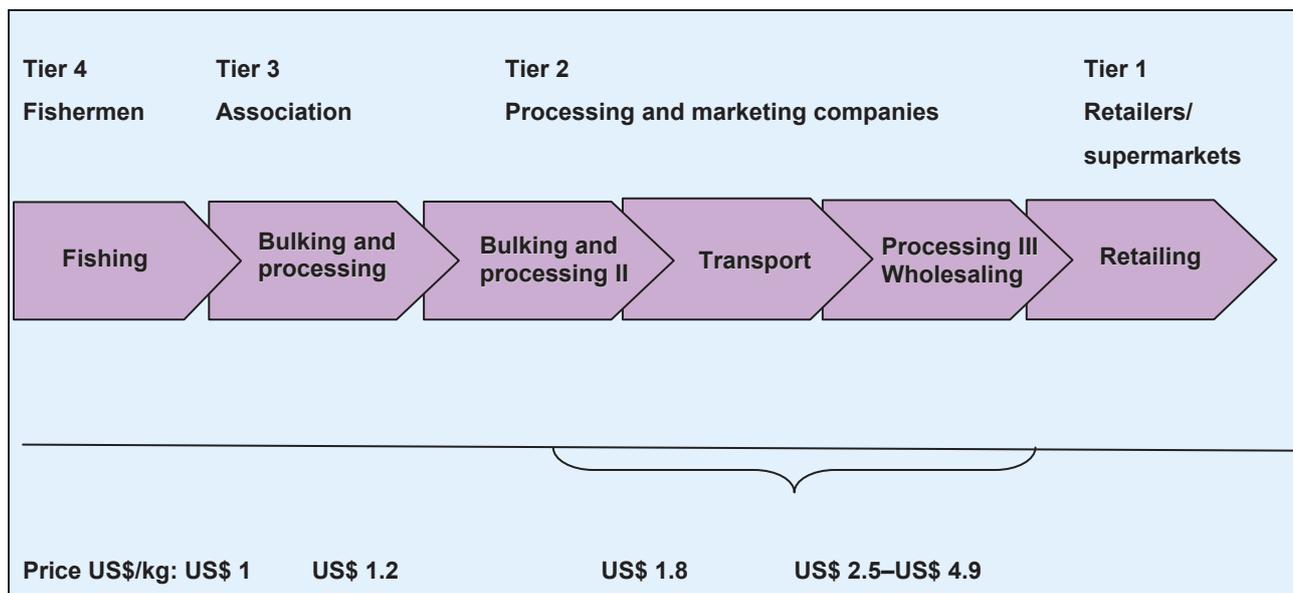
Agriculture is by far the main economic sector of activity in Africa, and analysing agricultural value chains in relation to tourism is very important.

A pro-poor value chain diagnostic in Luang Prabang estimated that around US\$ 3 million of the US\$ 7 million spent by tourists per year on food and beverage was reaching semi-skilled and un-skilled groups. It concluded that this was therefore the largest component of pro-poor income, and also a key area for further expansion. However, it could not distinguish further the income accruing to market vendors, meat producers, fish sellers, or fruit and vegetable growers, so was of limited value in assessing which poor could be assisted through what intervention. Another analysis in Rwanda faced a similar problem, identifying food purchases by city hotels as potentially the most important flow, but the question of whether and how the poor could access this food chain was the most important determinant of pro-poor impact.

By contrast, a value chain diagnostic study in Ethiopia included a food supply chain specialist, and explored the issue of fish supplies to hotels. Without this specialist, the researchers would be able to estimate the quantity and cost of fish purchased by hotels from the first tier of suppliers, where the price averages US\$ 3.7/kg. But they would know little about how much actors in different nodes of the supply chain received. However, a sector specialist enabled the team to work upstream through a number of chain actors before getting back to the 2,000 fishermen who typically receive US\$ 1/kg for their catch – landed in Lake Chamo some 400km south of Addis (as shown in figure 1 below).

Understanding this chain was essential to understanding the capture of pro-poor income. Most of the intermediaries between the hotel purchaser and the fishermen are not 'poor' and so only about 27% of hotel fish purchase costs should be classified as pro-poor income.

**Figure 1. Use of a value chain to show the distribution of value and margin in a hotel fish supply chain, for Tilapia in Addis Ababa, Ethiopia**



Source: Mitchell and Coles (2009).

### 3.4. Planning the Itinerary

Once you have reviewed the value mapping process, and also the data collection tools that need to be used, it is useful to make a general timetable of activities for Phase 1 and 2.

#### Phase 1:

##### Before fieldwork commences

1. Define the scope of your destination (Step 1):
  - Together with the ITC define the geographical extent of the area you will look at, key stakeholders to include, and who the poor or the potential 'target groups' are in this location (this information may well be included in your terms of reference). (Step 1).
2. Making use of existing information (Step 2):
  - Collect information on the policy context relating to tourism, and summarize.
  - Collect information on existing tourism supply and demand, and summarize.

##### In the field

3. Collecting information in the field:
  - Day 1: Arrive at destination, mobilization meetings with sponsor agree logistics and brief local team (Finish Step 1 and continue Step 2).
  - Day 2: Stakeholder analysis: Tourist department, Hotel Association, Mayor, Department of trade and industry, Tourism and guiding associations (Step 2 and into Step 3).
  - Day 3: Local communities: Representatives of producer organizations, community representative, and NGOs (refine Step 2, expand Step 3).

Interim output: Value Chain map with poor participants identified.

The following 10 days: Step 4 (interviews) by day, with first attempts at Step 5 in the evening and between interviews:

- Day 4: Undertake tourist surveys, guide surveys and craft surveys.
- Day 5: 4x hotel interviews.
- Day 6: 4x hotel interviews.
- Day 7: 4x hotel interviews.
- Day 8: Tour operators (offices of international operators and a local ground-handlers).
- Day 9 and 10: Restaurant interviews, food markets, agriculture departments.
- Day 11: Craft markets and shops.
- Day 12: Excursions and attractions (including entertainment and cultural performances).
- Day 13: Review of Tourist surveys and Guides Association interviews.
- Day 14: Support institutions (i.e. hospitality training college, police, immigration department, financial institutions, NGOs etc.).
- Day 15: analysis (Step 5) and creation of Value Chain maps.
- Day 16: Study Team workshop and further analysis (Step 5 and possibly start Step 6).
- Day 17: Preliminary findings workshop (confirm Steps up to 5, discuss Step 6).

**Phase 2:**

- Day 18–20, a mixture of consultant work and team/stakeholder work
- Generate the long list and initial prioritization (Step 7 and Step 8)
- Discuss long list and prioritization with stakeholders.

**After Day 20:**

- Write up findings, report, summary of diagnostic, recommendations
- Discuss further and amend further
- Arrange second round of meetings to confirm selection and start planning.

**Box 5. Preconditions for making a massive task manageable**

Achieving a robust analysis within the guideline of a 40 day schedule is a challenge. It is only feasible if a number of preconditions are in place:

- ❑ **Support in the destination:** Your sponsor in the destination must be fully supportive of the study and have alerted relevant stakeholders when the study is taking place. In many destinations you will get limited cooperation without a letter from an authority explaining who you are and what you are doing.
- ❑ **Organising interviews:** It is very helpful if interviews are arranged by your sponsor, the tourism department or hotel association. This will increase the likelihood of cooperation from stakeholders and also avoid you having to conduct interviews and arrange interviews at the same time. If you plan to have a participatory planning workshop with participants, they will need advanced notice and a venue will need to be arranged.
- ❑ **Language:** If you are working with a translator and/or local counterparts, they must be mobilised on Day 1 and have the minimum of other commitments during the programme.
- ❑ **Long days:** Expect to work 12-hour each day during the study. Private sector service providers (hotel managers, guides, etc.) will generally be available for interview in the evening and over weekends, whereas civil servants will have much more restricted availability. It really helps if you can analyse the quantitative data throughout the study and discuss emerging findings with other team members each evening.
- ❑ **Length of interviews:** Do not over-fill your interview schedule. Hotel interviews should generally be with the General Manager and take at least 90 minutes. They often end up with an invitation for a cup of coffee. If you include travel time between hotels, it is difficult to fit more than four interviews into a day.
- ❑ **Adapt the data collection technique to the respondent:** For instance, the start-up interview with the tourist department may well last three hours. However, a tourist questionnaire taking more than five minutes is very difficult to administer. Some participants, for instance guides and farmers and crafters, are often more effectively interviewed as a panel rather than in a bilateral interview.
- ❑ **Field assistants:** Hiring local field assistants can be useful, because local researchers can provide input into the design of the questionnaire, can undertake the interviews with local people in local language, and can also assist with the analysis. This process also helps to build local understanding of the project development, and provides some capacity building for surveys in the local area. If you decide to hire local field assistants:
  - Talk to local universities, schools, research institutes and local community leaders to identify potential field assistants
  - Provide training for them on how to use the questionnaire tool; role plays, between researchers are useful in highlighting questions or concepts that need clarification
  - Establish a written contract, which you and the researcher sign setting out the timeframe, scope of work, and payments
  - Following the surveys, provide them with a written reference indicating the work they did, and the quality of their work
  - Regular meetings with field assistants will be necessary during the field research period to check that they are completing the questionnaires correctly, and to trouble-shoot any problems they might have.
- ❑ **Timing of activities:** Some elements of the programme require some longer-term planning. For instance, food markets may only take place one day a week. The best place for a tourist exit survey is often the air side of departures at the airport and this will require clearance from the civil aviation authority and coordinating with the flight schedule. Participants should be invited to the preliminary findings workshop at the same time that bilateral interviews are arranged.
- ❑ **Background information:** Make sure that you have a good guide book (Lonely Planet, Rough Guide, Petit fûté) for the destination.

**Table 3. Overview of phase 1: Steps, activities, tools, timeframes and reporting**

Step	Activity	Tools	Timeframe	Reporting
Step 1: Preparation	Define the scope of the 'destination'	No specific tools required	½ day planning in coordination with ITC and sponsor	Write 1–2 paragraphs on the project scope
	Define the definition of the 'poor' and target group			
	Agree the skills required and team composition			
Step 2: Mapping the value chain and its context	Get on top of existing information		1 day of research and reporting (assuming info already gathered by host)	Write 1–2 pages on tourism supply and demand in the country you are working in
	Identify relevant policies and plans		Up to 1 day of research and reporting (usually a small amount of this is time specifically dedicated to policy context, and much comes from issues raised in a range of other interviews)	<input type="checkbox"/> Where relevant, provide a 1-paragraph summary of each relevant policy issue, trend, or area of uncertainty. <input type="checkbox"/> Write 1–2 pages that summarize the policy context and trends for tourism
Step 3: Mapping where the poor do and do not participate	Map stakeholders and the links between them	Workshop facilitation tools (e.g. cards, pens, tape etc.)	½ day stakeholder workshop or team workshop	<input type="checkbox"/> Develop a stakeholder value chain (similar to figures 2, 3 or 4) <input type="checkbox"/> Indicate whether any specific stakeholders should be included in the consultant team
	Annotate stakeholder map to show where poor people, and specific target groups, participate		During stakeholder workshop with ongoing amendment as information is gathered from interviews	Annotate the value chain map similar to figure 4

INCLUSIVE TOURISM: OPPORTUNITY STUDY GUIDELINES

Step	Activity	Tools	Timeframe	Reporting
Step 4: Interviews in each VC node	<p>Fieldwork gathering information for each node of the value chain and from tourists. To provide the basis for Steps 5 to 8:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Arrange interviews with a representative sample of hotel/ restaurant/craft enterprises/excursions/transport businesses/entertainment / cultural performances</li> <li><input type="checkbox"/> Adapt the questionnaire as necessary</li> <li><input type="checkbox"/> Following the interviews, analyse the data and interpret the results</li> </ul> <p>Arrange and implement tourist survey:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Identify sample and how to access them</li> <li><input type="checkbox"/> Adapt the sample questionnaire</li> <li><input type="checkbox"/> Interview, analyse and interpret</li> </ul>	<p>Interview guidance and questionnaires for hotels, restaurants, crafts and excursions</p> <p>Sample tourist questionnaire</p>	<p>Around 12 days of interviews or more, depending on context, partner, team, etc.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Keep interview raw data and analysed data (e.g. Excel)</li> <li><input type="checkbox"/> Use results for reporting in Steps 5–7</li> </ul>
Step 5: Tracking revenue flows and pro-poor income	<p>Estimate how much tourism expenditure reaches poor participants via different nodes in the chain</p>	<p>Interviews</p>	<p>Around 2 days analysis based on Step 4 interviews with enterprises and poor participants, plus expenditure data – may need follow-up interviews</p>	<p>Amend value chain to illustrate flows of income to the poor, similar to figure 5 or 6</p>
Step 6: Describing the terms of how the poor engage	<ul style="list-style-type: none"> <li><input type="checkbox"/> Through interviews identify blockages and opportunities facing the poor, and how their earnings depend on others in the chain</li> <li><input type="checkbox"/> Focus on a few key areas of participation (and possible intervention) not every area</li> </ul>			<p>For specific nodes in the chain, analyse the key links, blockages, opportunities, and returns facing poor participants</p>

## 4. Step 2: Mapping the value chain and its context

Mapping the value chain and its contexts includes getting on top of existing information on the tourism economy, mapping stakeholders, locating potential partners, and identifying relevant policies and plans.

### 4.1. Get on top of existing information

Developing country destinations vary enormously in the amount and quality of statistical information on tourism. But if data is there, use it, before starting the fieldwork. Key information to look out for is:

- Tourism supply – the number, type, scale and turnover of enterprises that supply tourists;
- Tourism demand – arrival numbers, length of stay, source markets, and expenditure;
- Trends – particularly trends that affect the viability of the overall sector, or demand for products provided by the poor.

Although tourism statistics are generally much better than statistics on other service sectors, this basic information is often surprisingly difficult to obtain. Tourism supply and demand information may be available at both local and national level, though there is likely to be more at the national level. The best possible scenario is to undertake a value chain analysis in a destination where there has been a recent and thorough tourism master plan. This is because master planning often involves huge and elaborate surveys, which collect good quality data which is very useful as an input to a value chain exercise. In the Gambia, for example, the value chain exercise in 2006 could draw on two robust 2,000 tourist surveys (one in hotels and the other in the airport) which had been undertaken the previous year. This yielded data about tourist behaviour, expenditure and attitudes at a level of statistical significance that would be impossible in an action research survey of 50 tourists.

Although official statistics can be acquired in advance of fieldwork, they need to be interpreted with the insights and common sense that you gain during the fieldwork. When using official tourism statistics in developing countries it is vital to never accept data uncritically. This is because data is sometimes wrong, occasionally dramatically so.

The best way to identify incorrect data is to look very carefully at how data is collected and to always try and validate information from more than one source. For instance, hotel interviews in Addis made it quite clear that the official statistics on accommodation revenue was dramatically inaccurate (Box 6). Similarly, information on the number of visitors using a major attraction or tourist arrival numbers derived from hotels (room occupancy divided by guest length of stay) can be used to triangulate official tourist arrival figures.

#### **Box 6. Two examples of wayward official tourist statistics**

Viet Nam has amongst the richest primary tourism statistics in the world. Hotel owners have to report to the police all foreign nationals staying in their accommodation every night. However, the political culture has two blind spots that can lead to distortions of this excellent primary data. First, Viet Nam is highly target-driven and the local tourism department may be under considerable pressure to achieve the arrival statistics targeted in the annual plan. Second, low-end domestic accommodation providers are often accused of promoting 'social evils' (i.e. prostitution) with the result that these types of establishment may disappear from the official statistics.

Ethiopian tourism statistics are often extraordinarily inaccurate. For instance, the statistical bulletin for Addis indicates that hotel revenue for the City is US\$ 11.1 million a year. This figure is justified on the basis that it derives from hotels' revenue reports – even though it is acknowledged that there is systematic under-reporting by hotels concerned with the tax implications of revealing their revenues. Hotel interviews found that US\$ 11.1 million is a less than half the revenue generated from just one of the top-end hotels in Addis. It is ironic that both the hotels with a revenue stream larger than the official figure for the whole destination are government-owned.

**Source:** Mitchell and Coles (2009) and Mitchell, J. and Le Chi (2007).

**Box 7. What is a ‘tourist’ in statistics?**

Are the official statistics you collect based on the international definition of tourist, on a wider definition of non-nationals entering the border, or a smaller definition of leisure travellers? Depending on where the statistics are collected (border posts and hotels) and why, the answers will vary.

According to international definitions, a tourist is anyone who spends between a night and a year away from their normal place of residence and is not paid in the destination. So, a street vendor visiting the capital city to buy stock to bring back to the home town to sell, is no less a tourist than a European on holiday. If however the vendor sells goods in the capital city s/he stops being a tourist and becomes a migrant worker. When interpreting official data, be sure to understand exactly the nature of the data being collected.

It is usually invaluable to get the more detailed data that lies behind the summary public reports. For example, data on spending per day may be summarized, but only by looking at the questionnaire can you assess whether tourists were likely to interpret the question as what they individually spent for their family/group, or their attributable per person share of the family spend, or the total spending for their family holiday.

**Box 8. The How to? Gathering contextual information**

Collect information from governments and destination management organizations (such as tourism authorities, or boards) to understand an overview of the market. Other sources of information include\*

- Hotel, motel, campground and home stay occupancy;
- Event attendance records;
- Local attraction attendance;
- Accommodation and other dales tax collections;
- Roadway traffic data;
- Nearby local and national part attendance.

Indicate how reliable you believe each data set is.

Use the guidance in table 4 to collect information on supply and demand, and report your findings under the headers given.

\* TAP manual: p. 44 (Linking Communities, Tourism and Conservation – A Tourism Assessment Process).

