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Institute

Presentation 1



International Trade Centre
UNCTAD / WTO

Introduction: Pro-poor Tourism and a Value Chain Analysis and Development Framework



The team

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Workshop scope

- Understanding tourism and development, and the value chain approach to programming: why engage with tourism via value chain analysis and development?
- Understanding how tourism value chains work, and how they interact with the poor;
- Planning and carrying out an assessment and interpreting the results
- Deciding where and how to intervene



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Workshop structure



Monday morning, Session 1: Introduction to tourism and the value chain approach: why engage with tourism using value chain analysis and development?

Monday afternoon, Sessions 2 & 3: Scoping mission preparation and value chain mapping

Tuesday morning, Session 4: The poor and value chains

Tuesday afternoon, Session 5: Fieldwork and data analysis methodologies

Wednesday morning: Sessions 5 & 6: Tracking revenue and pro-poor impact, and analysis of leverage points

Wednesday afternoon, Session 7: Constructing a long list of possible value chain interventions

Thursday morning, Session 8: Prioritisation: turning the long list into a short list

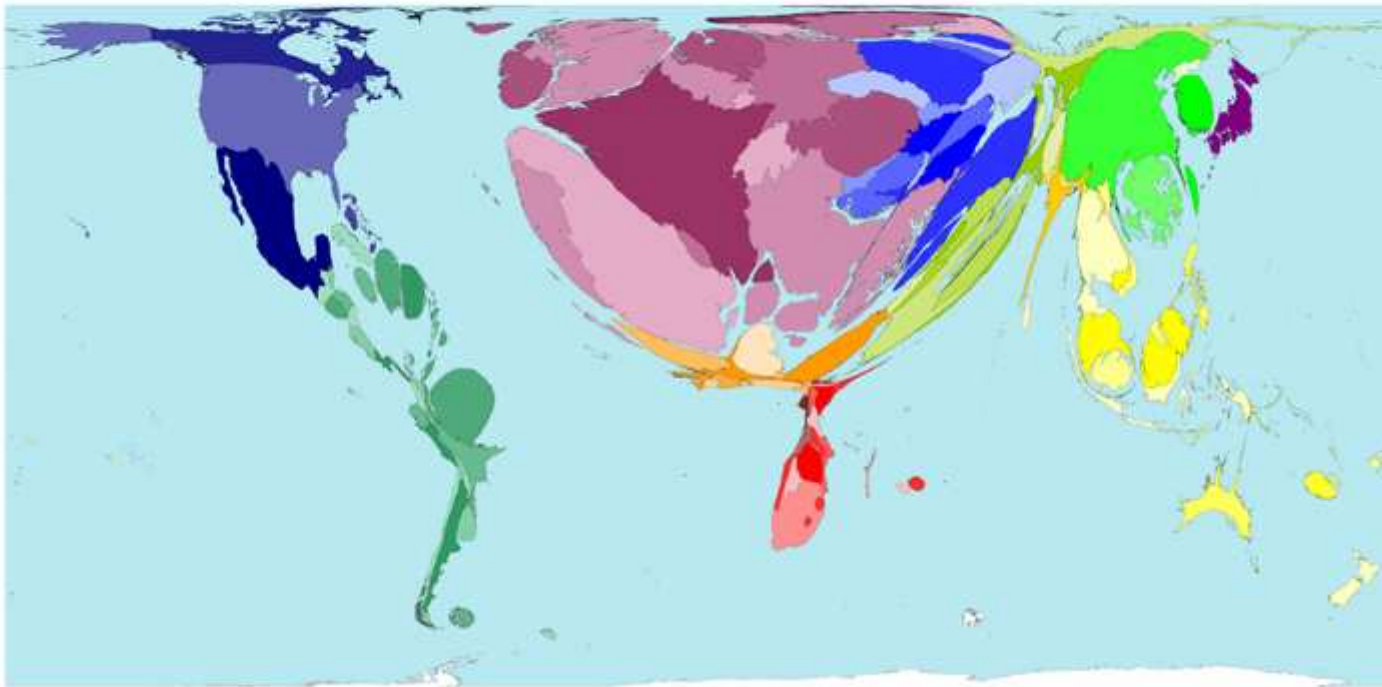


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Why should development practitioners be interested in tourism?

