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## Presentation 8



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# Step 6 : Analyse Where in the Value Chain to Intervene

# Step 6

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



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## Identifying where to intervene in the chain

**6a: Based upon steps 1-5, decide roughly where to focus: a ‘pressure point’, an upgrading strategy, a target group, a strand of the chain**

Use **common sense**,  
**a few principles** and  
analysis of **trade-offs**  
to identify **priority pressure (leverage) points**



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## Identifying where to intervene in the chain (2)

### Options include parts of the value chain where:

- *Financial flows are already fairly pro-poor (in % terms) but could be expanded? How? (Food and accommodation in ET)*
- *Financial flows to poor are already high (in \$ and number of poor). Is an increase in size or pro-poor share possible, even if by a small fraction?*
- *Financial flows are less pro-poor than 'normal'? Can this be changed? (Zanzibar mass tourism)*



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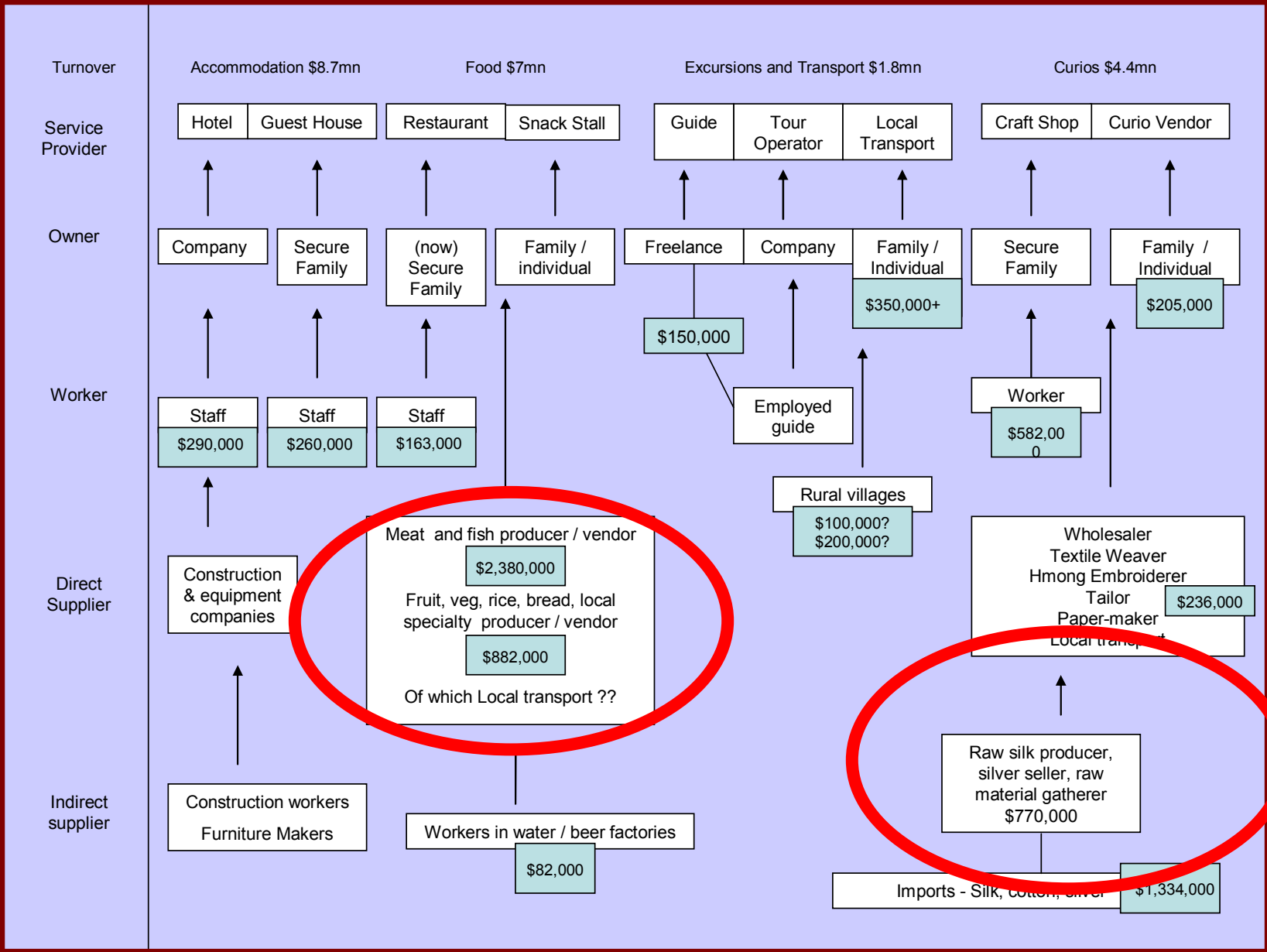


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## Options continued...

- *Blockages are preventing more poor people from joining at specific points. Are these areas for potential intervention? (Conferences in Accra)*
- *Blockages prevent specific current participants earning more. Are there ways they can expand their sales, boost their profits, or add higher value activities? (high transaction costs, inefficiencies, barriers to entry – all sectors/countries)*
- *New opportunities or trends in the current context that can be used to develop participation of the poor? (local sourcing of food)*

# 2 pressure points in Luang Prabang, Laos



# Think laterally – fish supply in Zanzibar