**Table 4. Supply and demand information**

Assessment	Information to gather
Tourism demand	Basic tourism statistics demand: (i.e. over a 10 year period) <ul style="list-style-type: none"> <li>• Numbers of tourists</li> <li>• Annual growth</li> <li>• Seasonality variations (e.g. high and low seasons during the year)</li> <li>• Domestic and international</li> <li>• Main countries of origin</li> <li>• Average length of stay</li> </ul>

Assessment	Information to gather
	<p>More detailed information about tourism demand:</p> <ul style="list-style-type: none"> <li>• Reason for travel, such as visiting friends and relatives (VFR), business (professional), holiday, shopping, conferences, religious, etc.</li> <li>• Accommodation preferences (i.e. relating to the number of bed nights sold in different types of accommodation)</li> <li>• Activities undertaken such as culture, business, beach, protected areas, wildlife, adventure, scenic beauty, shopping etc.</li> <li>• Type of traveller, for example, backpackers, independent travellers, organized groups, etc.</li> </ul>
	<p>Location of Tourism Operations – what is the tourism clusters (areas of intense tourism activity including accommodation, tourism operators, and other tourism service providers)?</p> <ul style="list-style-type: none"> <li>• Facilities and Amenities – which lodging, restaurants, shops, tour operators etc. are being used by tourists?</li> <li>• Rates Charged – what are the current price levels (inexpensive, moderate and expensive)?</li> <li>• Occupancy Rates – which properties are successful, how many visitors do they receive per year or season and what is the trend in occupancies?</li> <li>• Turnover and profit – what revenues are the enterprises generating and are they profitable or at least commercially viable?</li> <li>• Market Segments Served – who is currently visiting these operations and where do they originate, what brands are being promoted, how are they marketed?</li> <li>• Employment – how have the employees changed over the years and are there projected growths or declines in the industry?</li> <li>• Sustainability – what measures are in place to minimise negative socio-cultural and environmental impacts and are there current issues with these?</li> </ul>
<p>Support services and infrastructure</p>	<ul style="list-style-type: none"> <li>• Accessibility of the locations: <ul style="list-style-type: none"> <li>○ Distance from the main country arrival city and the location by various means of transportation, e.g. by car, bus, boat, plane, train (in both time and kilometres/ miles).</li> <li>○ Condition of the roads</li> <li>○ Structure of the roads (i.e. connections between communities’ residences, tourism facilities and potential sites)</li> </ul> </li> <li>• Quality and availability of food, drinking water and sanitation</li> <li>• Availability of electricity network</li> <li>• Means of communication: <ul style="list-style-type: none"> <li>○ Availability of telephone, fax, post office, Internet, cell phone</li> </ul> </li> <li>• Forms of health care available: <ul style="list-style-type: none"> <li>○ Availability and quality of medical services</li> <li>○ Availability and quality of medicines at or close by the location</li> </ul> </li> </ul>

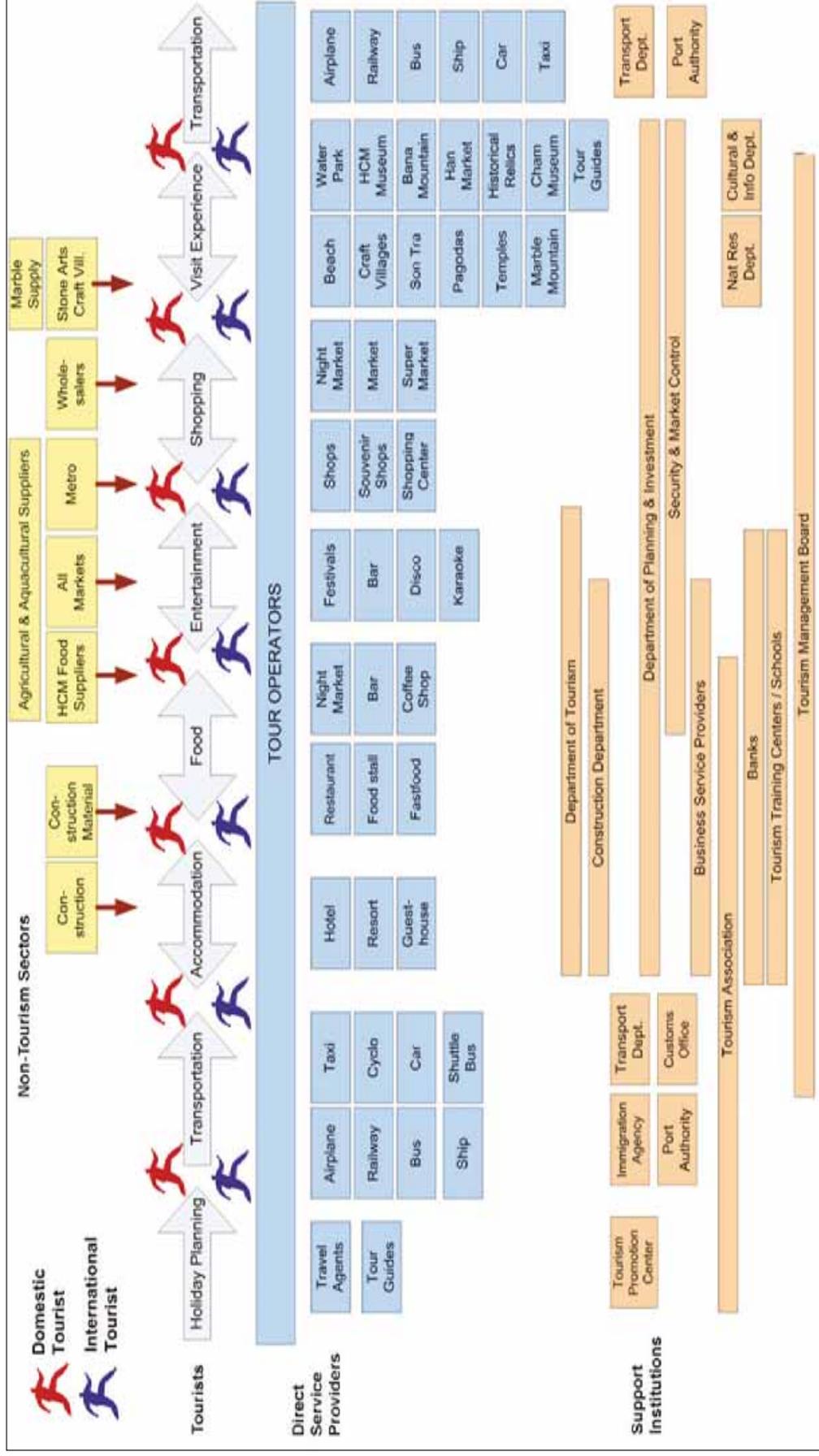
## 4.2. Map stakeholders

Before planning interventions, you need to know ‘who is who?’ in the tourism sector. Value chains are a useful way of representing a chaotic reality. This Section includes stakeholder analysis, taken somewhat further to organize results into a value chain.

Tourism planning often maps the key tourism stakeholders as a participatory exercise at the start of a study. Participants are asked to identify important tourism stakeholder groups on cards in a workshop format. These stakeholders were then grouped into categories and the interactions described, as illustrated below for an exercise undertaken in Viet Nam. At the centre of the map are tourists and the radial categories include, for instance, the accommodation sector, restaurants, transportation and a wide variety of supporting institutions. Even after extensive tidying up, the visual impression is often rather daunting (see figure 2).



Figure 3. Use of a value chain to show tourism stakeholders in Viet Nam



Source: Mitchell, J. and Le Chi (2007).

Note that poor participants are not yet added to this overview map

### **Box 9. 'How to? Tips on doing a stakeholder map**

If the context is appropriate, generating a stakeholder map in a workshop can lay the ground for good participation throughout the work. But in some contexts, you may need to do the map with your smaller team to get started.

Most consultants and partners have done stakeholder mapping before. Draw on that. Let everyone identify the full range of stakeholders in the sector on pieces of card, then work together to arrange them logically

When arranging them, focus on organising the private sector enterprises into a logical flow that looks something like a value chain. i.e. cluster them by the main 'nodes' such as accommodation, food, excursion etc. Clearly distinguish the support institutions or public sector bodies, which are not revenue-generators from the businesses that are.

Leave the map open for further discussion and refinement during the work.

## **4.3. Identify relevant policies and plans**

Government policy inevitably provides the framework for the industry and for the implementation of any project. It is important to consider political stability, strategies, legislation, and plans in relation to their effect on a tourism value chain (e.g. in relation to poverty reduction, environmental management, business development strategy, and regulation of tourism activities). Box 10 provides guidance on how to collect data for Step 2 while Box 11 warns of two extremes to avoid.

### **Box 10. How to? Identify relevant policies and plans**

- Describe the main priorities of government that relate to tourism development, whether they be airport development, export growth, regional integration or poverty targets.
- Describe the main political issues that affect how tourism policy is developed and implemented: whether an election is looming, the political importance of a particular part of the country, or a party's link to specific businesses. These may be difficult to put in writing but their influence needs to be understood when considering future interventions.
- Consider current and recent national stability regarding politics, governance, democracy and governance with descriptions of basic conditions of education, employment, crime, health (e.g. HIV/AIDS), land tenure and industry. Identify any key issues that relate directly to tourism.
- Consider the context of good governance and mechanisms to address possible bribery and corruption, managing political lobbying and contributions, and non-discrimination at the strategic level. Identify any key issues affecting tourism.
- Collect information from government departments, documents and websites on strategies, legislation, and plans that are relevant to tourism and the value chain. These may relate to:
  - Poverty reduction
  - Tourism
  - Agriculture
  - Transport and infrastructure
  - Protected areas and natural resources (e.g. wildlife, forestry, water, mining)
  - Environmental management
  - Cultural heritage
  - Sustainable development
  - And any others you consider to be relevant to the project.
- Consider the current and recent political stability of neighbouring countries, and political relations between the countries. Identify any key issues affecting tourism.

**Box 11. Avoid two extremes when analysing the tourism context**

Do not focus just on the pro-poor enterprises to the exclusion of the bigger trends in tourism. A pro-poor tourism analysis that focuses only on the 'slice' of the tourist cake received by the poor, to the exclusion of the 'cake' itself, is myopic. There is nothing developmental about increasing the dependency of the poor on an economic sector that could collapse at any time. Pro-poor tourist practitioners need to understand that there are commonalities of interest between the tourist industry and the poor.

Do not spend days assessing national tourism statistics and plans which may be of tangential relevance to the likely intervention. Detailed assessment of arrivals of European vs. regional tourists may be much less useful than detailed assessment of the out-of-pocket spending by tourists in the specific destination of focus.

**5. Step 3: Mapping where the poor participate**

Many value chain maps stop at the level of the formal sector enterprise, and do not show the micro entrepreneurs, sole traders, informal sector workers, and staff of businesses. However, it is at the 'bottom' parts of the chain that the poor are likely to be concentrated, so must be mapped.

In the Lao People's Democratic Republic example (see figure 4) several levels were added to the basic map, going below the level of the formal sector hotel, restaurant or shop. By mapping workers, direct suppliers (1<sup>st</sup> tier) and indirect suppliers (2<sup>nd</sup> tier), the map could then be annotated to show where the poor participate. It was then annotated differently to show where women participate (one colour for majority, another colour for significant but less than 50% participation), and finally annotated again to show where ethnic minorities participate.

Where possible, the estimated number of poor people involved should be added, though it may not be possible to do this for all points in the chain, particularly those that are more remote from the destination.

**Box 12. How to? Tips on mapping poor participants**

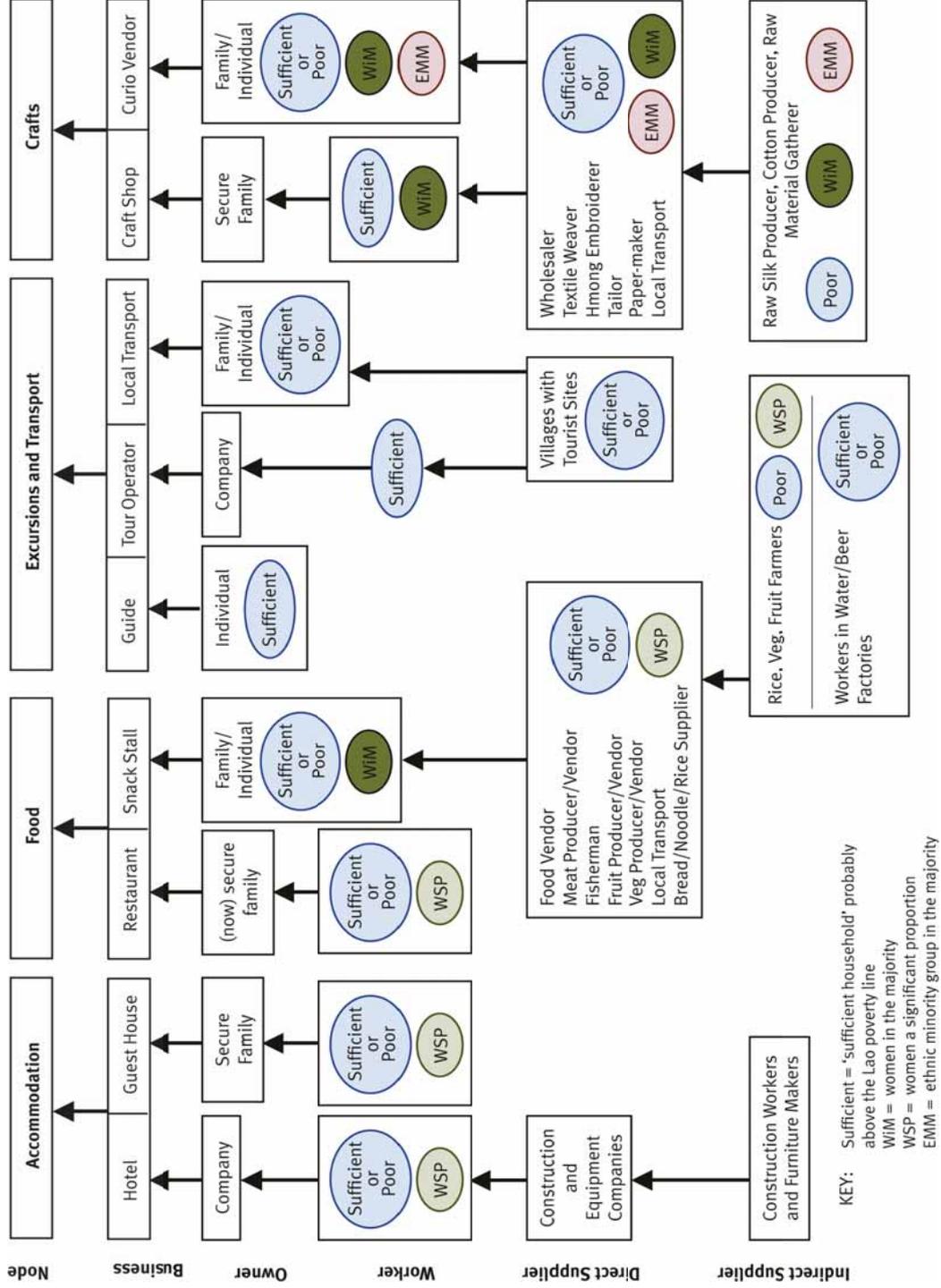
When key informants create a stakeholder map or first value chain, they are unlikely to mention all poor participants. Craft producers or small transport operators may appear but not all workers and suppliers will.

After the initial mapping is done, focus on the part that involves enterprises (not the support institutions). Prompt participants to add the workers and suppliers in each node. Then use another colour, or stickers, to illustrate the many points in the whole map where poor people are engaged.

If appropriate, you can use colour coding for different target groups (income-poor, rural poor, women etc.) or to show whether they are majority or minority participants.

Your knowledge of where the poor engage will develop further during the work. The final diagnostic report should include a value chain illustrating participation of the poor, based on all inputs received.

**Figure 4. Mapping where the poor participate as workers and suppliers in nodes of the value chain in Luang Prabang, Lao People's Democratic Republic**



## 6. Step 4: Conduct fieldwork with tourists, enterprises and support institutions to gather data and perspectives

Steps 5 and beyond will require considerable information from a range of stakeholders. In the past, many diagnostics have been done based on interviews with government, NGOs and some communities. The emphasis here is on interviewing entrepreneurs (large and small) and workers in the tourism value chain, in addition to interviews with public sector and community interest groups.

This Section provides guidance on interviews to conduct in each node (accommodation, restaurants etc.). But, do not embark on this until you are entirely clear on how you will use the information generated in Steps 5 to 8. Otherwise the interviews cannot be productive.

### 6.1. Surveys with hotels

Hotels are the most important part of the tourism value chain for several reasons:

- Accommodation is usually the largest item of in-country expenditure for tourists and, hence, the largest node – financially-speaking – in the value chain.
- Hotel managers spend their careers with tourists, so have a very useful perspective on how the destination is working outside the hotel (i.e. if airline services are unreliable or tourists enjoy particular excursions or restaurants).
- All tourists use some form of accommodation – hotel surveys can provide good data on tourist numbers, source markets, lengths of stay, demand trends, etc.).

#### Sampling

The size and complexity of the destination will affect the methodology to survey hotel representatives, because tourist destinations vary hugely. Many tourist destinations in developing countries may only have ten hotels and one or two attractions. However, in larger destinations – where it is not possible to visit all hotels, guesthouses, restaurants, markets, shops, tour operators, etc. – and it will be necessary to sample a smaller selection of service providers. The key goal of sampling is to ensure the sample is representative of the broader population from which it is drawn.

For hotels these guidelines suggest stratifying the inventory of all accommodation providers into top, middle and low-end establishments, drawing a sample from each category (e.g. if possible at least ten enterprises in each category, randomly selected from the population) and weighting the findings by the relative size (i.e. number of hotel rooms) of each type of establishment in the population.

#### The questionnaire tool

A sample questionnaire to use with tourism managers is in Appendix II Interviews with tourism managers can be used to understand about the supply and demand of tourism in the destination, as well as direct flows to poor participants via their enterprise. You need to cover, at least:

##### Financials:

- Rates charged –current price levels and actual received rate vs. the rack rate.
- Occupancy rates – per year and by season.
- Payment to staff, and who is poor – wages, tips, etc.
- Payments to suppliers – by type.

##### Insights on tourist supply and the wider sector:

- Facilities and amenities – lodging, restaurants, shops, etc. used by tourists.
- How the wider accommodation sector compares or differs from their own.
- Employment – trend changes employment rates and patterns, projected growth or decline.

### **Insights on tourism demand:**

- Market segments served – who is currently visiting these operations, where they originate, what brands are being promoted and how they are marketed.
- Tour operators – the main tour operators and ground handlers, and how they operate.

### **Impact:**

- Pro-poor linkage – ideas for how pro-poor linkages could be strengthened and blockages.
- Sustainability – measures in place to minimise negative socio-cultural and environmental impacts and any current issues with these.

The information required in the hotel survey is sensitive, and managers will only disclose it if they have credible reassurances that the information will not be relayed to local authorities or to their competitors and that the study can generate changes that are in the interests of the hotel. This is one part of the study process, which sometimes does not benefit from the presence of local stakeholders – it is sometimes actually a benefit to be an external researcher.

The questionnaire contains a number of internal checks to validate the responses given. For instance, the room revenue should equal the number of rooms multiplied by occupancy levels and room rates. Staff costs should equal staff numbers multiplied by the average wage rates. It is essential to avoid using data in the analysis, which you know to be incorrect.

### **Gaining buy-in from hotels**

When working in a new destination, it is important to try and get one or two cooperative hotels at the start of the study process. Demonstrating that you already have some understanding of the operations of the local market can help encourage other hoteliers to share sensitive data (e.g. asking ‘presumably you also find you have to discount room rates to the larger tour operators by as much as 30% during the low season?’). The most cooperative hotels are generally the ones owned by the head of the Hotel Association – often the most supportive private sector operator in the destination and often a dynamic and thoughtful actor.

Sometimes hotels that find it difficult to complete questionnaires are large, chain hotels. This is for a variety of reasons. One is that some hotel chains have corporate policies about what information can be released. In addition, some hotel managers simply do not have access to the information. For example, most of the hotels around the rim of the Ngorongoro Crater Conservation Area in the United Republic of Tanzania have offices in Arusha that handle all accommodation bookings and manage the supply logistics and finances – so managers may simply not be aware of hotel revenue and food costs (this information should be chased up at the relevant office). Similarly, ACCOR hotels in Dakar, Senegal, do not maintain a central database of operational goods and services that they purchase.

## **6.2. Exploring the food supply chain with restaurants**

The food supply chain can be an important mechanism for transmitting tourist expenditure to large numbers of some of the poorest rural households. However, it is quite possible for large amounts of food to be purchased by hotels in developing countries with very little impact on poor local communities. Food may be imported or procured from prosperous commercial farmers. Even when food is sourced from smallholders, producers may not benefit if they capture only a small proportion of the wholesale or retail price paid by the hotels.

It is therefore important, not only to establish how much money hotels and restaurants are spending on food, but also who are their suppliers. On the safari route in the United Republic of Tanzania, for instance, some hotels employed intermediaries to go into local markets and ‘bulk up’ orders by purchasing from several different farmer-run stalls. Other hotels purchased food inputs from the Shoprite wholesaler in Arusha whose supplies were largely imported from South African commercial farmers.

**Box 13. Where are the poor in the food chain?**

If a study is done too quickly, and without agricultural expertise, it may not be able to answer important questions about the participation of the poor in the food chain. A rapid overview of Rwanda's tourism estimated that a single business hotel generates around US\$ 0.25 million in income to farmers. This amounts to around US\$ 10 per bed night which is slightly more than the wages per bed night accruing to low-waged workers from these hotels. Thus it may be the most important pro-poor flow in aggregate. However, what is not clear is the extent to which the food supply is captured by a minority of large farmers or by the majority of Rwanda's small and poor farmers. Any strategy for pro-poor intervention needs further work on this.