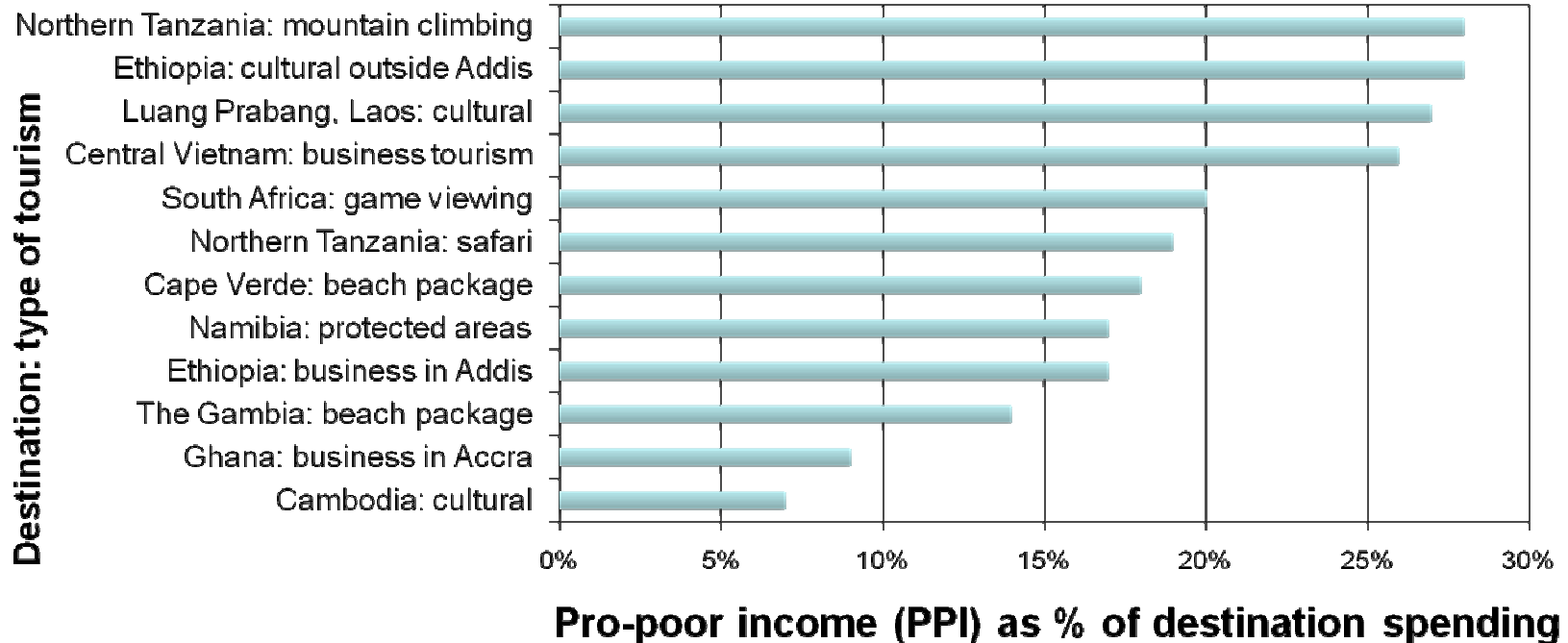
1. It is a large industry that is growing relatively fast;
2. Two-thirds of international tourists have an OECD destination but one-third arrive in a developing country;

Tourist destinations (territory size based on number of international tourist trips)



Why should development practitioners be interested in tourism (2)?

