Private Sector Engagement with LDCs for Tourism-led Growth and Inclusive Sustainable Development
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ABSTRACT FOR TRADE INFORMATION SERVICES

International Trade Centre (ITC)

World Export Development Forum 2011: Private Sector Engagement with LDCs for Tourism-led Growth and Inclusive Sustainable Development.

Proceedings of the 12th World Export Development Forum (WEDF), Istanbul, Turkey, 10-11 May 2011 focuses on private-sector engagement with LDCs, and the commitment of LDCs for sustainable tourism-led growth; presents summaries of discussions in plenary sessions and workshops which aimed at developing ITC-led projects in the following areas: Tourism as a Market Opportunity for the Developing World: Ugandan Handicrafts and Ethiopian Cultural Heritage; Integrating Horticulture in the Tourism Supply Chain; Engaging Women Vendors in the Tourism Value Chain; Impacting Human and Economic Development; Recovering Tourism after a Crisis.

Descriptors: Export Promotion, Tourism and Travel Services, Sustainable Development, Private Sector, Value Chain, Gender, Artisanal Products.

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FOREWORD – MS. PATRICIA FRANCIS

Many least developed countries (LDCs) are recognizing the potential which the tourism industry holds for their countries. The findings of 30 out of the-then 49 LDCs’ Diagnostic Trade Integration Studies (DTIS) identified the development of tourism as a feasible way to participate in the global economy and revealed great potential for the private and public sectors.

Tourism can be a driver in economic growth and poverty reduction, bringing in foreign exchange earnings and diversified employment opportunities. To further explore the opportunities, ITC and some of its United Nations (UN) partners came together to discuss how we could work with LDCs and the private sector towards developing inclusive sustainable tourism projects in keeping with the demand to pursue tourism as an economic opportunity. The UN Steering Committee on Tourism for Development (SCTD) was formed in 2010 and comprises the World Tourism Organization (UNWTO), the International Labour Organization (ILO), the International Trade Centre (ITC), the UN Conference on Trade and Development (UNCTAD), the UN Development Programme (UNDP), the UN Industrial Development Organization (UNIDO), the UN Educational, Scientific and Cultural Organization (UNESCO) and the World Trade Organization (WTO).

Following on the discussions of the SCTD, ITC chose to focus its flagship event, the World Export Development Forum (WEDF), on tourism development for LDCs within the framework of the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) in Istanbul. Linking WEDF with LDC-IV underlined ITC’s commitment to contributing to the international community’s and LDCs’ efforts to achieve sustainable development and reduce poverty.

Efforts to date to achieve the goal of sustainable development have had limited success and there is an urgent need to re-examine and reflect on what has worked and what has not. There is already broad agreement that one of the key elements of successful programmes and projects is the acceptance of ownership by developing countries, involving not only government but also civil society and the private sector. Public-private partnerships are essential to success.

The private sector’s role in promoting sustainable development was at the centre of the discussions at WEDF 2011. More than 160 global leaders in trade, development and tourism came together to examine the contribution to job creation and growth of the services sector, and the tourism sector in particular. The exchanges about topics such as implications of the policies and incentives for tourism development, innovative approaches of locally-owned tourism businesses, and projects currently being funded by international donors confirmed the broad range of opportunities in this sector.

Identifying viable opportunities for LDCs was the objective for ITC at the outset of planning for WEDF. ITC worked with multinational corporations in the tourism sector to learn about their views on the barriers and opportunities to investing in LDCs in Africa and the Asia-Pacific region. Many of these companies and country representatives interested in developing market-driven projects also participated in ITC’s pre-WEDF workshop in Nairobi. This meeting in Nairobi set the stage for project identification to be discussed at WEDF.

Our aim was for countries to walk away from WEDF with firm project ideas. Four workshops were held where project ideas were presented and further developed. The workshops covered: Inclusive cultural heritage product development for the enhancement of tourism in Ethiopia; Trade development for micro-artisans and artists in Uganda in the value chain of tourism; Integrating horticulture in the tourism supply chain; Engaging women vendors in the tourism value chain; and Recovering tourism after a crisis.
Following WEDF, and with the aim of engaging small and medium-sized enterprises (SMEs) in the tourism value chain, the projects are being further developed in-country and validated by local stakeholders. In leading this process, ITC remains committed to the involvement of the private sector, the importance of which was once again underlined by Pascal Lamy, Director General of the World Trade Organization, at the Third Global Review on Aid for Trade on 18-19 July 2011.