**6.3. Craft supply chain**

Buying craft can have an important pro-poor impact in a tourist destination. In Luang Prabang in the Lao People's Democratic Republic, for instance, each tourist spends over US\$ 30 during a three-day visit on craft and the handicraft sector is dominated by local, ethnic minority women – traditionally one of the poorest sectors of society. Although some silk, cotton and silver is imported, a significant proportion is produced locally and almost all fabrication is local. In the night market, the Hmong women have also upgraded their position from producers to acting also as retailers of craft directly to tourists. This functional upgrading has allowed the women to capture value at several different nodes of this value chain with an estimated retail value of US\$ 4.5 million per year.

It is important to look beyond the retail transaction between a tourist and craft seller, and, as far as possible, to the producers of goods sold for the tourist market. So the craft retail questionnaire in Appendix IV is simply the starting point for an investigation into the craft supply chain – not the final word. Without information from the production node of the supply chain and also from wholesalers, it is not possible to understand how to intervene effectively to increase the participation of poor people in the craft supply chain.

So a thorough overview of the craft node would need to cover:

- Different types of craft outlets (e.g. textile sellers, silver/jewellery shops, handicraft markets, etc.).
- The actual producers of the products.
- The gatherers or producers of raw materials (e.g. silk, wood, metal, etc.).
- Others involved in transport, wholesaling, finishing, etc.

These actors may be geographically dispersed. If it is not possible to interview each, at least find key informants that can provide information about each level in the chain.

**6.4. Excursion, entertainment and transport supply chains**

Expenditure on excursions varies greatly in different destinations. In some all-inclusive resorts, few tourists leave the confines of the resort. Elsewhere, the excursion may be so integral to the tourist experience that tourist entrance numbers can be a useful proxy for tourist arrival numbers.

Entertainment may be provided during these excursions, such as singing, traditional dancing, music, skills demonstrations, and storytelling. These forms of entertainment may also be provided within the hotel where guests are staying. By improving the quality and diversity of the entertainment provided, interventions can help to conserve local culture, and also improve the income people generate from it.

As with all other supply chains, it is important to look beyond the transaction with the tourist to understand the developmental impact of the expenditure. In the Gambia, for instance, tourist spending on conventional excursions sold by tour representatives had a relatively limited impact on the local community. This is because the retail margins for these excursions are very large with the local suppliers of excursion services sometimes receiving only 20% of the retail price of the excursion. However, in parallel with these conventional excursions were much more pro-poor products, using locally trained guides, local transport and other service providers. For these excursions, almost all tourist expenditure translates into pro-poor income.

It is important to look at the different types of excursions offered by tour operators. This includes those offered in brochures in originating countries, and also those available at the destinations. Don't just focus on those that are obviously pro-poor, as the future intervention may in fact be to work on adapting those that are not currently pro-poor. Indeed, in the Gambia, a previous project had done just that (Goodwin, 2002) resulting in the increased flow of income to locally trained and registered guides that are now used by hotels and package tourists.

### **6.5. Tourists surveys**

Depending on the activity of local tourism offices, it can be difficult to obtain reliable information from tourists in the target destination, particularly in developing countries. Even if tourism surveys are done, they may not contain the specific expenditure data that you need. So you may need to collect data yourself from tourists.

Collecting information from tourists can be used to establish what the current and potential demand is for products and services that the poor could potentially provide. This can be done at strategic locations, such as airports, park entrances, tourism information offices, popular tourism attractions or at accommodation facilities.

A tourist survey could cover many things – probably too many. It invariably will need to cover the basics that enable you to define the tourists' type (nationality, length of stay, purpose of travel) and some information on expenditure while in the destination (for integrating with PPI estimates). Beyond that, the focus is highly dependent on the type of issues and options you want to explore, whether in relation to upgrading of the overall destination, development of specific excursions, engagement with tour operators or hoteliers. Thus, it is not necessarily ideal to start the analysis with the tourist survey, but to finalise it part way through the fieldwork.

An example questionnaire for tourists can be found in Appendix II. Analysis of these results can provide you with an understanding of tourism demand for different tourism-related services and facilities that can be developed or enhanced in the project.

**Box 14. Types of information that can be collected from visitors<sup>2</sup>**

Demographic profiles: What is the age range, gender, education level, country of origin, and nationality of the visitors? Who is already travelling to the destination? How many are visiting foreign residents and how many are tourists?

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Purpose of trips: Have the visitors come for business or leisure? Are they visiting friends and family? Have they come for educational or volunteer purposes? Why are they travelling to the focus area?

Expenditure: how much is spent on the entire trip and in the target destination, broken down by node of the value chain if possible? What is the typical discretionary spend, such as shopping and tips?

Services purchased: What kind of tours and packages are they buying? And from whom? Do they purchase their tickets internationally or locally? What other services are they using? Are they satisfied with the services they are purchasing? Who is benefiting most from the revenue of these purchases? How much is generally spent? How many tourists are staying in the focus area as opposed to those just stopping by? What sites are they visiting during their stay?

Experiences and knowledge being sought: Are they interested in gaining a deeper understanding of the wildlife, the local culture, or local history? What attractions are they coming to experience? What are they planning to do during their visit?

Travel behaviour: What are the travel party sizes? Have the visitors been to the destination before? What information/reservation method did they use? What types of transportation did they use to get to the destination and once at the destination? How many are 'touring'? How many are just going to the destination?

Overall satisfaction: Is the destination meeting visitor needs? Are they gaining the experiences and knowledge they seek? Are these being delivered in the way they want? Are services meeting their needs and expectations? What are the potential gaps and opportunities for meeting visitor needs and wants? Would they return to this destination? Would they recommend it to someone else?

Overall satisfaction: Is the destination meeting visitor needs? Are they gaining the experiences and knowledge they seek? Are these being delivered in the way they want? Are services meeting their needs and expectations? What are the potential gaps and opportunities for meeting visitor needs and wants? Would they return to this destination? Would they recommend it to someone else?

## 7. Step 5: Tracking revenue flows, pro-poor income and barriers facing the poor

This step aims to track how revenue flows through the value chain and in particular how much is captured by the poor. It also highlights the key factors that determine or inhibit their earnings. This is probably the most demanding part of the diagnostic. Hundreds of pieces of data need to be put together, compared, divided and aggregated to generate the results. However, once the figures emerge, they are an invaluable basis for understanding the financial pro-poor impacts of the tourism economy.

Once the jigsaw has been completed, the figures can be added to the value chain map. There are different ways of doing this, as shown in this Section, but essentially they depict the scale of flows to the poor at different points.

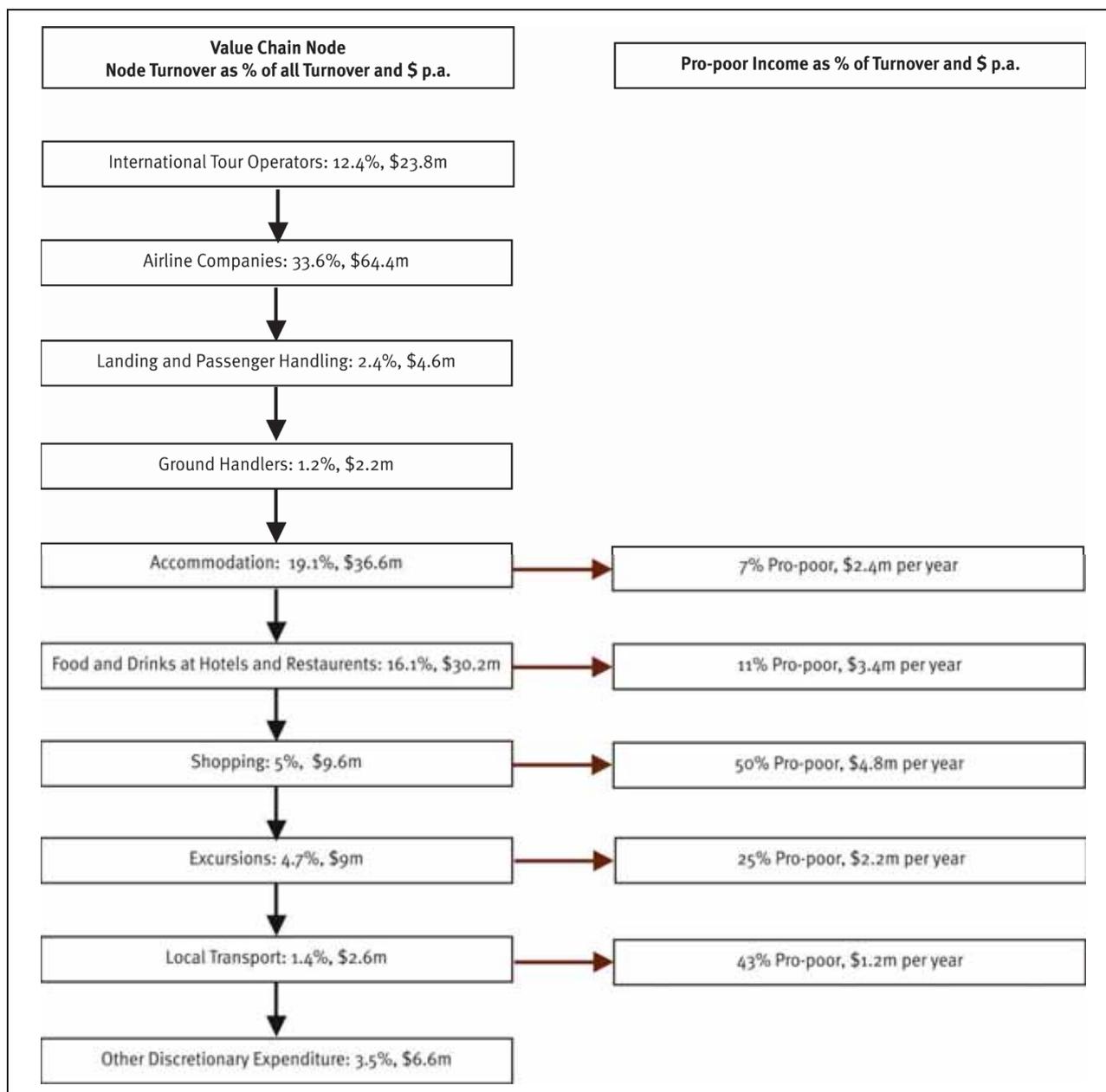
Figure 5 shows an example of results for the Gambia. It shows that shopping is the most important source of pro-poor income (PPI), both in absolute and percentage terms. It also shows that transport and excursions are important, in that a high percentage of turnovers accrue to the poor (indicating that if they could be expanded, pro-poor impact would be high). Food and beverage generates a much lower share to the poor, but a higher absolute amount (indicating that a small increase in the percentage share could have a big impact).

<sup>2</sup> TAP manual: 46–47.

In the Lao People’s Democratic Republic, pro-poor income was estimated for each poor group identified on the map in figure 4. This highlighted that the main flows of pro-poor income were not accruing in the areas that were previously the focus of pro-poor tourism, namely village tourism. Poor groups earning the largest amounts are producers and vendors of meat and fish (estimated US\$ 2.4 million per year, though this estimate would be lower using more recent value chain assessment techniques), with substantial earnings, also flowing to several other groups: food producers, weavers, craft vendors, tuk tuk drivers and workers in hotels and guest houses. The results are summarized in figure 6, which shows the food and handicraft nodes and most pro-poor.

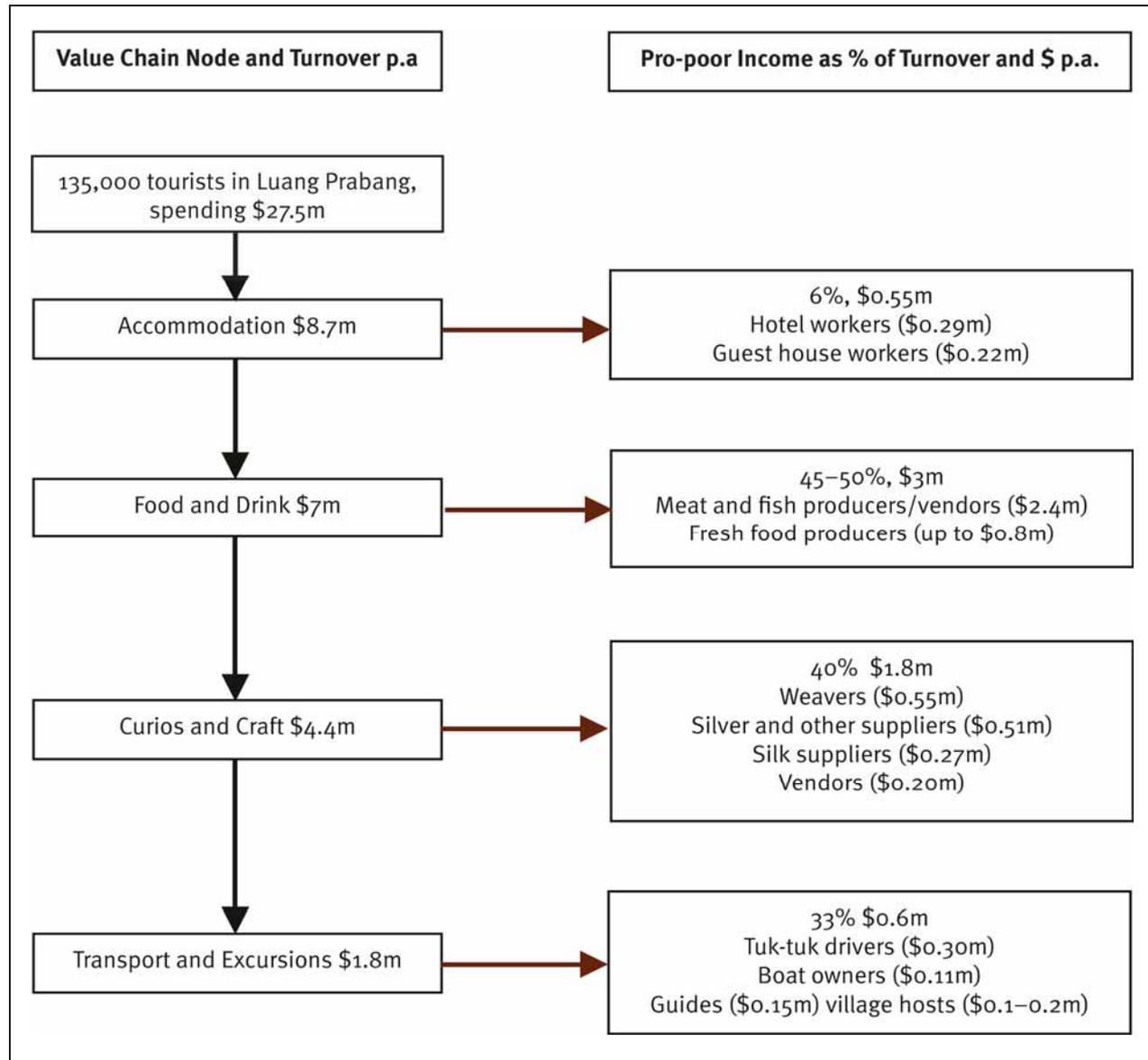
While the approach to presenting the value chain can vary from detailed mapping to summary chains, the common and key feature is assessments of PPI generated via each node of the tourism value chain.

**Figure 5. Use of a value chain to map flows of expenditure and shares reaching the poor in the Gambia, 2005**



Source: Mitchell and Faal (2008).

**Figure 6. Use of a value chain to map flows of expenditure and shares reaching the poor in Luang Prabang, Lao People’s Democratic Republic 2006**



Source: Ashley C. (2006).

Estimating flows of income to the poor (pro-poor income, or PPI) is a considerable task. Questions need to be asked carefully, and often informed guest are needed to fill in the gaps. Box 15 provides more cross-cutting guidance before issues in relation to each node are considered in turn.

### **Box 15. Estimating flows of PPI**

Pro-poor income is shorthand for all the types of income that are earned by poor people from participation in the tourism chain, whether as workers, entrepreneurs or sellers.

#### **Some essential first steps in estimating PPI are:**

- Know who you mean by 'poor'. Are all wages paid to hotel waiters to be included? Or only wages that are below a certainly defined level, or paid to a certain type of person from a poor background?
- List out the different types of PPI to be estimated – boat driver fees, hotel wages, artisan's income, food sellers.... Each will need to be calculated separately.
- Assess total tourism expenditure coming in at the top of the chain. How much does a typical tourist spend on that node per trip, or per day? Or what is the expenditure of all tourists per year? Once you have the total amount, it is possible to use percentages to assess what flows to the producer. e.g. if you know that hotels spend 5% of turnover on non-management staff, or craft shops set retail prices at roughly 300% of the price paid to the producer, then estimates of PPI can be derived quite easily.
- Allow your analysis to travel 'upstream' (i.e. towards the point of production) in the supply chain to where the poor are active. Craft shops and restaurants may not be owned by poor people, but they will be buying goods that are produced by the poor, and often traded by the poor.

#### **What you actually do:**

Estimating PPI is based on common sense but can get complex. Essentially:

- In each node, define the main types of enterprise for which you will assess PPI, and the sample you will interview.
- Estimate average PPI flows for one type of enterprise based on interviews.
- Work out how to aggregate that figure up to a total per year. Usually this means multiplying by the number of enterprises of the type sampled. Sometimes the information available is only an estimate per tourist or per bed night in which case you derive aggregate expenditure estimates differently.
- Do the estimate and aggregation for all types of enterprises in the node
- And then for each node.
- When you have your estimates, cross-check them, see if they fit with common sense perceptions of others and with similar results from elsewhere. Once you are relatively confident, add them to the value chain map.

#### **There are many things to watch out for:**

- Sometimes official incomes are distorted by tips or bribes.
- Some businesses generate different types of PPI: a restaurant employs unskilled workers and injects money into the food chain. You need to ask about both in the same interview.
- Sometimes data is given per employee (US\$ per month, but did they say how many people?), sometimes it is given in percentage terms (20% of turnover is spent on purchases from producers, but how much is turnover?), and sometimes the units don't match (revenue is US\$ 5 per meal and tomato purchases are US\$ 120 per month). Completing the jigsaw requires continual assessment of the data to check if it can be used, and fill the gaps.
- Gross income and net income are different, though not always very different for sole entrepreneurs. But, for example, turnover of a rickshaw driver will be well above his actual earnings, given fuel and maintenance costs.

Do not just provide the final answer as an estimate of PPI. Remember to assess what factors this earning depends on – the barriers that could be tackled, or the chain linkages that could be strengthened or reformed.

## 8. Calculating pro-poor income

### 8.1. Calculating pro-poor income from hotel interview data

Calculating the share of accommodation, which is pro-poor, can be done in a number of ways:

- First, the most straightforward approach is to assume that all non-management wages paid by hotels to accommodation workers (restaurant and kitchen staff are part of the food supply chain) are pro-poor income (PPI). This approach is relatively crude because it assumes all non-management staff are paid poverty wages.
- An alternative approach is to examine hotel wages against local and internationally defined poverty lines and assess what proportion of non-management wages would fail to raise an average household above the poverty line.
- More recently, a dynamic assessment of poverty has been used in a number of analyses. With this, hotel managers are asked to estimate the proportion of non-management hotel staff that are from poor backgrounds and this proportion is applied to the non-management payroll. The merit of this latter approach is that it avoids the difficulties inherent in assessing whether an average wage is a poverty wage and rather assesses the ability of the tourist sector to absorb people from poor backgrounds and enhance their livelihoods.

In all cases, a critical and challenging part of the hotel questionnaire is obtaining estimates of salary levels for different types of workers. Knowing how many staff count in your definition of poor, and the average wage they earn (including tips) is essential. A single typical monthly wage for unskilled and semi-skilled staff may lead to an erroneous aggregate figure if there is wide and uneven variation among them.