3. There is increasing evidence that tourism **can** be an effective mechanism to transfer resources from international tourists to poor people around destinations (export equivalent, but direct revenue flows to local poor);
4. Wherever you are on the scale of local linkages, deliberate interventions can increase the pro-poor impact of tourism





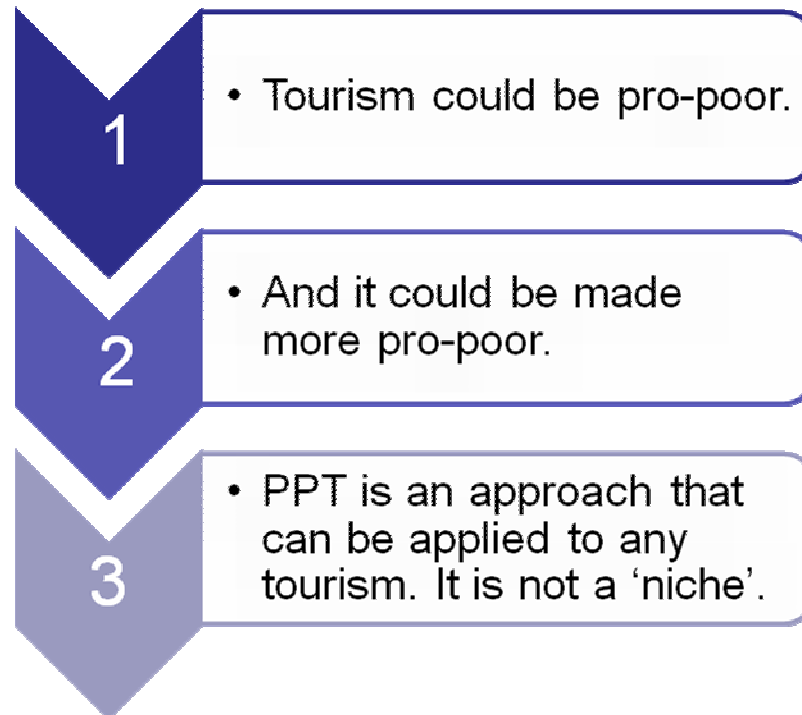
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1999, pro-poor tourism was put on the agenda

**‘Pro-poor tourism’ (PPT) = tourism that generates
net benefits for the poor**

- In response to MDGs: putting poverty at the heart of the tourism agenda.
- Target: tourism planners and development practitioners.





What is a value chain?

Definition

‘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.’

Source: Kaplinsky & Morris 2004



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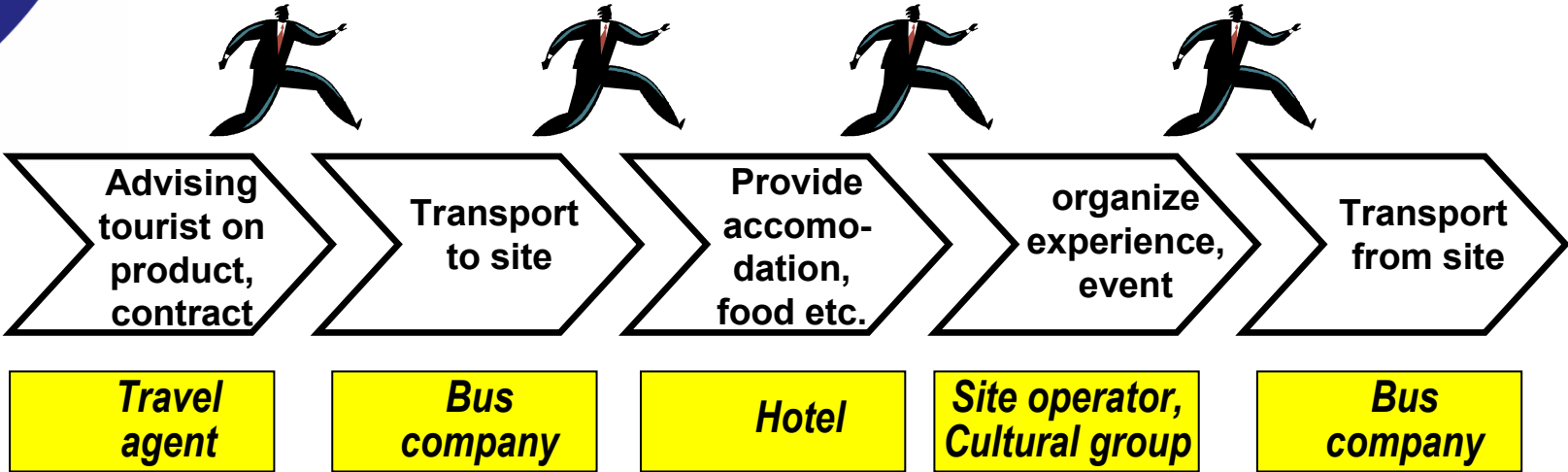


What is a value chain? (2)

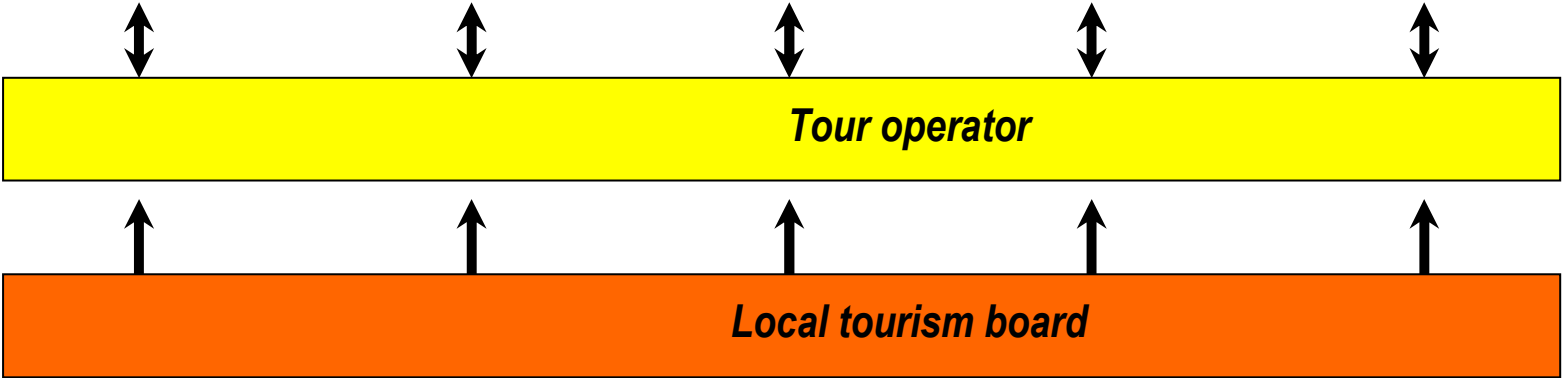
Value chain mapping as a participatory exercise

- Good way of organising a chaotic reality;
- Means something to *real* people in tourist sector;
- Gives us the tools to engage with *real* tourist destinations;
- Useful institutional model (governance & power relations);
- Enables comparisons with different products (fair trade coffee anyone?); and
- Useful economic model for development practitioners (to illustrate opportunities to make pro-poor interventions).

What is a value chain? (3)

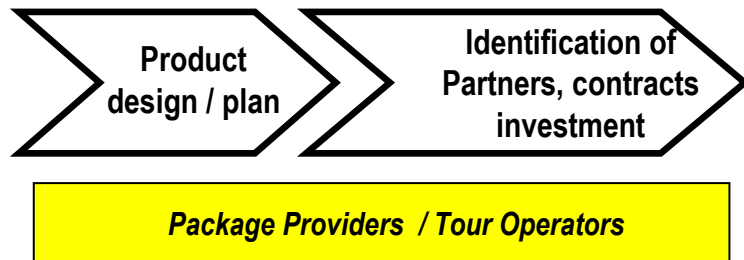


Coordination of services:

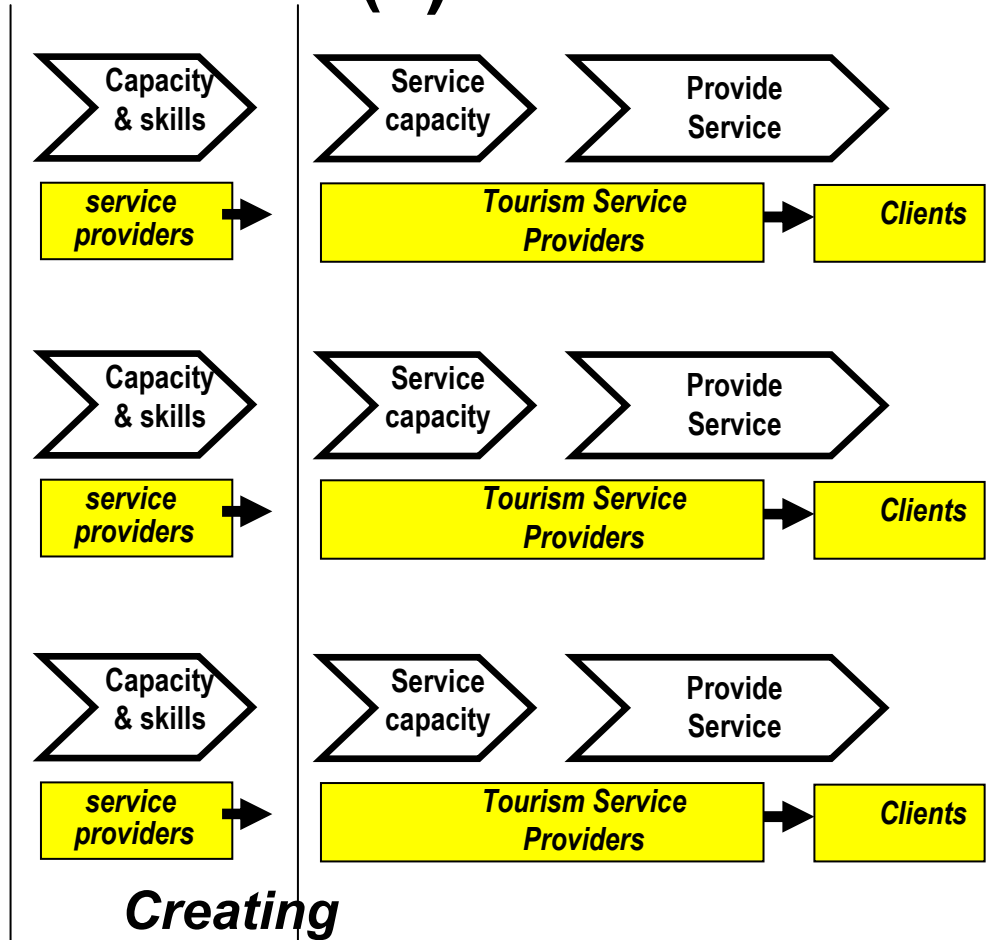


Source: GTZ

What is a value chain? (4)