Whichever method is used, pro-poor income (PPI) in the accommodation sector tends to be a low proportion of hotel accommodation turnover – 5% to 15% of room turnover being typical. The PPI share is usually lower for high-end establishments than for more modest accommodation, despite relatively high staff wages and labour-intensive staffing levels in high-end establishments. This is because five star room rates in developing countries are often at international levels with very much lower staff wages than would be the case in New York or Tokyo.

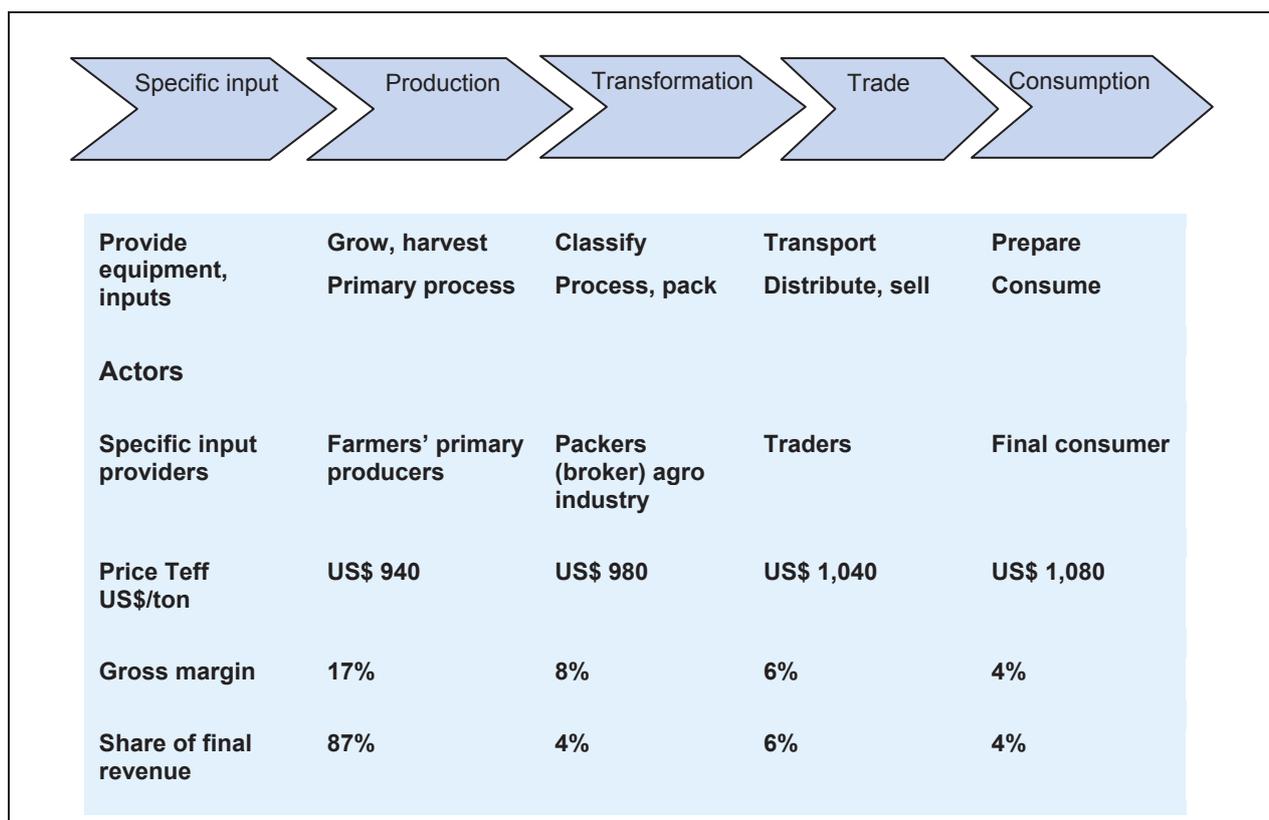
### 8.2. Calculating pro-poor income in the food sector

Spending on food is often a major financial flow in the tourism value chain, and one with potential to be a large source of PPI. So, working out the share of food spending that reaches poor people is important (it may be a high share of a high number so have a big impact on your overall picture).

It is necessary to disaggregate total hotel food consumption into broad categories (i.e. meat, fish, vegetables, fruit, cereals, dairy goods and dry goods – see restaurant questionnaire in Appendix III). This is important for two reasons. First, different types of hotel have strongly contrasting baskets of food inputs. For instance, basic starch staples often make up a high proportion of total food inputs for domestic tourist hotels with fruit and fish being important costs for top-end hotels. Second, the pro-poor share of the value chain contrasts markedly from one type of commodity to another. For instance, in Ethiopia, poor fishermen receive about one-third of the price paid by hotels for their output, as shown previously in figure 1. By contrast, in the example of cereals below, a very high proportion of the final retail price is captured by the overwhelmingly poor small-holder sector that produces Teff – with market intermediaries between producers and the hotels receiving very limited margins.

Establishing the pro-poor profile of these supply chains does, however, require detailed analysis by an agricultural specialist from the point of production to final consumption.

**Figure 7. Mapping cereal supply in Ethiopia to assess pro-poor income**



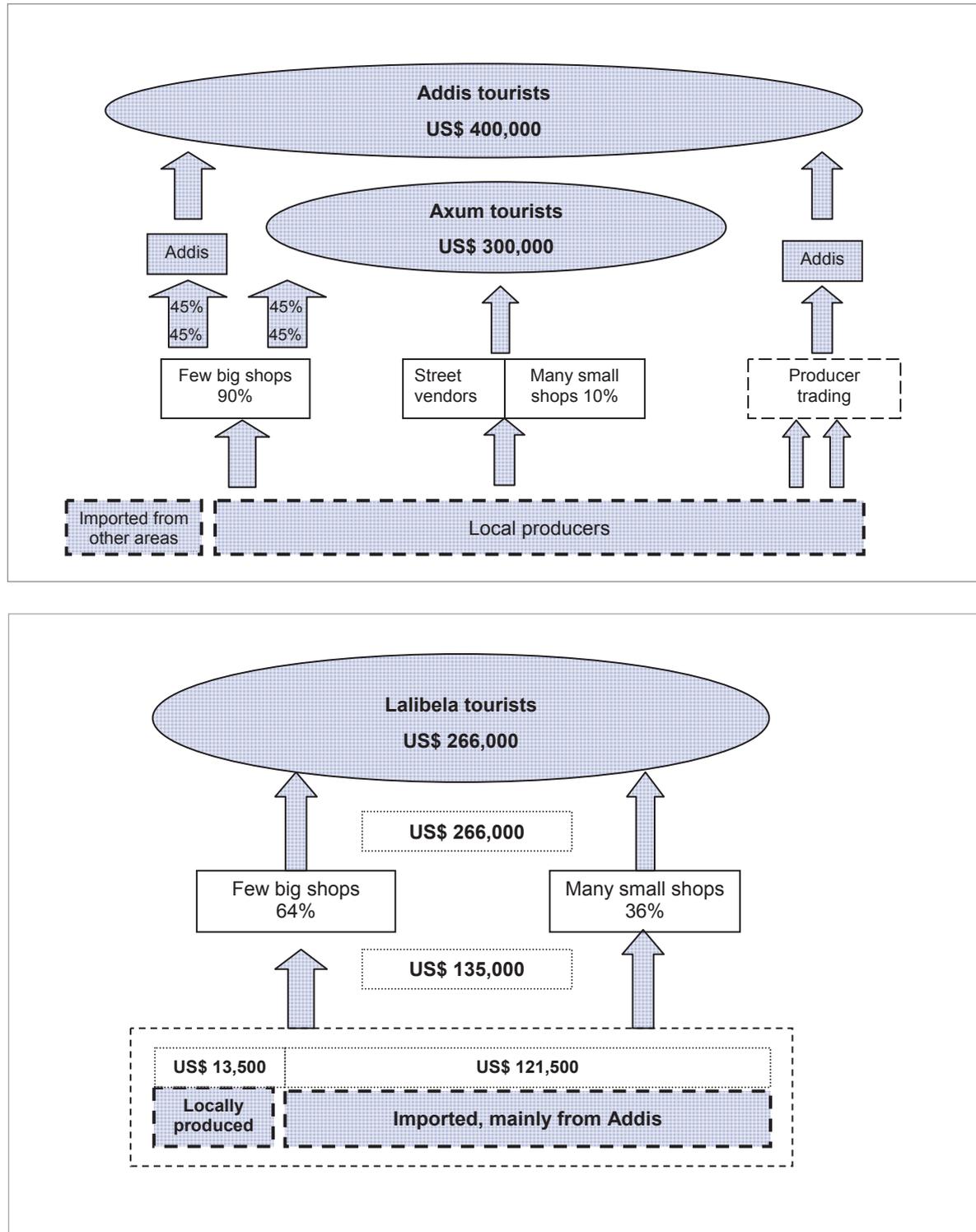
Source: Mitchell and Coles (2009).

**Assessing PPI in the craft sector**

As indicated above, it is as important in the craft sector as it is in the food sector to track all the way down to primary producers and input suppliers when assessing PPI. Craft cannot be assumed to be proportionately very pro-poor, but assessing PPI can indicate whether it is and whether it can be changed.

The example from Ethiopia in figure 8 illustrates the important contrasts in the craft value chain in two small towns on the Northern Cultural Circuit that are only revealed when financial flows are tracked down – and up – the supply chain. Craft sales to tourists in both Axum and Lalibela are both about US\$ 300,000 per year. However, the developmental impact of the craft sector in the two towns is strikingly different. In Lalibela very little craft is produced locally so the benefit of craft sales is confined to the craft retail margin for a small number of people selling craft. In nearby Axum, however, the impact of the craft industry on the poor is very significant. Furthermore, in Axum, not only is almost all craft sold at the destination produced locally, but the craft sector exports a large proportion of its output to the much larger market in Addis Ababa.

Figure 8. Contrasting PPI estimates in two Ethiopian craft chains: Axum and Lalibela



Source: Mitchell and Coles (2009).

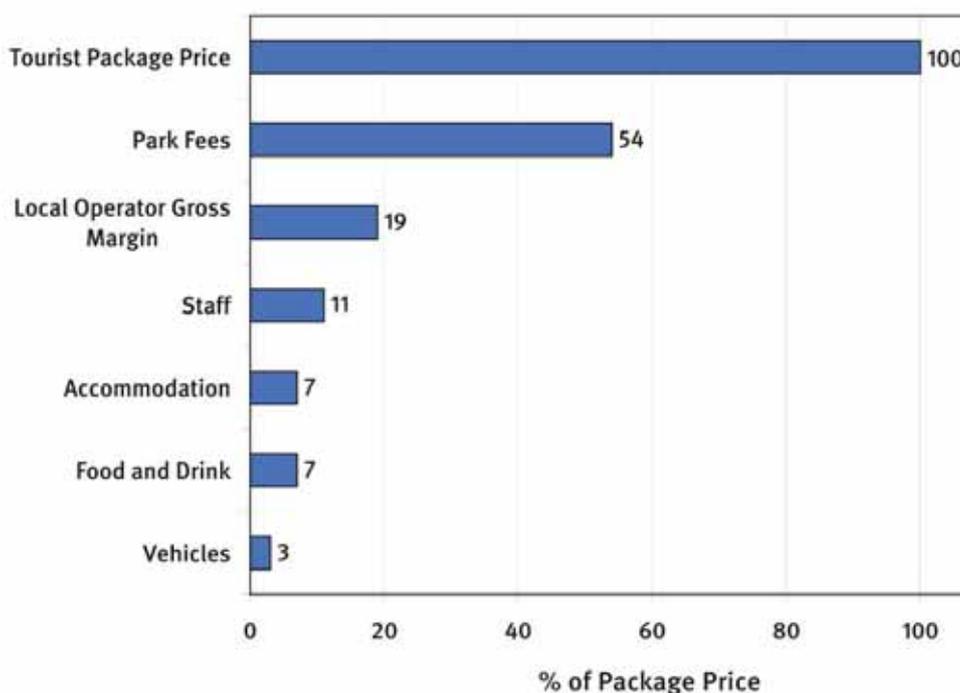
**Assessing PPI in excursions, entertainment and transport**

The same principles apply to assessing PPI from excursions and transport. But given the diversity of excursions, there are few hard and fast rules. PPI from a two hour paddle boat trip downriver is just a matter of boat fees to the (poor) boatmen minus some immediate expenditures times the numbers of

passengers (or numbers of trips, depending on whether fee is per person or per boat). Whereas PPI from a three day up-country 4x4 excursion is complex, involving its own sub-analysis of food, accommodation etc. Tourists can be charge per-person for entertainment and cultural performances.

An example of PPI for an excursion to Mount Kilimanjaro in the United Republic of Tanzania is shown in figure 9.

**Figure 9. Breakdown of mountaineering package price**



Source: Mitchell and Keane (2008).

There is a further complication in this example, as over half the excursion expenditure accrues to the state in the form of park fees. How should this be counted? Park fee expenditure could be categorised as pro-poor because it accrues to a government with a policy commitment to poverty reduction – so all government receipts are inherently beneficial for the poor. On the other hand, an alternative approach would be to examine the extent to which communities living around the park benefit from the fees paid and conclude that park fees are a very inefficient mechanism for transferring resources from tourists to poor communities. The weakness of this position is that the function of central government is to redistribute resources throughout the country so the fact that benefits are not redistributed locally does not demonstrate that there are no poor beneficiaries of the park fee receipts. This issue will need to be worked out for all those excursions that are reliant on wilderness or natural resources for which government receives a significant fee.

**Understanding the terms of engagement as a basis for change**

Tracking PPI has two main purposes. The first is to provide aggregate figures per year to show the ‘big picture’ of flows to the poor: broadly where are they earning revenue from tourism. Which nodes are most important for PPI? Which nodes are large financially but poor performers for the poor? The second purpose is to provide more detailed analysis at key point in the chain on how exactly poor participants are earning their returns and shares. This enables analysis of options and factors that enable or inhibit participation and earnings.

Assessing how much, in total, flows to poor people is useful but too blunt an instrument for project planning. In those areas of the chain of particular interest, more detailed investigation is needed of what, how, why etc. as shown for food and craft chains above. If income is very small, is this because of unfavourable terms that could be changed or simply reflect low value of the product? What are the perceptions of the poor concerning the obstacles they face? What are the perceptions of other stakeholders? What barriers can be tackled or new trends exploited?

Clearly the detailed investigation cannot be done for every point where the poor participate in the chain. Thus there has to be iteration between Step 5 (calculating PPI) and Step 6 (identify where to focus in the chain).

## **Phase 2. Project opportunities, prioritization and feasibility**

This phase includes a systematic approach to developing a 'long list' of project options, and then to move from there to a 'shortlist' of high priority interventions that should be implemented. Using the information you collected during the Phase 1 you should be able to make some judgements about the likely impact, relevance, sustainability, and the risk and ease of action of the proposed projects.

Principles, lateral thinking and logical assessment

One of the greatest dangers for tourism value chain research is that practitioners invest time in describing the value chain and then leap to proposing exactly the same kind of intervention as they would have done before.

However, it is not always easy to jump from the descriptive analysis of the tourism sector to the prescriptive set of recommendations. Knowing which parts of the tourism value chain are currently pro-poor or not does not, on its own, tell you where to intervene to generate greater benefits for the poor. This step requires assessment of where increases are feasible and where blockages can be removed. In fact, the most critical part of the diagnostic and planning process is judicious use of the information gathered so far to identify first a long list, and later a short list, of possible interventions.

A common mistake in many diagnostic studies is to allocate too many resources to the initial mapping, leaving insufficient time and attention for working through the implications. Another mistake is to jump to assumptions: because something is pro-poor already, it is the best option for expansion (see box 16).

**Box 16. Making assumptions when jumping from description to prescription**



Local crafts on sale in northern Rwanda

All kinds of easy assumptions could be made, but should be avoided. For example:

‘Crafts are proportionately the most pro-poor so they should be the focus of expansion’. That may be true, but it may be that there is little scope for further craft expansion (as perhaps in Luang Prabang). Perhaps a sector that is currently less pro-poor (such as food supply) is a better bet for intervention, or expansion of arrivals would be a better boost to crafters’ income.

- ‘The F&B sector in this destination generates a low share of pro-poor flows, so it not an area for intervention.’ If current PPI is low, what matters is whether the constraints are fixed (such as perhaps on the Maldives or Cape Verde where it would be hard to change the share of local fresh food input), or whether intervention can boost the shares of the poor.

**9. Step 6: Identifying where in the value chain to seek change**

The diagnostic assessment provides the basis for deciding where in tourism to intervene, and how, to enhance benefits to the poor. The mapping should show where the poor participate, where value is created, and why. The next step is to identify where there is scope for greater value creation by the poor and what blockages need to be removed.

By the end of Steps 1 to 5, you should have a map – or several maps – of the tourism value chain. One that shows all the various stakeholders. A version that shows where the poor participate. And a map, probably simplified into key nodes, showing flows of PPI to poor participants.

The next step is to identify key nodes or strands in the chain where you could seek pro-poor change. This will be the basis for scoping possible interventions.

While diagnostic value chain assessments vary widely in their approach and recommendations, there are usually five or so areas to focus on:

1. Parts of the value chain that are already fairly pro-poor (in % terms). → Can production be expanded or producers role upgraded?  
What are the blockages
2. Parts of the chain that are big, high in value creation, but may be low in the share of the poor. → Can the share accruing to the poor be increased?  
Even in only at the margin, a 1% shift of mainstream industry production to a pattern than benefits the poor can generate pro-poor income at volume
3. Parts of the chain where the share reaching the poor is low compared to international norms. → Why is it low?  
Are these factors fairly fixed or amenable to influence?

- 4. Part of the chain where poor people are concentrated. → Can they be helped to upgrade their production or function in the chain?
- 5. Parts of the chain where change is currently occurring → If volumes are going up, it may be easier to boost the share of the poor. If structures area is already fluid it is a good time to make pro-poor adaptations.

Action research over the past three years suggests that the areas chosen as priorities for action are hugely diverse. The key point is to have a framework to encourage an appreciation of the diverse range of pro-poor opportunities and assess them rigorously. Consideration of the different ways that poor people can improve their position in the value chain (table 5) may be useful to broaden thinking, before concluding on the areas of change.

**It's not about what's big or already pro-poor, it's about unblocking blockages and expanding opportunities.**

The selected areas could be highlighted on a map, or simply listed. The rationale for selection should be clear, and then discussed with key stakeholders. This is an essential step for Phase 2, which will begin to plan interventions for the selected areas.

Note: At this point, identifying where in the value chain you seek change and pro-poor impact is not the same as identifying where you should intervene. The VCA diagnostic may conclude that a key area for change is the returns to the poor from crafts. In Phase 2, you may nevertheless plan an intervention that works directly with tour operators to help achieve that.

## 10. Step 7: Analysis of strategies

The quality of the information collected and the analytical outcome resulting from the three important surveys (product/market survey, poor community survey, and TSI survey) will constitute the fundamental input required for launching an Inclusive Tourism project and also to further planning and implementation. Although it is not necessary to determine all details of a proposed project in the opportunity study, an analysis of the main problems and strategies to achieve the desired results helps the author as well as the reader of the opportunity study to develop a clearer picture.

### Why analysing possible strategies?

Before starting to think about concrete outputs and activities, it is good to have a clear picture of the prevailing internal and external conditions of an Inclusive Tourism project. Here, the needs and demands of the project partners have to be assessed and carefully balanced. Such an analysis is also very helpful for explaining the use of the project in relation to the target group, region and country under consideration. Finally, it helps to make one's intentions more explicit and transparent as well as to avoid hunting mutually exclusive objectives and strategies.

The following proposed steps for strategy development are in line with established project management methodologies, for example the logical framework approach or results-based management concepts.

### 10.1. What is going wrong – Problem analysis?

The problem analysis comes first, because the activities and objectives of an Inclusive Tourism project should not be derived just from the donor's perception of problems and needs and of his traditional assistance portfolio, but rather relate to specific, real-world problems. As the TPRP stakeholders may have different problems and priorities, it is necessary to reach a common understanding. It is important to understand that a realistic and meaningful definition of project objectives would depend on a thorough identification and assessment of the priority problems and needs.

The analysis phase should always start with a closer look at the problems. The guiding question is what are the most important problems to be solved by the project and how do these problems interact with each other. This should be done through a participatory exercise with the project's major stakeholders, which can be part of the community and TSI surveys.

**As a principle, the analysis of problems/needs should be:**

- **Problem-focused:** narrow the analysis to those problems/needs, which are highly relevant and dig deep into the casual factors;  
but with a:
- **System’s understanding:** do not lose sight of the general picture, meaning related problems and factors but also the restrictions related to Inclusive Tourism projects.

Brainstorming can be used to identify the main problems/needs. It is important that they are defined with regard to the project’s target group. The analysis ideally should also include an assessment of causes and effects, i.e. to structure the problem into different interacting levels. Additionally, existing background studies can help in analysing the problem area. By assessing the relationship between different problems, one may end up with a ‘problem tree’ that can help to structure the analysis.

**10.2. What are we aiming at- analysis of objectives?**

After the shortcomings have been identified, the logical next step is to look for suitable solutions to these problems. Here the identification, specification and balancing of objectives and expected results is needed. The outcome should be a strategy, i.e. which outputs the project needs to achieve in order to attain its objectives.

The overall objective of an Inclusive Tourism project is by definition the reduction of poverty and the improvement of the livelihoods of the targeted poor communities. Using the same structure as prepared for the analysis of the problems, now the statements should be turned from negative (e.g. poor quality of tourism services) into positive results or objectives (e.g. quality of tourism services improved according to international standards).

However, not all of the original problem statements need to be translated into objectives, just the most important and relevant ones. You should also carefully consider the relationship between different results and objectives, some of them may be considered as means to achieve others, some might be mutually exclusive.

It is important to realize that the aim is to contribute the maximum possible to an overall objective, keeping in mind the priorities of the stakeholders, the limitations and possibilities of the implementing organization.

**10.3. What can be an obstacle – Assumptions and risk factors?**

Potential risks and side effects, which may have negative consequences on the social, cultural and natural environment of the poor communities, e.g., loss of authenticity – and therefore on the project success –, have to be assessed with scrutiny. If these risks constitute potential bottlenecks of an Inclusive Tourism project, they must be properly managed and controlled so that poor communities are not made more vulnerable by undesirable effects on their livelihoods.

**Why considering assumptions and risks?**

In the event of serious external risks or unlikely preconditions to be fulfilled, it may be preferable not to start an Inclusive Tourism project. Thus, one has to be aware of those imminent threats likely to affect the project success so as to manage them properly. Appropriate and timely handling of assumptions and risk factors may help to overcome potential negative economic, social and environmental impact.

The economic, social and environmental impact will be determined by a wide range of external factors including international and domestic market trends, the development of supporting institutions, technological innovations, the incidence of natural disasters or political hazards, etc. These external side effects are important assumptions of export-led poverty reduction initiatives, which need to be considered during the planning process. It is easier to manage such issues if they are properly addressed at the beginning of the project.

Some of the risks and external assumptions that should be checked to solve potential problems that prevent, make difficult, or delay the implementation of the Inclusive Tourism project might include (among others):

- Internal or external conflicts of interests;
- Negative culture-related side effects;
- Potential conflicts with seasonal fishing or agricultural activity;
- Unintended side effects caused by the redistribution of labour or income;
- Diminishing positive returns and strain on local resources;
- Too intensive exploitation of the natural environment;
- Natural disasters, civil unrest or economic downturns;
- Attraction of people off the land into tourism employment.

**Checklist: managing risks**

- What side effects can the project bring about?
- How likely are these side effects to happen?
- Can they endanger the impact of the Inclusive Tourism project?
- What can be done to control these side effects?
- Is there any decisive factor, which is a necessary precondition for project success?

All baseline information collected in the opportunity study should address the impact of the planned project activities on the livelihoods of men and women as well as the environment within the targeted community.

**Gender and environment: two inherent dimensions of TPRP**

The analysis of strategies is also the right place to address two cross-cutting issues in development: gender equality and environmental protection.

Developing and utilising the untapped potential of women is an important element of poverty reduction strategies, because gender inequality ultimately lowers the economic productivity and efficiency of poor communities and intensifies the unequal distribution of income and resources. But it also affects the non-monetary aspects of poor people’s lives – lack of security, opportunity and empowerment – that will influence the livelihoods of both men and women.

Within the cultural and social context of a community, Inclusive Tourism should take into account the potential contribution of women within the development process. Besides the direct positive economic effects, Inclusive Tourism projects also have an advocacy role. They can create awareness of the need to eliminate gender disparity.

By the same token, a healthy natural environment is a necessary factor ensuring future sustainability. Tourism can provide a justification for the conservation of habitat and species as well as provide financial means to meet protection and conservation costs. However, tourism also places a strain on the environment in terms of construction, consumption, waste, noise, pollution, etc.

Projects should promote environmentally friendly production and protect biological diversity. Thus, environmental risks related to the production of the selected goods and services should be considered and avoided. This includes sustainable tourism, which means that particular care should be taken over a range of issues.

**10.4. What are the pros and cons of the project – SWOT analysis?**

A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a brainstorming method to analyse internal and external factors influencing project outcomes. The process implies to quickly scan, sort and prioritise potential drivers and risks of the project.

When analysing different strategies, it is important to differentiate between internal factors (which can be influenced by the project) and external factors (which cannot). The consideration of external factors – the framework of the project – is especially important when assessing preconditions for success and managing risks.

A SWOT analysis identifies strengths and weaknesses. It also helps to identify opportunities and threats and to find ways of managing them. In a second step, a matrix serves as a framework to identify options for action. When thinking of positive or negative aspects *everything* that comes to mind should be written including the most unlikely situations or most obvious skills. It is important that *all* dimensions are explored so as to provide the maximum information for the decision-making process. The four dimensions of a SWOT analysis can be described as follows:

**Strengths:** an internal asset e.g. knowledge, a traditional project, a skill or control over access to a natural or cultural heritage asset. Strengths should not be overstated. Poor producers are not in a position to invest money, time or other resources in projects that carry any significant risk.

**Weaknesses:** an internal deficit, which may undermine the initiative e.g. poor quality products, unreliable services, lack of knowledge of foreign languages appropriate to the market segments. An honest assessment of the weaknesses and the barriers, which need to be overcome, is essential.

**Opportunities:** external circumstances that favour sales of local products and services e.g. sufficient international tourists from market segments identified as predisposed to purchase the proposed goods and services. People in the established tourism industry in the area, and the opinions of those operators and guides who bring people to the area, are of particular importance; they can provide a very important reality check.

**Threats:** constraints or barriers to the successful local sale of goods and services e.g. insufficient time spent by international tourists in the area to permit their purchase of local services like guided visits or cultural experiences. One of the biggest threats is external intervention, which creates initiatives that are not sustainable once the initial funding is withdrawn. Those employed to initiate the project do not loose – the poor small producers do.

In Appendix III, you will find a step-by-step example of how to conduct a SWOT analysis. Here are some important hints to conduct a meaningful analysis:

- Be realistic about the strengths and weaknesses of the project;
- The analysis should distinguish between where the community is now and where it could be in the future;
- Be specific and avoid 'grey' areas;
- Try to classify and assemble similar items;
- Indicate whether a factor requires attention in the short, medium or long term;
- Always analyse vis-à-vis your competitors, i.e. are you better or worse.

**Anticipated outputs: situation analysis**

- Identify the main problems of the community, their causes and effects.
- Translate the problems into priority result areas or objectives of the project (including meaningful indicators for measurement of success).
- Think of potential risk factors and necessary assumptions (do not forget to check for the impact on gender equality and environmental damages).
- Conduct a SWOT analysis.

## 11. Step 8: Developing a long list of intervention options

Once you have chosen a pressure point (or a strand or supply chain within the value chain) or target group, think laterally to generate the long list of possible interventions. The value chain map is an

invaluable description of the current situation, but on its own is not sufficient for generating a long list of intervention options. Nor are the opinions of the consultant undertaking the diagnostic study sufficient basis for picking the long list. It is essential to draw on a range of inputs and analytical techniques:

- Opinions of stakeholders gathered during the mapping process about blockages and opportunities that they perceive and actions they would like to see;
- Information gathered as to why the value chain operates as it does in this destination;
- Consideration of the full-range of options, such as the typology presented in 11.1 below, to ensure lateral thinking rather than a focus on the obvious;
- Assessment of existing drivers for change;
- Norms derived from other studies that suggest where this destination is under-performing in pro-poor impact, and why;
- Rough 'what-if' assessments of the scale of possible impact – the numbers of poor people, or the tens, hundreds, or thousands of dollars of income to the poor, as in 11.2 below;
- Mapping of trade-offs between objectives for comparing options, as in 11.3. below;
- What others are doing to influence the operation of the value chain and shares of the poor, as in 10.4 below on partner consultation below.

### **11.1. A typology of strategies to benefit the poor**

It is important to bear in mind that the participation of the poor in value chains can be enhanced in many different ways. Current participants may increase the amount they work or sell, and thus their income or they may find ways to capture a bigger slice of tourism expenditure by changing what or how they work. Or wider pro-poor impact may be achieved not by working with existing producers, but by helping new participants enter the tourism value chain. The options differ in terms of who benefits, how many benefit, and how they affect pro-poor income per person, in aggregate, or as a share of total benefit.

1. Table 5 presents a typology that is intended to help separate and analyse the different options. Use the table to: decide roughly where to focus: a pressure point, an upgrading strategy, a target group, a strand of the chain:
  - Use common sense and a few principles to identify options;
  - Use impact/likelihood analysis to prioritise the top one or two as your selected 'pressure point' (or 'focus' of intervention).
2. Use your understanding of the value chain to assess the problems to be tackled and a long list of possible interventions for the chosen pressure point:
  - Map blockages facing the poor;
  - Look up the chain to key determinants;
  - Consider a range of intervention types and points within that strand of the chain.

It can be seen from table 5 that many value chain improvements will benefit both existing and new entrants, but on the whole they will favour one or the other. There can be a tendency to focus on helping existing participants to upgrade because they are an obvious target group. But helping other poor people to enter the market can be an equally effective pro-poor strategy sometimes reaching more, or poorer, people.

**Table 5. How to analyse pro-poor options**

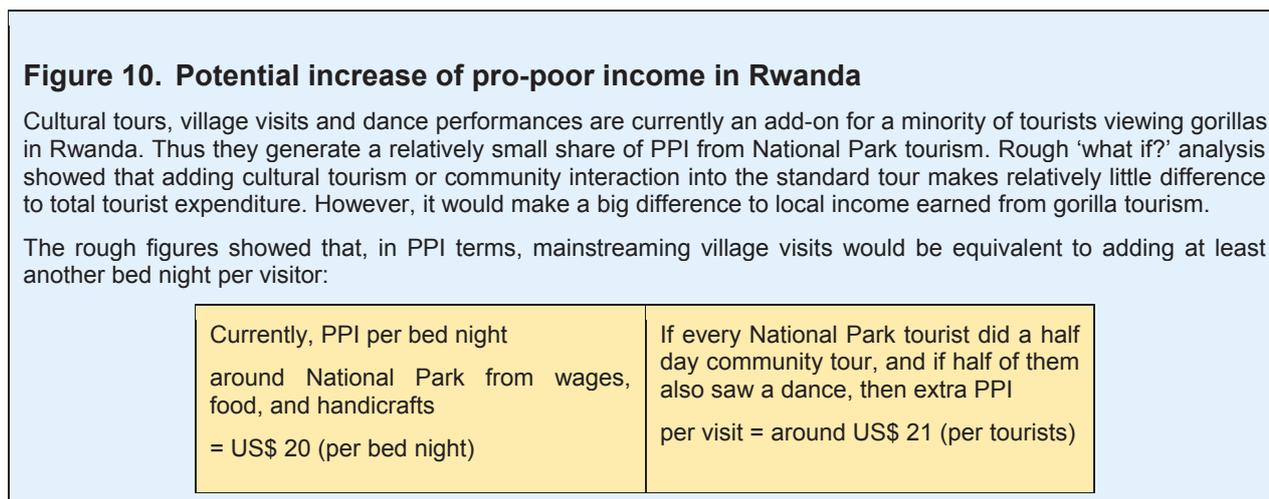
Type of pro-poor value chain development	Example	Increases income of current participants	Brings more poor into tourism
1. Expansion of demand for products and services of the poor <input type="checkbox"/> = 'Volume upgrade' for current participants <input type="checkbox"/> = 'Entering the chain' for new participants	Overall tourism growth in Viet Nam and Rwanda leads to <input type="checkbox"/> More income for existing participants; seasonal hotel workers, craft sellers, food sellers; and <input type="checkbox"/> Opportunities for more poor people to enter the chain	✓	✓
2. Product/process upgrade by poor participants	In the Gambia, training enabled guides to offer a better product and earn more. Juicers improved their product and turnover by establishing small booths on the beach.	✓	
3. Functional upgrade by poor participants	In the United Republic of Tanzania, most of the new small ground handler businesses have been established by those previously working as guides.	✓	Possible
4. Contractualization to enhance the terms of engagement <input type="checkbox"/> Horizontally (among producers) <input type="checkbox"/> Vertically (e.g. with a hotel)	In the United Republic of Tanzania, porters around Kilimanjaro have formed an association to promote their interests (horizontal contractualization). In Jamaica, farmers have been assisted to set up regular contracts with Sandals resorts, giving greater security (vertical contractualization).	✓ ✓	
5. Entry of new poor participants into the chain due to <input type="checkbox"/> Reduced barriers to entry and/or <input type="checkbox"/> Investment in human capacity of the poor to meet requirements	New small and micro enterprises entered the Spier hotel supply chain when procurement terms were changed (e.g. offering smaller contracts with mentoring support). Training of local residents meant that they were able to occupy 40% of jobs in the Costa Sauipe resort, Brazil.	Possible Possible	✓ ✓
6. Exit or diversification from tourism activity	Crafters become exporters, as in Hoi An (Viet Nam) where textiles are not only sold to tourists but exported, thus reducing dependence on tourism.	✓	

Type of pro-poor value chain development	Example	Increases income of current participants	Brings more poor into tourism
<p>7. Enhanced links between the value chain and host society</p> <p>Better access to infrastructure and services</p> <p>Investment in human capital</p> <p>Collaboration on resource management</p> <p>Stronger local institutions</p>	<p>In Namibia, local conservancies apply skills and strengths gained in tourism to other rural development issues.</p> <p>Roads around Parc National des Volcans in Rwanda benefit farmers.</p> <p>In Cape Verde, tourism encourages return of diaspora, less out-migration and cultural renaissance.</p> <p>In Namibia, rural residents benefiting from tourism take responsibility for managing wild resources.</p> <p>The Namibian conservancies also apply skills and strengths gained in tourism to other rural development issues.</p>	<p>Beneficiaries go beyond those who are economically active in tourism to include a wide range of local residents.</p>	
<p>Notes for each strategy</p> <p>Increased demand: this may be from the whole sector (more arrivals), or a specific part that is fairly pro-poor (e.g. handicraft expansion).</p> <p>Product/process upgrade: It may be the product sold or the production process that improves, often the two go together. Products that use skills and information more intensively reap higher prices (e.g. informatively labelled coffees or soaps, well informed guides).</p> <p>Functional upgrade: moving to higher functions in the chain is a way of capturing more value. Often the poor do not switch to a different function in the chain, but add a new function (e.g. a craft producer starts also employing others, transporting others' products or retailing direct).</p> <p>Forming a collective association among producers (horizontal) is often an important way to change the terms of the relationship with those further up the chain, such as hotel buyers (vertical contractualization).</p> <p>Reducing barriers to entry (e.g. requirements relating to trade, access to capital, volumes, is of the other side of the coin of increasing the capacity of poor producers to meet requirements.</p> <p>Exiting the value chain completely can be a pro-poor strategy when, for example, sex-workers find alternative livelihoods.</p> <p>Operation of the tourism sector has many knock-on and dynamic effects on the host community and economy. So interventions might not target roles within the tourism chain, but target how the chain impacts, positively and negatively, those outside.</p>			

### 11.2. Doing ‘what-if’ estimates of increased pro-poor income

‘What-if?’ estimates of increased pro-poor income

One of the advantages of the mapping flows through the value chain is that it enables some very rough ‘what if?’ calculations to be done, to see where there is potentially large financial impact on the poor. If ‘x’ could be doubled, what would it mean for pro-poor income (PPI)? In Rwanda, the potential increase in PPI from cultural tourism was compared to total PPI earned now to show that mainstreaming cultural tours would make a large difference to PPI though small difference to total trip expenditure (see figure 10).



### 11.3. Considering trade-offs between objectives

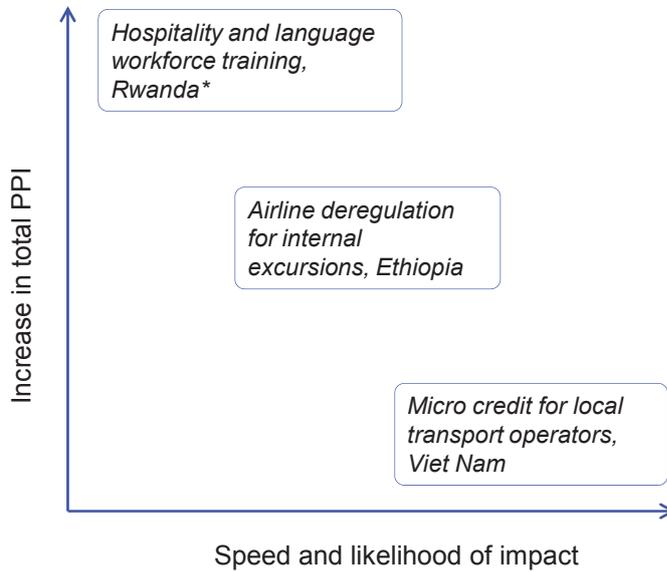
On what grounds should interventions be considered for inclusion in the long list? Of course boosting total PPI per year is one important one, but not the only one. Even at this stage, it is important to identify the key variables and consider trade-offs. This approach will then be pursued in more detail later, when prioritising the long list and the short list.

There are likely to be trade-offs between helping existing participants increase their returns, or bringing in new participants. The former might be easier. The latter might benefit more of the ‘poorer poor’. Some interventions may generate impressive boosts in PPI per person and significantly alter the share of value captured by the poor, while others only fractionally influence PPI per person, while influencing thousands of the poor (as illustrated in figure 11). Equally, there may be a trade-off between the number of poor people reached and the extent of involvement of women, minorities, or poorer poor. Intervention options will range from the very local level to the international. At the local, the link between intervention and impact is quite direct, even if impact is small. Intervening at the national level, in market functions, or internationally is more risky, but potentially creates more impact. Most long lists will contain a variety of possibilities that combine these factors, and will always need to combine some short term ‘quick wins’ with longer term high impact projects.

One way forward is to plot some options on graphs such as shown in figure 11. Plotting where an option should be placed can be a challenge. If its position relative to key objectives is questionable (as shown for new hotel rooms in Da Nang in figure 11) then the key issue is to work out what actors would be decisive in this and whether they can be influenced.