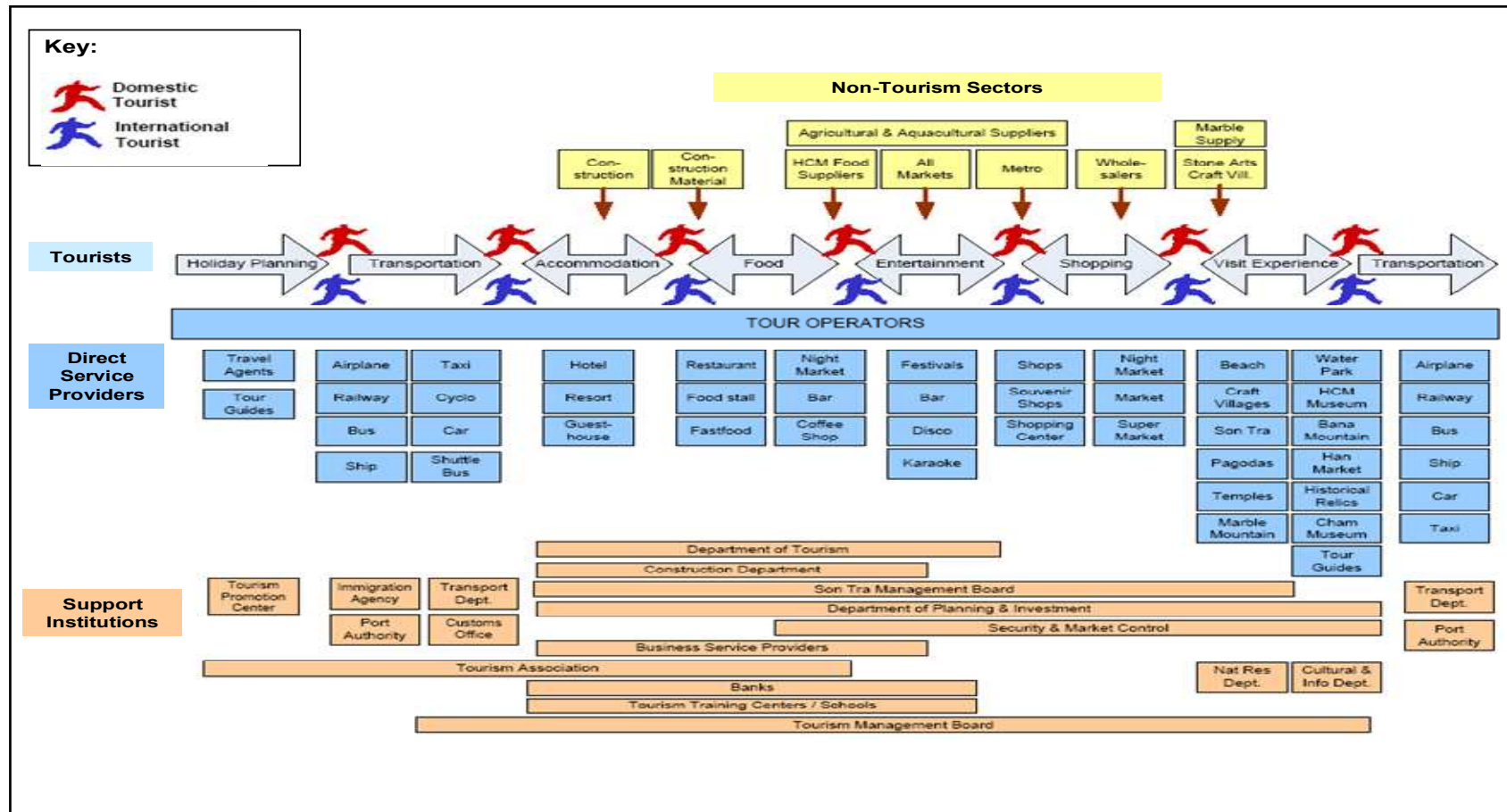
Product development



Creating Service Individual tourism capacity service provision

What is a value chain? (6)

Getting a bit more organised





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What is a value chain? (7)

The important parts...

- The tourist;
- Different nodes (accommodation, excursions, etc);
- Direct service providers (tour operators, taxis, etc);
- Supply chains & related industries (food, craft, etc); and
- Supporting institutions.

The nine steps of value chain analysis

Phase	Step	What to do?	Why?
Phase 1: Diagnosis	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 organise a chaotic reality, understand the overall system
	Step 3	Map where the poor participate	To avoid erroneous assumptions about poor actors To take account of the less visible suppliers
	Step 4	Conduct fieldwork interviews in each node of the chain, with tourists and service providers	To provide data and insights for Steps 5 to 8
	Step 5	Track revenue flows and pro-poor income 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 how assess how returns can be increased
Phase 2: Opportunities	Step 6	Identify <i>where</i> 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 focus Steps 6 to 8 down to specific areas
	Step 7	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 8	Prioritise projects on the basis of their impact and feasibility	To generate a project shortlist, comprising projects most likely to deliver impact
Phase 3: Planning	Step 9	Project planning	How to package selected projects for funders