**Figure 11. Illustrating trade-offs between interventions and objectives using graphs**

**Assessing trade-offs in pro-poor interventions: Likelihood vs. scale of impact**



\* Rwanda is trying to develop bilingual tourism, building on its French and Anglo traditions, but language skills are scarce so people who have these skills will be in demand.

**Assessing trade-offs in pro-poor interventions: Generating PPI vs. reaching disadvantaged**



In some cases a combination of 'easy-to-reach' options, with others offering potential for greater impact at longer-term, should be explored. Such an approach is aligned with the TPRP strategy for some 'quick wins' to build momentum and stimulation of actors and partners while going for harder interventions in parallel.

## 11.4. Locate potential partners for interventions

No organization is working in a vacuum. The choice of how to intervene in tourism, will always be influenced by what others are doing. On the one hand, you are likely to need partners to make intervention feasible. On the other hand, you want to identify the gaps and the potential to add value.

The initial stakeholder mapping is likely to cover some potential partners. At this stage of generating a long list of interventions, the information collected should be returned to, and supplemented as necessary. A quick appraisal can identify local partners who are committed and able to support the project, how they currently interact, and whether they can cooperate with the project team in the diagnostic and project implementation. Some of these stakeholders may currently be outside the tourism sector. Some key questions to ask are outlined in box 17.

There are different types of partner institutions, which include:

- **Government** (e.g. tourism promotion agencies, small business development centres, boards of investment, micro-finance institutions, concerned ministries and departments, public-private consultative bodies, tourism boards etc.).
- **Development agencies** (e.g. the World Bank, International Finance Corporation, national development and aid agencies).
- **Business associations and NGOs** (e.g. chambers of commerce and industry, specialized tourism associations, NGOs working with the producer community, conservation areas and/or providing tourism-related support services, and humanitarian organizations).
- **Private sector service providers** (e.g. consultancy firms, tourism-training institutions, companies organising tours, bigger hotel chains, etc.).
- **Local community representatives** (e.g. producer associations, local small businesses, community leaders etc.).

Cooperation with other local institutions is an important element to consider. Since poverty reduction and working with small-scale producers is a core element of many technical cooperation efforts in developing countries, there may be other related projects – competitive or complementary ones – going on in the region. Before starting a new project, it is necessary to make an inventory of on-going or finished projects with similar objectives or settings. Cooperation and networking with other partners helps avoiding unnecessary duplication of efforts and donor competition. Through an exchange of useful experiences and best practices even more and deeper achievements can be expected, leading to a higher degree of sustainability. Cooperation and local networking can broaden the market for the poor communities' products and services and help in achieving cost savings. It also helps in successfully lobbying for better policies and public services.<sup>3</sup> This can also help to avoid overlapping projects or conflicts between projects (past, present or planned).

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<sup>3</sup> Original guidelines, pp. 25.

### Box 17. Key questions to ask potential partners

Whether done as part of the initial stakeholder mapping, or done later when assessing intervention options, key questions to ask potential partners are:<sup>4</sup>

1. What are the related or similar projects in tourism? (i.e. relating to objectives, activities, stakeholders)
2. What are their timeframes, budgets, and human resources?
3. Is there a potential for synergies? (e.g. information sharing, cross-marketing, complementary know-how, joint policy action, etc.)
4. Can you think of joint-project activities?
5. Is there a risk of competition between agencies or duplication of efforts?
6. How do the partners interact? (e.g. with poor small producers, with hotels and tour operators)

## 11.5. Including different types of intervention

To achieve change at any identified area of the value chain, several different interventions should be considered. There are many different ways of influencing value chain development, whether working on supply-side issues (production), demand-side issues (consumers, procurement) or on market-functioning (information exchange, contracts) and the market environment (regulation, market norms). Box 18 illustrates the range of 'action points' suggested in value chain guidelines.

### Box 18. Examples of action points

Action points are entry points or pressure points where change can be stimulated. Examples of action points are:

- An identified chain actor (e.g. a potential buyer).
- An organizational form (e.g. a coop, a producer group, a contract farming scheme).
- A partner external to the value chain who can help the target group put pressure on individuals or organizations whose policies or practices the action research wants to change i.e. downstream chain actors, government agencies (e.g. the Forestry Department) or standard setting bodies (e.g. Marine Stewardship Council). The partner may form part of the action research team and could be an NGO, an industry association, a UN agency, etc. (see Step 6).
- A standard (that will be modified and/or certified to) or a standard-setting body.
- A regulatory framework (e.g. for the management of common pool resources).
- A market institution (e.g. a system for group bulking and storing, for product grading, or for accessing price information, an auction, an interlocking contract such as providing seasonal credit against a crop buying agreement).
- Identification of a new market for the existing product.
- The passing of a new policy or regulation.

**Source:** Extracted from Riisgaard, L., Bolwig, S., Matose, F., Ponte, S., du Toit, A. and Halberg, N. (2008) 'A Strategic Framework and Toolbox for Action Research with Small Producers in Value Chains', Danish Institute for International Studies Working Paper 2008/17.

One way of developing a range of options is to use. For each identified area of focus, map the blockages, target group, desired change, and a range of interventions that could be used. The final column then becomes the 'long list'. The table shows an example for a selected supply chain (local food).

<sup>4</sup> Original guidelines, pp 25.

**Table 6. Developing a long list of interventions**

Select part of the VC to develop (which supply chain or strand?)	Blockages and opportunities		Target group of intervention	Desired change in value chain performance	Different forms of possible intervention
	Facing poor participants	Facing potential new entrants			
Increase local food supplies	Cheap imports  Seasonality of production  Chefs prefer a single wholesale contract	Unaffordable transport	Fruit and vegetable farmers	Increased percentage of tourist food sourced from local farmers	Farm extension on seasonality  Farmer association for shared marketing  Shared transport and/or financing of transport  Work with chefs on logistics of local sourcing

**11.6. Summary of steps to generate the long list**

To generate a long list of potential interventions consider each of the following:

1. Reflect on what you have learnt about the value chain and how the poor participate, to identify points in the chain to intervene:
  - Are there parts of the value chain, which are already fairly pro-poor (in terms of the percentage accruing to the poor) but could be expanded? How?
  - Which parts of the chain are currently most significant for benefiting poor people? (Total amounts and numbers of poor). Is a further increase possible, even if only by a small fraction?
  - Are there parts of the chain, which are less pro-poor than 'normal'? Can this be changed?
  - What blockages can be identified that prevent more poor people from joining at specific points of the chain? Are these points, areas for potential intervention?
  - What blockages can be identified that prevent current poor participants earning more? Are there ways they can be helped to expand their sales, boost their production and profits, or add higher value activities?
  - Are there new opportunities or trends in the current context that can be used to develop participation of the poor?
2. What areas for intervention have stakeholders recommended? Try noting them on the map and comparing them.
3. Roughly, what action and how much change could generate substantial increases in pro-poor income? Use 'what-if' calculations to compare a doubling of this, a 10% increase in that, and preventing a slump in another.
4. Once you have identified some points in the chain where a change would be useful, consider the blockages to be addressed and different types of intervention that could be effective. Is it working with producers (supply-side), with the formal sector or tourist information (demand-side), on transport and infrastructure, intervention in financial markets, or on regulatory reform? Think laterally. Usually a combination, but not a plethora of activities, is needed.
5. Feedback initial thoughts to stakeholders on ideas for the long list, discuss and revise.

## 12. Step 9: Developing the short list

### 12.1. Applying eligibility and selection criteria

The short list can be developed from the long list you have devised. For each intervention option, apply the key criteria outlined in table 7. The criteria are combined into two groups:

- Eligibility criteria – criteria which must be met for a project to be included for consideration;
- Selection criteria – used for comparing and ranking between possible alternatives.

For the eligibility criteria, the table shows a bordered box in the column marked 'unacceptable'. If the assessment for scale of PPI or commercial viability falls into 'unacceptable' then the option can be deleted at once, without further analysis.

The selection criteria are grouped into two categories:

- Overall scale of impact on poor people;
- Feasibility of achieving impact.

Each of these is based on roughly half a dozen criteria. The table does not propose weighting for each criterion in order to sum up a final score for impact and for viability, as this would be arbitrary and probably inappropriate. Unless you wish to work out weightings with stakeholders, it is best to assess an intervention by the specific criteria, then your judgement and your team's opinions, to give it an overall score for impact and for viability.

To summarize, to analyse the long list by key criteria, in order to choose a short list of interventions for implementation, the steps are:

- Delete those options which cannot meet core selection criteria;
- Assess the rest by key criteria (do they rank low, medium or high?);
- Compare options to choose those most suited;
- Assess whether and how combinations of options can deliver more;
- Finalize the short list.

The objective is to end up with a short list of interventions that are most likely to work and, when they do, will have the biggest impact on poverty.

**Table 7. Short-listing intervention options with key criteria**

Criteria	Impact			
	Unacceptable	Low	Medium	High
Pro-poor impact				
Total PPI increase, US\$ per annum				
Number. of poor reached (as new participants or existing participants in value chain)				
Reach to key target groups/disadvantaged groups				
Likely lifetime of benefits (years)				
Benefit (PPI): Cost (US\$ cost of intervention) ratio				
Likelihood of indirect impact via replication / lesson learning				
Net non-financial benefits to poor people				
Overall pro-poor impact				
Note here: how does impact depend on other interventions?				
Likelihood of impact				
Ease of implementation, likelihood of desired outcome				
Commercial viability of the change				
Likelihood that market and political incentives will be sufficiently aligned with the intervention for the change to continue for the number of years estimated				
Capacity to mitigate main risks to non-achievement				
Availability of resources				
Availability/interest of appropriate partners				
Overall likelihood of impact				
Notes: <input type="checkbox"/> Rule out options with a mark in a box <input type="checkbox"/> For each criteria, mark the column that indicates the appropriate score <input type="checkbox"/> For financials (e.g. PPI, also write in the actual amount) <input type="checkbox"/> For the cost benefit ratio, you are likely to be comparing a one-year cost with a multi-year flow of benefit. In order to bring costs and revenues that occur at different points in time onto the same basis, a discount rate is applied to reflect the rate at which costs and benefits occurring in the future are discounted compared with those occurring today. The appropriate discount rate varies in different contexts, but is normally in the range of 5%–10% and applying this to the estimated cash-flow of the project produces a discounted cash-flow over year 1, year 2, year 3, etc. Summing these annual discounted cash-flow figures generates the Net Present Value of the project. Use Net Present Value at a 7% discount rate to put them into comparable form.				

To summarize, to analyse the long list by key criteria, in order to choose a short list of interventions for implementation, the steps are:

- Delete those options which cannot meet core selection criteria;
- Assess the rest by key criteria (do they rank low, medium or high?);
- Compare options to choose those most suited;
- Assess whether and how combinations of options can deliver more;
- Finalize the short list.

The objective is to end up with a short list of interventions that are most likely to work and, when they do, will have the biggest impact on poverty.

## 12.2. Consulting stakeholders for Step 8

The ideal situation is to be able to collect data and, together with stakeholders, develop the long list by the end of the first mission and agree the short listing eligibility and selection criteria. It is then useful to have a gap. This is a period to analyse the data thoroughly and assess the feasibility of the long list of



interventions. The second mission can then present the preliminary report, the process by which the long list of interventions have been prioritised in the shortlist, and focus on discussing the short listing. This usually includes a stakeholder workshop that a facilitator uses to produce a detailed implementation plan that reviews and agrees the roles and responsibilities of different actors. Normally a second mission will only need to be a few days because the primary objective is to allow decision-makers to input to the short listing process and gain ownership of the recommendations. A secondary benefit is also having another opportunity to collect any data, which is needed to make decisions on the short list – the need for which might not have been apparent during the first mission. It is rare, having analysed the data after the first mission, for a few additional interventions not to emerge from the process.

When presenting the results of a value chain analysis to decision-makers, it is important to recognise that they may not be interested in the details of the methodology and may have limited time. This is why researchers should aim to present their key results in as visually striking and succinct form as possible.

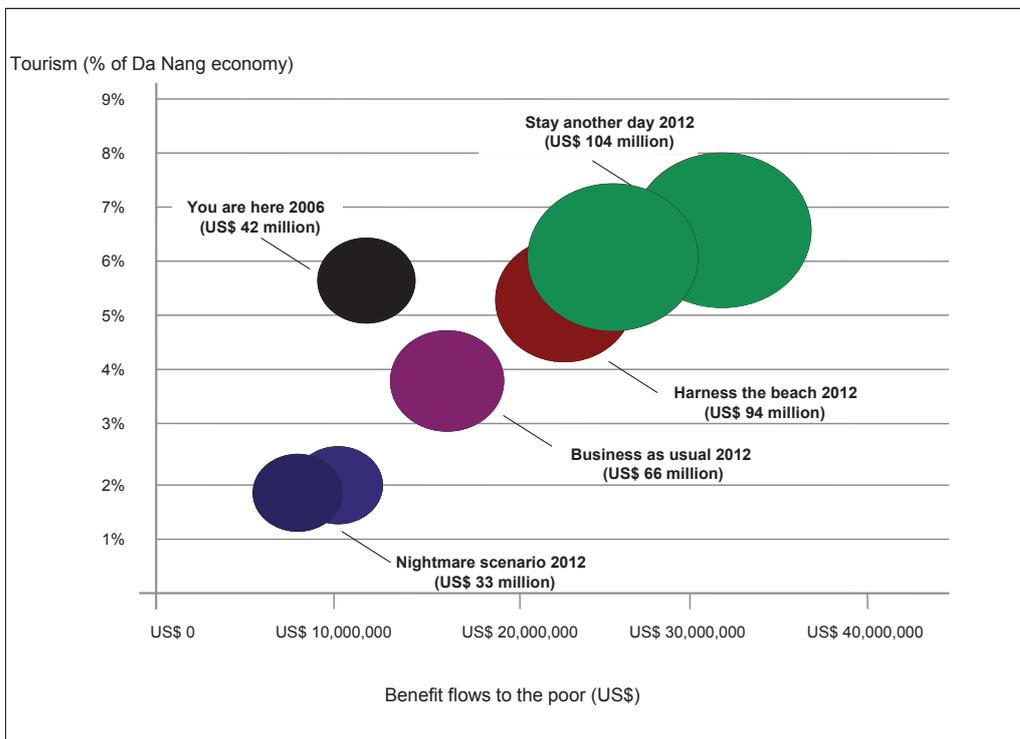
As an example of this, a value chain exercise in central Viet Nam, the analysis indicated that the 'traditional' package of pro-poor tourism interventions (i.e. increasing local linkages through craft sales and local sourcing of food) would have a limited impact on the poor. This is because local links were already well developed and there were significant obstacles to enhancing local procurement. The analysis indicated another set of much more significant factors which were not forefront in the minds of tourism stakeholders at the destination. First, that the destination was in decline relative to the rest of the Da Nang economy. Second that the cause of this was the decreasing share of lucrative foreign tourists. Third, that the main constraint on foreign tourists was the lack of accommodation on the beach compared with more business-orientated accommodation in the City centre.

### Workshop with hoteliers in Da Nang, central Viet Nam

To convey this range of choices confronting the decision-makers, we developed a graphic (figure 12), which illustrates:

- The urgent necessity to change the trend experienced over the past two years – leading to the 'nightmare scenario' where the contribution of tourism to the local economy actually falls in absolute terms.
- That even in the more optimistic scenario where tourism returns to its longer-term pattern of slow growth – 'business as usual' – this represents a steady decline relative to a local context where the non-tourism economy is growing at about 9% a year.
- That with the shadow circles on the most pessimistic and most optimistic scenario simply developing stronger local linkages will only have a marginal impact on either outcome.
- That the key strategic decision facing tourism in Da Nang is to implement the policy of developing the beach area to cater for the foreign and top-end domestic sector. This scenario not only doubles the contribution of tourism to the local economy but also doubles benefit flows to the poor.

**Figure 12. Bubble graph of benefit flows to the poor: ways of representing value chain intervention options**



Source: Mitchell, J. and Le, P. (2007).

Demonstrating these choices to local decision-makers was important because the main obstacle to developing the beach was a regulatory issue relating to issuing development permits to tourism investors in the beach area (where foreign investors were being allowed to sit on development permits with no intention of developing the land in anticipation of capital gains on their development rights).

When local decision-makers realized the impact of their failure to implement the time-bound conditions on development permits, they let the market know that development rights that were not implemented would be cancelled. Within a year some 5,000 top-end hotel rooms were under construction along the beach. This illustrates that sometimes a picture can have a much greater impact on decision-makers than the most elaborate spreadsheet.

### Phase 3. Development of a workplan

#### 13. Step 10: Developing a project idea

##### Why do we need a clear project idea?

After conducting a strategic analysis, the next logical step is to develop a suitable project idea. In doing so, different competing Inclusive Tourism strategies have to be assessed and balanced. What is needed here is to give a clear-cut and logical statement of the project set-up including a tentative budget and time frame.

##### 13.1. Formulating a project idea

When formulating the project idea, the focus should lie on identifying how tourism can contribute to reducing poverty in the selected community. The local attractions and tourism flows constitute the basis for an Inclusive Tourism project. The aim is to identify the missing links and requirements for the selected

community to benefit from existing tourism opportunities. These gaps should then be bridged with the activities conducted within the framework of an Inclusive Tourism project.

Empowerment of local communities in the process of developing market-oriented products and services is important and involving the poor in planning and management is fundamental to any Inclusive Tourism initiative. The actual impact will be a function of the interaction of a wide variety of factors and it should be remembered that it is difficult to separate the impact of Inclusive Tourism projects from development in general.

It is good to have an idea, which outputs are to be achieved by which means. Such an analysis is very helpful for explaining the use of the project in relation to the target group, region and country under consideration. It also helps to make one's intentions more explicit and transparent as well as to avoid hunting mutually exclusive objectives and strategies.

Usually, each problem has several solutions. Consequently, most of the planned objectives and impacts of an Inclusive Tourism project can be reached with different strategies. In order to use most efficiently the available resources, which are scarce by definition, it is important to examine alternatives as from the beginning and select the most suitable ones. An analysis of alternatives also makes it easier to adapt the project to changing circumstances in a flexible manner.

#### **Checklist: alternative solutions**

- How do alternative services, products, production processes, target tourism segments, market links, etc. translate into different strategies to benefit the respective poor community?
- What are the pros and cons of these strategies?
- What are the most important criteria upon which the selection of alternatives can be based?
- Prioritise the different strategies with the selected criteria!

The project idea can be formulated in your own words, but the underlying rationale has to be clear and convincing to the reader. One should ask which products or services can be linked with existing tourism offers, can the targeted poor community realistically produce them in a profitable manner and what is needed to ensure project viability and sustainability.

You can use the logical framework approach (a tool for consistent formulation, monitoring and evaluation of development projects) to formulate your project idea. Such a strategy formulation would include:

- Objectives;
- Outputs and immediate results;
- Activities in consecutive logical order;
- Project sustainability;
- Inputs, costing and pricing;
- Risk factors and assumptions;
- Budget and timing.

However, the application of the logical framework approach is not central at this stage. It can be used as a tool, but please keep in mind that when formulating the concrete project idea, the question of how tourism offers could help poor communities to reduce poverty and improve local livelihoods in a sustainable manner is of key importance.

It is already important at this stage that when thinking about objectives, outputs and activities of a project, useful indicators for impact measurement are taken into consideration. Without indicators, it is next to impossible to verify whether the implementation of a project is progressing well and, if completed, has been successful or not. Since indicators are most useful when comparing the status quo before, during and after the project, it is crucial to collect information about suitable indicators also from the beginning, i.e. while undertaking the opportunity study.

**Meaningful indicators**

**There are quantitative and qualitative indicators of project progress. These should be objectively verifiable**, meaning that they should be (1) measurable, (2) relevant, (3) specific, (4) attainable, and (5) traceable. It has proven helpful to provide hints on how the chosen indicators can be verified.

**13.2. Timing**

An Inclusive Tourism project usually takes about two to three years. During this period, most of the proposed changes should be implemented, people should be trained and new productive chains lead by communities should be running. After this period, communities are expected to market their products and services independently.

In order to estimate a time frame for full implementation of the project, the following factors should be considered:

- Training requirements and modalities;
- Logical sequence of proposed activities and inputs;
- Time lags/delay of promotional activities;
- Production cycles (esp. in agriculture) and tourism seasonability;
- Follow-up support, e.g. by the local government, NGOs or other TSIs.

Although the project activities are expected to live on beyond the pilot project, the time frame being considered here includes only the time of ITC’s support.

The overall time frame of the Inclusive Tourism project will be calculated by adding up the estimated duration of all foreseen project activities (plus some time for project planning and follow-up). The timing of activities can be depicted in a work plan being a calendar of expected results, activities, inputs required and responsible stakeholders.

**13.3. Budget**

Finally, the project has also to be financially feasible. Financial feasibility in the context of TPRP means mainly two different things: first, the (long-term) profitability of the proposed Inclusive Tourism operations performed by the poor. Only through financially profitable, market-led business the intended replication effects, outreach and sustainability of Inclusive Tourism can be achieved. Secondly, the project activities need start-up financing as long as the national supply capacity is not in place yet. This requires drafting a budget of project-related expenses, which have to be partly covered by national counterparts and partly by international donors.

**The financial project assessment covers two main aspects:**

1. Analysis of the financial viability (i.e. profitability) of the selected tourism related activities;
2. Identification of necessary investment and available financial resources for the project.

**Financial viability and profitability**

Banks and investors will generally expect to get their loans repaid, so the project has to generate a positive cash flow. Financial management should help to assess whether the project has a potential to generate (long-term) profit and is thus sustainable.

This implies that producers and service providers are organized in a way that ensures sustainable revenue to cover future operating costs, repay initial loans and build a capital stock for future investments. To ensure financial viability beyond the duration of the project, it is important to draw up a basic business plan determining the financial resources required and generated at each stage (like for every private sector business activity).

The following aspects might be considered in the projection:

- Avoid an unrealistically quick ramp-up of sales. Most projects experience a gradual increase in sales, even on a monthly basis. A sudden unexplained spike will stand-out and not look like an honest appraisal of your business.
- Include effects of seasonality and business cycles in all projections. For example, in the tourism industry, you would need to show the peak seasons.
- Do not fall into the common trap of underestimating cash flow needs. This can lead to under-capitalization, which means your funds will prove inadequate for meeting your obligations.
- Avoid large income or expense categories that are lumped together without backup information about the components.

#### **Additional financial resources for investment and working capital**

ITC is a UN agency specialized in technical assistance and as such does not provide the financial means that are needed to improve equipment or infrastructure. While ITC can fund some training and the required technical cooperation, it does not finance capital, which may be related to the actual implementation of the project. Therefore, there is a need to identify possible ways of financing the changes proposed by the pilot project.

Additional financial resources can be looked for with many different types of organizations. For example banks, NGOs and TSIs can provide micro credits. Micro credit is provided to help the local people to start up their own small business, e.g. to buy a stand to sell their fruits to tourists, or to enable the community to develop tourism information material. State-owned banks and development banks may offer small loans at preferential conditions. Institutions like the European Union or the World Bank can provide grants for the development of trade and industry in poor countries. However, the private sector must not be overlooked as a source of finance. Big tourism companies and tour operators might sponsor Inclusive Tourism projects by working with poor communities on a preferential basis, e.g. for the TPRP-Berimbau project in Bahia, Brazil, the Bank of Brazil worked at the micro level to extend loans to entrepreneurs that were too poor to qualify for traditional bank loans.

### **13.4. Sustainability and replication**

Since an Inclusive Tourism project is considered a success only when the development of the local communities continues after its completion, it is important to assess the growth potential for tourism related business when deciding on the project site. This can be measured by analysing the following points:

- **The attractiveness of the location**, not only in terms of its geographic site, but also in terms of available facilities;
- **The extent to which local people can anticipate major changes in tourism demand**, so that they know, for example, when new investments must be made in order to keep the location as an attractive tourism destination;
- **The extent to which local people are able to implement the required changes**, in order to generate a sustainable income stream; and
- **The financial resources** that can be raised and generated also in the long run.

The final objective of every Inclusive Tourism project is to achieve project sustainability and replication to other locations and other communities. Since it is a government that applied for an Inclusive Tourism project and has committed to replicate the approach in other locations, the government must learn from the project so as to facilitate replication and thus improve the livelihoods of other poor communities:

- **The government should be kept informed**, for example by regular reports or visits at the location.
- **The government should be kept involved**, for example by sponsoring part of the project, e.g. the opportunity study.

- **The project needs to be transparent.** All the results of an Inclusive Tourism project must be visible, so that other poor communities that replicate the project can be stimulated on the one hand and do not have to ‘re-invent the wheel’ on the other hand.

**Anticipated outputs: project idea**

- Draft a convincing project idea indicating expected outcomes, activities and inputs.
- Give a time frame for the project, if possible as a prioritised action plan.
- Show that the project is profitable through a cash flow projection and provide a tentative budget statement of necessary investments (with identification of possible sources of finance).

## 14. Step 11: Project programming

This Section is used to package proposed interventions that you have prioritised into bankable projects, in an attractive form, that can be assessed by potential financiers.

The ITC develops project proposals using a template including the following Sections:

Title Page	
<b>Export-led Poverty Reduction Programme:</b>	(Name of project)
<b>PROJECT DOCUMENT</b>	
<b>Country:</b>	(Country)
<b>Project title/No:</b>	(Name)
<b>Duration:</b>	(Number of months)
<b>Location:</b>	(Destination within country)
<b>Counterpart organizations:</b>	(List)
<b>Partners:</b>	(List)
<b>Executing agency:</b>	International Trade Centre (ITC)
<b>Budget estimate:</b>	US\$ (Number)
<b>Contribution of counterparts:</b>	(List)

### CONTENTS

This document should justify the research through presentation of current shape of the value chain and the critical issues relating to the production node and target group. It should clearly delineate activities to be undertaken in upgrading the value chain, actors and risks.

### INTRODUCTION

Brief outline of the organization and management of the assignment.

Inception Phase activities – validating upgrading strategies

#### A. Research intervention logic

Brief description of the overall objective of the intervention. Why is this research intervention an appropriate use of scarce funding to address the problems faced by the target group through upgrading their position in the value chain? Base this on table 8.

Table 1 is designed to be as intuitive as possible and to provide a link between critical problems, upgrading strategies and the actual intervention activities. Points to note are:

The two columns under 'upgrading strategies' allow researchers to both identify the broad category of upgrading strategy (i.e. functional / process / product upgrading) as well as offering a clearer description of the specific objective (i.e. organize sustainable production of jigat).

'Action points' is the term for identifying the pressure points or entry point for the intervention where change in the value chain can be stimulated.

'Outputs' are the direct result of the activities selected, the 'outcome' is what the output is trying to achieve. Indicators can be generated to monitor outputs, outcomes and broad impacts (such as poverty reduction and environmental sustainability that are measured at the level of the general objective).

Risks and assumptions are important because they highlight the potential pitfalls hiding between the columns on activities, outputs and outcomes.

## **B. Diagnostic study process research methods**

Outline the research methods used during the diagnostic study process and how this data was analysed?

## **C. Results of Value Chain Analysis**

Description and presentation of the value chain before implementing upgrading strategies and activities. This should be provided within the VCA, diagram and description. They should include the indicators that will track changes to the value chain that we are seeking to change during the research process.

## **D. Monitoring and evaluation indicators**

This Section should outline the baseline variables to be monitored throughout the research process. Refer to the TPRP Impact Measurement Tool which operates on Excel and SAS Graph applications

## **E. Description of stakeholder consultation**

As important as workshops are the detailed bilateral and focus group discussions that researchers will hold with key actors during the diagnostic study process. Workshops are not a particularly effective format for generating information from several important categories of actors (i.e. senior management of large private sector organizations or the poor), so a range of consultation approaches need to be adopted during the data collection phase.

## **F. Action points and actors**

Justify why a specific intervention is proposed as the most effective entry point to encourage progressive change to a specific part of the value chain. Why does the proposal advocate working jointly with the particular stakeholders chosen?

## **G. Validated and revised upgrading strategies**

Having undertaken the data collection and analysis and consultation during the data collection phase, how have the chosen upgrading strategies developed from the initial ideas in the long list of study interventions? This is really the key objective of the validation report.

## **H. Detailed work plan of project activities**

Work plan including a detailed schedule of activities, events (i.e. workshops), reports and other outputs.

### **I. Revised budget**

Summarized in the text with detailed tables in the standard format in Appendix IV.

### **J. Logframe**

Completing a logframe matrix for the proposed project, filling in the problem(s) and overall development objective(s) working down to the project objective, the planned results of the project, the activities needed to obtain these results and finally the inputs required to be able to perform these actions.

See Appendix V for guidance on completing a logframe, and developing objectives, indicators, means of measurement, and assumptions.

Note: For Guidance aim for maximum of 25 pages of main text.

**Table 8. Worked example**

General objective – Increase the economic benefits to poor rural women producers in Tripura, India from the incense (agarbatti) value chain within the context for a sustainable resource base. Target group- Poor rural women earning no income or less than US\$ 1 per day working in lowland Tripura.

Critical issues	Upgrading strategy	Action points	Activities	Outputs	Expected outcomes	Risks / Assumptions	Budget (US\$)
Unviable production of raw batti; low production volume of rolled batti	Functional upgrading; Production node upgrading; and Value chain upgrading	Enable increased production volumes of rolled batti to realize greater value and market share through horizontal and vertical contractualization.	<ul style="list-style-type: none"> <li>1. Train more women producers for rolled batti, who are new as well as who are presently involved in production of rolled/raw batti</li> <li>2. Develop a rural production and marketing network based on CECs</li> <li>3. Develop mobile phone communication network for greater production and marketing coordination</li> <li>4. Develop models for contractualization</li> </ul>	<ul style="list-style-type: none"> <li>1. 500 new women groups trained and skill development of 1000 existing women groups</li> <li>2. 5 new CECs set up in addition to existing 10 CECs</li> <li>3. 10 existing CECs production and marketing networked through mobile phones</li> <li>4. CECs legal status enhanced through contractualization</li> </ul>	<ul style="list-style-type: none"> <li>1. Increased and steady incomes for 1000 existing and 500 new women entrants (min. INR 50/day for full time work or pro-rata for part time) resulting in increased household income</li> <li>2. Doubling of total rolled batti produced over that produced presently by the 1000 women</li> </ul>	New women groups willing to join the chain; Skill development would lead to minimum 5kg rolled batti per women	60 000
Unsustainable use of inputs	Process upgrading and supply chain upgrading	Organize sustainable production of jiggat and charcoal inputs in the required quantities	<ul style="list-style-type: none"> <li>1. Develop a JFMC input supply chains; training on sustainable harvesting</li> <li>2. Develop a model for charcoal production units within JFMCs and household level</li> </ul>	<ul style="list-style-type: none"> <li>1. Sustainable resource management by two JFMCs input supply chains</li> <li>2. Two models for charcoal production</li> </ul>	<ul style="list-style-type: none"> <li>1. Increase in unit revenues leading to increased income for beneficiaries</li> <li>2. Sustainable production of inputs from forests with year-on-year increase</li> <li>3. Increase in home-charcoal and bamboo charcoal production</li> </ul>	JFMCs would be willing to join supply chain; Models of charcoal production would be financially viable	25 000

INCLUSIVE TOURISM: OPPORTUNITY STUDY GUIDELINES

Critical issues	Upgrading strategy		Action points	Activities	Outputs	Expected outcomes	Risks / Assumptions	Budget (US\$)
Poor quality of battis and unsafe production	Product upgrading and functional upgrading	Improve quality and standards of production (of inputs and final products) with linked quality masala production by target groups, to meet market demands while minimizing any negative impacts on human health	Producer groups; Technical support agencies	<ol style="list-style-type: none"> <li>Develop a model for production of standardized internode cylinders and bamboo stick polishing</li> <li>Community sensitization and awareness raising on safety and health issues</li> <li>Improve masala characteristics</li> <li>Centralize masala production for consistent quality</li> </ol>	<ol style="list-style-type: none"> <li>Standardized internode cylinders and polished bamboo stick produced</li> <li>Communities aware of health and safety standards related to the agarbatti sector</li> <li>Masala testing lab</li> <li>Quality masala made available</li> </ol>	<ol style="list-style-type: none"> <li>Increases in unit revenues leading to increased income for beneficiaries</li> <li>Fewer reports of ill-health related to charcoal powdering</li> </ol>	Centralized masala production would be viable activity at the proposed scale	32 500
Policy and regulatory constraints	VCC (Value Chain Coordination) upgrading	Creating favourable policy environment for the agarbatti sector in Tripura	Larger community groups, Government and other stakeholders	<ol style="list-style-type: none"> <li>Undertake policy research</li> <li>Conduct inception and final workshops for policy makers, private buyers and other key stakeholders</li> <li>Collect statistics data</li> <li>Undertake advocacy/awareness raising via Rich Media publications</li> </ol>	<ol style="list-style-type: none"> <li>Produce and disseminate policy briefs to key policy makers</li> <li>Two workshops</li> <li>Statistical data available on state agarbatti sector</li> <li>Heightened public awareness including that of the media</li> </ol>	<ol style="list-style-type: none"> <li>Clearly articulated and dedicated state policy for the agarbatti sector accompanied by strategic investment plan</li> <li>Greater state investment into the sector</li> <li>Increased numbers of bamboo stick producers and significantly greater number of new entrants into rolled batti production</li> </ol>	Key stakeholders like Government would be willing to support required policy change	19 900

## Appendix I. Logical Framework Approach (LFA)

The Logical Framework Approach (LFA) is a planning and reviewing method which helps determine required inputs and activities in order to reach a desired goal. At the same time, it provides an overview of the project that can be used for evaluating and identifying problems.

Begin completing the matrix, filling in the problem(s) and overall development objective(s) working down to the project objective, the planned results of the project, the activities needed to obtain these results and finally the inputs required to be able to perform these actions. An example of a LFA matrix can be found after the definitions of the terms.

The sample LFA Matrix draws on one developed for an Inclusive Tourism project in El Salvador.

### Defining the terms

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<b>Development objectives</b>	Long term objectives that want to be reached with the help of an Inclusive Tourism project. <i>Example: Improve living conditions of poor communities.</i>
<b>Project objective(s)</b>	Objective of the Inclusive Tourism project. <i>Example: Increase of target communities' income levels through the active participation in the tourism sector.</i>
<b>Results</b>	Goods and services received by the target group. <i>Example: Hotel staff trained to achieve an increase in their incomes and / or employment levels through improvement of their managerial skills and a better use of the sales channels linked to tourism.</i>
<b>Activities</b>	Activities that need to be done in order to achieve the planned results. <i>Example: Train people in sales and promotion techniques.</i>
<b>Inputs</b>	Resources needed to carry out planned activities. <i>Example: people, tools and materials to train the communities.</i>
<b>Intervention logic</b>	Intervention in the current situation that is needed to improve the livelihoods of the community.
<b>Indicators</b>	Measurable and verifiable indicators to be able to test the developments, results and activities. <i>Example: Family income levels; mortality indicators; education levels of children and adults.</i>
<b>Sources of verification</b>	Material that verifies the results. <i>Example: Community survey to be carried out at the beginning and at the end of the project with the help of our specific EPRP Impact Measurement Tool.</i>
<b>Assumptions</b>	General assumptions that are used throughout the planning of the project. <i>Example: Direct relation observed between the indicators and the project activities.</i>

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Example LFA matrix

	<b>Intervention logic</b>	<b>Indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
<b>Development objectives</b>	<i>Improve living conditions of poor communities</i>	<i>Family income levels; mortality indicators; education levels of children and adults</i>	<i>Home survey to be carried out at the beginning and at the end of the project</i>	<i>Direct relation observed between the indicators and the project activities</i>
<b>Project objectives (1)</b>	<i>Increase of target communities' income levels through the active participation in the tourism sector</i>	<i>Increase of at least 20% in at least 2 of the following areas: hotel's income, restaurants, guides, handicrafts, individual salaries</i>	<i>Accounts registers of the various establishments; interviews</i>	<i>It will be possible to ensure an equal distribution of the additional incomes gathered through the project</i>
<b>Project objectives (2)</b>	<i>Increase in the number of tourists and / or increase in the money spent by tourists that trickle down to poor communities</i>	<i>Increase of at least 20% in the number of tourists, in their trip's lengths, and / or in their average spending</i>	<i>Surveys and tourist registers; anecdotal evidence</i>	<i>Support from the formal sector and the local authorities</i>
<b>Results (2)</b>	<i>Development (and carrying out of short term elements) of a support plan for agro-tourism development</i>	<i>Creation of income from tourism activities</i>	<i>Project documentation; direct verification</i>	<i>Collaboration with relevant actors so as to formulate and carry out the project plan</i>
<b>Activities (1)</b>	<i>Train people in sales and promotion techniques</i>	<i>Written analysis of sales figures</i>		<i>People are literate and motivated</i>
<b>Activities (2)</b>	<i>Teach people how to diversify the local agricultural activities</i>	<i>A broader range of fruits and vegetables available at the local market</i>		<i>People are motivated to grow various crops</i>
<b>Inputs (1)</b>	<i>People, tools and materials to train the communities</i>			
<b>Inputs (2)</b>	<i>Seeds, drainage equipment</i>			

## Appendix II. Sample tourism survey

This example is based on a survey carried out in La Palma and San Ignacio, El Salvador, to analyse the existing tourism situation and the interests of visiting tourists who were primarily Salvadorian.

### La Palma – San Ignacio

**1. Where are you taking this survey?**

La Palma                      San Ignacio

**2. How are you travelling?**

Alone                      Family                      Group                      Couple

**3. If travelling with a family or group: how many persons are in your group?**

\_\_\_\_\_

**4. What is the profession of the head of the family or group?**

Student                      Employee                      NGO representative / diplomat  
Farmer                      Merchant                      Free lance  
Retired                      CEO / general manager

**5. What is your home country or city?**

San Salvador                      Santa Ana                      Peru                      El Túnel  
Switzerland                      Chalatenango                      Canada                      United States  
Other, namely \_\_\_\_\_

**6. What is the last place you visited before coming to La Palma / San Ignacio?**

San Salvador                      Honduras                      Guatemala  
Other, namely \_\_\_\_\_

**7. What will be the next place you visit?**

San Salvador                      Honduras                      Guatemala  
Other, namely \_\_\_\_\_

**8. If you are in La Palma: did you go to San Ignacio during your trip?**

yes                                      no

**If you are in San Ignacio: did you go to La Palma during your trip?**

yes                                      no

**9. How did you travel to La Palma / San Ignacio?**

Public transportation                      Private transportation

**10. What is the reason of your visit?**

Buy crafts      Mountains      Political Family or friends      Business  
 climate / weather      Travelling

**11. Is this your first visit to La Palma / San Ignacio?**

yes      no

**12. If this is not your first visit, how often do you come to La Palma / San Ignacio?**

3-4 times per month      2 times per month      once a month  
 4-5 times per year      6-11 times per year      less

**13. How long do you stay in La Palma / San Ignacio?**

0 nights 1 night      2 nights 3 nights 4 nights to 1 week  
 2 weeks      3 weeks to one month      longer

**14. Where do you stay?**

Family or friends      Hotel      Camping      Hostel      Resort

**15. Where did you have lunch?**

Restaurant      Picnic      resort 'Entre Pinos'      Canteen  
 Family or friends       Had lunch before arrival

**16. Where did you find information about La Palma / San Ignacio?**

Family or friends      Press (newspaper, magazine, travel guide, etc.)  
 Word-of-mouth      Guides      International institutions  
 National institutions      At work Geographic knowledge

**An ideal trip to this area must consist of ...**

	Not important	Moderately important	Important	Very important	May not be missing
Warm weather					
Clean place					
Tourism information point available					
Animation for children					
Activities for youth, e.g. discotheque					
Security					
Wide offer of vegetables					
Wide offer of hotels in the medium to high range					
Wide offer of hotels in the moderate price range					
Restaurants with an international kitchen					
Restaurants with a regional kitchen					
Guided excursions					
Visit places where crafts are produced					
Good offer of tourist transportation means					
Places where crafts are sold					
Other, namely					

**17. Give a score from 0 to 10 that reflects your overall opinion of your travel today, with 0 being lowest and 10 being highest**

0      1      2      3      4      5      6      7      8      9      10

**18. What is your nationality?**

National              Formerly national, now international              International  
 Formerly international, now national

## Appendix III. SWOT analysis

This Appendix details the aspects of the Strength Weaknesses Opportunities and Threats (SWOT) brainstorming analysis method. When thinking of positive or negative aspects *everything* that comes to mind should be written including the most unlikely situations or most obvious skills. It is important that *all* dimensions be explored so as to provide the maximum information for the decision-making process.

**Strengths:** an internal asset e.g. knowledge, a traditional project, a skill or control over access to a natural or cultural heritage asset. Strengths should not be overstated. Poor producers are not in a position to invest money, time or other resources in projects that carry any significant risk.

**Weaknesses:** an internal deficit, which may undermine the initiative e.g. poor quality products, unreliable services, lack of knowledge of foreign languages appropriate to the market segments. An honest assessment of the weaknesses and the barriers, which need to be overcome, is essential.

**Opportunities:** external circumstances that favour sales of local products and services e.g. sufficient international tourists from market segments identified as predisposed to purchase the proposed goods and services. People in the established tourism industry in the area, and the opinions of those operators and guides who bring people to the area, are of particular importance; they can provide a very important reality check.

**Threats:** constraints or barriers to the successful local sale of goods and services e.g. insufficient time spent by international tourists in the area to permit their purchase of local services like guided visits or cultural experiences. One of the biggest threats is external intervention, which creates initiatives that are not sustainable once the initial funding is withdrawn. Those employed to initiate the project do not lose – the poor small producers do.

### Step 1

Draw a large matrix such as the one below. Label the upper left cell '**Strengths**', the upper right cell '**Weaknesses**', the lower left cell '**Opportunities**' and the lower right cell '**Threats**'. Besides, mark the upper half of the matrix as 'Internal Situation' and the lower half of the matrix as 'External Situation'

<b>Internal situation</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>
<b>External situation</b>	

**Step 2**

Write in all positive assets of the poor small producers and their products and services in the box marked '**Strengths**'. Examples might be that the fish is always fresh as it is caught and sold on the same day, and that 90% of the people in the communities are literate.

Internal situation	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <i>Always fresh fish</i></li> <li>• <i>90% of people are literate</i></li> </ul>	
Opportunities	Threats
External situation	

**Step 3**

Write in *all* negative aspects of the poor small producers and their products and services in the box marked '**Weaknesses**'. Examples can be that farmers lack the means to transport their vegetables to tourism facilities, or that women are not willing to leave their little children with someone else in order to go to work.

Internal situation	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <i>Always fresh fish</i></li> <li>• <i>90% of people are literate</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No means of transportation for farmers</i></li> <li>• <i>Unwillingness to leave children with someone else</i></li> </ul>
Opportunities	Threats
External situation	

**Step 4**

Write in *all* aspects of the environmental situation that benefit the poor communities and their products and services in the box marked '**Opportunities**'. Note that the environment includes nature, culture, government, international tourists, etc. Examples can be owners of tourism facilities that are looking for employees or that there is an old temple in the neighbourhood.

Internal situation	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <i>Always fresh fish</i></li> <li>• <i>90% of people are literate</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No means of transportation for farmers</i></li> <li>• <i>Unwillingness to leave children with somebody else</i></li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• <i>Tourism facilities need employees</i></li> <li>• <i>Old temple (tourist attraction)</i></li> </ul>	
External situation	

**Step 5**

Write in *all* aspects of the environmental situation that have a negative impact on the communities and their products and services in the box marked '**Threats**'. Note again that the environment includes nature, culture, institutions, the formal sector, etc. Examples can be regular floods, an aspect of the local culture that restricts women from performing work for payment, or implementation of non-sustainable projects.

Internal situation	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <i>Always fresh fish</i></li> <li>• <i>90% of people are literate</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No means of transportation for farmers</i></li> <li>• <i>Unwillingness to leave children with somebody else</i></li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• <i>Tourism facilities need employees</i></li> <li>• <i>Old temple (tourist attraction)</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Floods in September</i></li> <li>• <i>Culture discourages women from earning wages</i></li> <li>• <i>Non-sustainable projects</i></li> </ul>
External situation	

**Step 6**

The matrix now provides an overview of the strengths, weaknesses, opportunities and threats of the location and the local poor communities. Analysing this matrix provides an insight in the products and services that could be sold, what training is needed, and potential barriers to the implementation of an Inclusive Tourism project.

Internal situation	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <i>Always fresh fish</i></li> <li>• <i>90% of people are literate</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No means of transportation for farmers</i></li> <li>• <i>Unwillingness to leave children with somebody else</i></li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• <i>Tourism facilities need employees</i></li> <li>• <i>Old temple (tourist attraction)</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Floods in September</i></li> <li>• <i>Culture discourages women from earning wages</i></li> <li>• <i>Non-sustainable projects</i></li> </ul>
External situation	
<p><b>Analysis:</b></p> <ul style="list-style-type: none"> <li>• <i>Fresh fish can easily be sold to tourists and tourism facilities.</i></li> <li>• <i>People can find employment in tourism facilities.</i></li> <li>• <i>Training can be provided by employers.</i></li> <li>• <i>Create excursion of half a day to old temple: train guide:</i> <ul style="list-style-type: none"> <li>• <i>Languages.</i></li> <li>• <i>Story of the temple.</i></li> </ul> </li> </ul>	

### Step 7

For a clearer overview, the SWOT analysis may be presented by using the following indicators: economic, social, environmental, financial and market as laid out in the table below. When the table is complete the evaluator is able to draw conclusions and make recommendations for the Inclusive Tourism project.

### SWOT framework

	Internal situation		External context	
	Strengths	Weaknesses	Opportunities	Threats
<b>Economic</b>				
<b>Social</b>				
<b>Environmental</b>				
<b>Financial</b>				
<b>Market</b>				

## Appendix IV. Format for budget tables

Estimates for inputs required for the planning and implementation of the programme are provided below in Table A1.

**Table A1: Budget framework**

Item	Quantity	Price (US\$)	Total (US\$)
<b>Human resources (XX months)</b>	<b>Months</b>		
<b>Permanent</b> (suggested examples)			
Coordinator			
Monitoring and evaluation			
Secretary			
<b>Temporary</b> (suggested examples)			
Local legal contract specialist			
Local specialists (i.e. training, tourism, small business)			
Field assistants (for surveys)			
Data entry assistant (for surveys)			
Local marketing and promotion specialist			
Technical auditor			
International expert days			
<b>Sub total 1</b>			
<b>1. Travel (XX months)</b>			
Vehicle / car hire			
Fuel			
Flights (international and domestic)			
<b>Sub total 2</b>			
<b>2. Equipment and supplies</b>			
Laptop computers			
Fax and phone			
Printer			
Photocopier			
Maintenance of vehicle /equipment			
<b>Sub total 3</b>			
<b>3. Local office/Project costs</b>			
Office rental in (location)			
Furniture			

Item	Quantity	Price (US\$)	Total (US\$)
Insurance (vehicle, equipment)			
Water and electricity			
Fax and phone			
Stationary			
<b>Sub total 4</b>			
<b>4. Other costs, services</b>			
Steering committee meetings (participants, honorariums/teas)			
Local stakeholder planning			
Participatory planning meetings with producer associations			
Development of project infrastructure			
Training workshops			
<b>Sub total 5</b>			
<b>5. Other related costs</b>			
Promotion and marketing			
Dissemination activities			
<b>Sub total 6</b>			
<b>Totals</b>		<b>Price (US\$)</b>	<b>Total (US\$)</b>
<b>Total (Sum 1 to 6)</b>			
<b>6. Contingency (5% of total)</b>			
<b>Full total</b>			

**Notes on the budget:** Describe financial and in-kind contributions from project partner.

## Appendix V. Format and guidance for logframe

The Logical Framework Approach (LFA) is a planning and reviewing method which helps determine required inputs and activities in order to reach a desired goal. At the same time, it provides an overview of the project that can be used for evaluating and identifying problems.

**Table B1. Defining terms used in logical framework approaches**

Term	Description and example
<b>Development objectives</b>	Long term objectives that want to be reached with the help of a project Example: Improve living conditions of poor communities
<b>Project objective(s)</b>	Objective of the project Example: Increase of target communities' income levels through active participation in the tourism sector
<b>Results (or outputs)</b>	Goods and services received by the target group Example: Hotel staff trained to achieve an increase in their incomes and / or employment levels through improvement of their managerial skills and a better use of the sales channels linked to tourism
<b>Activities</b>	Activities that need to be done in order to achieve the planned results Example: Train people in sales and promotion techniques
<b>Inputs</b>	Resources needed to carry out planned activities Example: people, tools and materials to train the communities
<b>Intervention logic</b>	Intervention in the current situation that is needed to improve the livelihoods of the community
<b>Measurable Indicators</b>	Measurable indicators and verifiable indicators to be able to test the developments, results and activities Example: Family income levels, mortality indicators, education levels of children and adults
<b>Means of verification</b>	Material that verifies the results Example: Community survey to be carried out at the beginning and at the end of the project with the help of our specific TPRP Impact Measurement Tool
<b>Assumptions</b>	General assumptions that are used throughout the planning of the project Example: Direct relation observed between the indicators and the project activities

The sample LFA Matrix on the next page draws on one developed for an ITC project in El Salvador. Use the same framework to develop a logframe for the proposed project.

**Table B2. Example of a log frame analysis matrix**

	<b>Intervention logic</b>	<b>Measurable Indicators</b>	<b>Means of verification</b>	<b>Important Assumptions</b>
<b>Development objectives</b>	Improve living conditions of poor communities	Family income levels, mortality indicators, education levels of children and adults	Home survey to be carried out at the beginning and at the end of the project	Direct relation observed between the indicators and the project activities
<b>Project objectives 1</b>	Increase of target communities' income levels through the active participation in the tourism sector	Increase of at least 20% in at least two of the following areas: hotel income, restaurants, guides, handicrafts, individual salaries	Accounts registers of the various establishments, interviews	It will be possible to ensure an equal distribution of the additional incomes gathered through the project
<b>Project objectives 2</b>	Increase in the number of tourists and / or increase in the money spent by tourists that trickle down to poor communities	Increase of at least 20% in the number of tourists, in their trip lengths, and / or in their average spending	Surveys and tourist registers, anecdotal evidence	Support from the formal sector and the local authorities
<b>Results 1</b>				
<b>Results 2</b>	Development (and carrying out of short-term elements) of a support plan for agro-tourism development	Creation of income from tourism activities	Project documentation, direct verification	Collaboration with relevant actors so as to formulate and carry out the project plan
<b>Activities 1</b>	Train people in sales and promotion techniques	Written analysis of sales figures	Sales ledger	People are literate and motivated
Activity 1.1				
Activity 1.2				
<b>Activities 2</b>	Teach people how to diversify the local agricultural activities	A broader range of fruit and vegetables available at the local market	Survey of market	People are motivated to grow various crops
Activity 2.1				
Activity 2.2				
<b>Inputs 1</b>	People, tools and materials to train the communities			
<b>Inputs 2</b>	Seeds, drainage equipment			

## Appendix VI. Reference material

### A. TPRP tools\*

Title	Year
<b>Tourism-led Poverty Reduction Training Modules</b> <ul style="list-style-type: none"> <li>○ The core – Recipes for Inclusive Tourism success in TPRP</li> <li>○ Agricultural Training module</li> <li>○ Artistic-Cultural Training module</li> <li>○ Hospitality Management Training module</li> </ul>	2009
<b>Impact Measurement Tool and Manual</b> <ul style="list-style-type: none"> <li>○ Poverty diagnosis questionnaire</li> <li>○ Impact measurement tool (based on MS Excel)</li> <li>○ User manual for the impact measurement tool</li> </ul>	2005
<b>EPRP Training Tool Kit</b> <ul style="list-style-type: none"> <li>○ An integrated training manual for trade support networks, communities and producers</li> </ul>	2003

The EPRP team can provide you with information on the tools. In case you want to obtain the tools or if you have any questions related to them, please contact the EPRP team at [eprp@intracen.org](mailto:eprp@intracen.org).

### B. External references

Title	Author	Organization/Publisher	Year
AUSGuide – Managing projects through the activity cycle	Australian Government Overseas Aid (AusAID)	<a href="http://www.ausaid.gov.au/ausguide/contents.cfm">www.ausaid.gov.au/ausguide/contents.cfm</a>	2000
Design, monitoring and evaluation of technical co-operation programmes and projects: a manual	ILO Evaluation Unit	International Labour Organization, Geneva	1996
Financial Management for Development: accounting and finance for the non-specialist in development organizations	John Cammack	INTRAC ( <a href="http://www.intrac.org/publications.php">www.intrac.org/publications.php</a> )	1999
Management of Organizational Behaviour	Paul Hersley and Kenneth Blanchard	Prentice-Hall	1993
Managing on-site project implementation	GTZ Germany	<a href="http://www.gtz.de/english">www.gtz.de/english</a>	1989
Methods for active participation: experiences in rural development from East and Central Africa	Terry D. Bergdall	Oxford University Press	1994
People's participation in development projects	Peter Oakley	INTRAC ( <a href="http://www.intrac.org">www.intrac.org</a> )	1995
Strategic Intervention for Development Managers, Environmental Development. Process Vol. II	Eduardo A. Morató Jr.	Asian Institute of Management	1993
The Challenge of Sustainability	Ranjit Kumar et al.	Foundation for International Training	1993

**C. Related websites**

<b>Organization</b>	<b>URL</b>
Danida, Denmark	<a href="http://www.um.dk/en/menu/DevelopmentPolicy">www.um.dk/en/menu/DevelopmentPolicy</a>
DFID, United Kingdom	<a href="http://www.dfid.gov.uk">www.dfid.gov.uk</a>
EuropeAid (European Commission)	<a href="http://www.europa.eu.int/comm/europeaid">www.europa.eu.int/comm/europeaid</a>
European Centre for Development Policy	<a href="http://www.ecdpm.org">www.ecdpm.org</a>
FAO	<a href="http://www.fao.org">www.fao.org</a>
GTZ, Germany	<a href="http://www.gtz.de/english">www.gtz.de/english</a>
Harvard University	<a href="http://www.ksgcase.harvard.edu">www.ksgcase.harvard.edu</a>
IFAD	<a href="http://www.ifad.org">www.ifad.org</a>
INTRAC UK	<a href="http://www.intrac.org">www.intrac.org</a>
OECD	<a href="http://www.oecd.org/dac">www.oecd.org/dac</a>
SECO, Switzerland	<a href="http://www.seco-cooperation.ch">www.seco-cooperation.ch</a>
Sida, Sweden	<a href="http://www.sida.se/Sida/jsp/polopoly.jsp?d=107">www.sida.se/Sida/jsp/polopoly.jsp?d=107</a>
SNV, The Netherlands	<a href="http://www.snvworld.org">www.snvworld.org</a>
UN	<a href="http://www.un.org/millenniumgoals">www.un.org/millenniumgoals</a>
UNCTAD	<a href="http://www.unctad.org">www.unctad.org</a>
UNDP	<a href="http://www.undp.org">www.undp.org</a>
USAID	<a href="http://www.usaid.gov">www.usaid.gov</a>
World bank	<a href="http://www.worldbank.org">www.worldbank.org</a>
World Trade Organization (WTO)	<a href="http://www.wto.org">www.wto.org</a>
World Tourism Organization	<a href="http://www.world-tourism.org">www.world-tourism.org</a>

## Appendix VII. Other tools and guidelines

<p>ODI pro-poor value chain assessments</p>	<p>Mapping the tourism economy, across sectors, participants, by gender participation, and by revenue flow.  <a href="http://www.odi.org.uk/tourism/resources/longerpapers/0709-da-nang-report.pdf">http://www.odi.org.uk/tourism/resources/longerpapers/0709-da-nang-report.pdf</a>  <a href="http://www.odi.org.uk/tourism/resources/longerpapers/0806-ppt-rwanda.pdf">http://www.odi.org.uk/tourism/resources/longerpapers/0806-ppt-rwanda.pdf</a>  <a href="http://www.odi.org.uk/tourism/resources/longerpapers/0705-development-southern-afica.pdf">http://www.odi.org.uk/tourism/resources/longerpapers/0705-development-southern-afica.pdf</a></p>
<p>SNV ODI hotel questionnaires and analysis template</p>	<p>Questionnaire and excel outline designed for value chain analysis of revenue flows to the poor from hotels</p>
<p>Value Links Manual (Gtz)</p>	<p>Value Chain Analysis manual (generic, but rigorous, technical guidance)  <a href="http://www.value-links.de/manual/distributor.html">http://www.value-links.de/manual/distributor.html</a></p>
<p>Spier Value Chain analysis tools</p>	<p>A tool for a company to assess its own supplier performance against key criteria. Adapt for non-South Africa application.</p>
<p>Tourism Assessment Process (Conservation International / George Washington University)</p>	<ul style="list-style-type: none"> <li>- Stakeholder analysis</li> <li>- Attractions inventory (natural, cultural, historical and heritage, recreation)</li> <li>- Infrastructure and services (transport, access, public services)</li> <li>- Market Demand Analysis (visitor survey questionnaires and how to interpret results)</li> <li>- Supply and competitiveness (survey tools for accommodation, tour operators, crafts and arts, etc.)</li> <li>- Socio-economic, cultural and natural resource use tools (community mapping tools, focus group guidelines, resident survey tool, how to analyse and interpret results)</li> <li>- Environmental and biodiversity footprint (understanding impacts, guidelines for assessment, matrix)</li> <li>- Cost benefit analysis (worksheets for CBA, measuring un-measurable costs/benefits, evaluation)</li> </ul> <p>Accessible from:  <a href="http://www.gwutourism.org/images_comm/TAPmanual_2meg.pdf">www.gwutourism.org/images_comm/TAPmanual_2meg.pdf</a></p>
<p>Indicators of Sustainable Development of Tourism Destinations (UNWTO)</p>	<p>Includes:</p> <ul style="list-style-type: none"> <li>- Local resident questionnaire</li> <li>- Tourist questionnaire (exit survey).</li> </ul> <p>Accessible from:  <a href="http://pub.unwto.org/epages/Store.sf?ObjectPath=/Shops/Infoshop/Products/1369/SubProducts/1369-1">http://pub.unwto.org/epages/Store.sf?ObjectPath=/Shops/Infoshop/Products/1369/SubProducts/1369-1</a></p>

<p>Guidelines for community based ecotourism assessment (WWF)</p>	<p>Includes general information and flow diagram on planning, developing tourism and strengthening benefits</p> <p>Accessible from:  <a href="http://assets.panda.org/downloads/guidelinesen.pdf">assets.panda.org/downloads/guidelinesen.pdf</a></p>
<p>How to? Toolkit (PPT partnership)</p>	<p>Flow charts and checklists for private sector action on inclusive business.</p> <p>Accessible from:  <a href="http://www.propoortourism.org.uk/howto.htm">http://www.propoortourism.org.uk/howto.htm</a></p>



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