Joint endeavours allow all partners to focus on their individual strengths while working towards the same goal. ITC provides trade related technical assistance, and its key strategic objective is to increase the capacity of the private sector in least developed and developing countries to take advantage of the global trading system.

Building SMEs’ capacity for integration in the tourism value chain has the potential to lead to true economic transformation as tourism offers employment opportunities especially for women and youth, and backward linkages to the local economy. Turkey as host country to LDC-IV and WEDF could attest to the transformative capability of tourism, and it is with UN and private sector partners and LDCs that ITC will continue to work to achieve Export Impact for Good.

I take this opportunity to thank our WEDF supporting partner UNWTO for providing its expertise, the members of the SCTD for their ongoing commitment to tourism development, the Swiss State Secretariat for Economic Affairs (SECO) for its continued support of ITC’s work, and the Government of Turkey whose assistance and support to ITC in staging WEDF was invaluable.

Patricia Francis
Executive Director
International Trade Centre
ACKNOWLEDGEMENTS

We would like to thank the government of Turkey for their great hospitality and support for the staging of the World Export Development Forum 2011 at the Harbiye Cultural Centre in Istanbul from 10-11 May 2011.

We would also like to thank the State Secretariat for Economic Affairs of the Swiss Confederation (SECO) for its generous donations which allowed additional representatives from least developed countries (LDCs) to participate in WEDF, our media partner BBC World News, our supporting partner the World Tourism Organization (UNWTO), as well as all speakers and contributors to WEDF 2011.

This report was prepared under the overall direction of Jaquelyn Campo, Senior Officer, Corporate Communications, written by Nick Parsons and edited by Sibylle Neuhaus. Kristina Golubic prepared its design and layout.

USEFUL LINKS

WEDF 2011
www.intracen.org/wedf

Speaker and moderator profiles
http://www.intracen.org/policy/wedf/speakers-2011/

Press releases
http://www.intracen.org/policy/wedf/media-2011/

Partners

World Tourism Organization
http://www.unwto.org

State Secretariat for Economic Affairs (SECO)
Federal Department of Economic Affairs FDEA
Swiss Confederation
http://www.seco.admin.ch/

Media Partner

BBC World News
http://www.bbc.co.uk/news/world/

Other sources of relevant information

Trade Forum
www.tradeforum.org
Issue #2, 2011: Tourism and Least Developed Countries

ITC Women and Trade Programme

Ethical Fashion
http://www.intracen.org/exporters/ethical-fashion/
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<td>ACP</td>
<td>African, Caribbean and Pacific States</td>
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<tr>
<td>CBI</td>
<td>Centre for the Promotion of Imports from developing countries</td>
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<td>CCPIT</td>
<td>China Council for the Promotion of International Trade</td>
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<td>DTIS</td>
<td>Diagnostic trade integration study</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>EIF</td>
<td>Enhanced Integrated Framework</td>
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<td>EnACT</td>
<td>Enhancing Arab Capacity for Trade</td>
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<td>FDI</td>
<td>Foreign direct investment</td>
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<td>ICT</td>
<td>Information and communications technology</td>
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<td>ITC</td>
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<td>ILO</td>
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<td>LDCs</td>
<td>Least developed countries</td>
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<td>LLDCs</td>
<td>Land-locked developing countries</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MLS-SCM</td>
<td>Modular Learning System – Supply Chain Management</td>
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<td>NES</td>
<td>National export strategy</td>
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<td>NTM</td>
<td>Non-tariff measures</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PPP</td>
<td>Public-private partnership</td>
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<td>REC</td>
<td>Regional economic community</td>
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<td>SCTD</td>
<td>UN Steering Committee on Tourism for Development</td>
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<td>SECO</td>
<td>State Secretariat for Economic Affairs</td>
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<td>SIDS</td>
<td>Small island developing states</td>
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<td>SMEs</td>
<td>Small and medium-sized enterprises</td>
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<td>SSA</td>
<td>Sub-Saharan Africa</td>
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<td>T4SD</td>
<td>Trade for Sustainable Development</td>
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<td>TBT</td>
<td>Technical barriers to trade</td>
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<td>TFTA</td>
<td>Trade facilitation technical assistance</td>
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<td>Trade promotion organization</td>
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<td>Trade-related technical assistance</td>
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<td>Trade support institutions</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>WBE</td>
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In her opening address, Ms. Patricia Francis, Executive Director of ITC, said that despite a decade of global attention since LDC-III in Brussels in 2001, the state of the LDCs had undeniably worsened. From a trade point of view, the evidence produced in ITC’s 2010 report *Market Access, Transparency and Fairness in Global Trade*, showed that the 33 LDCs reviewed retained on average only 14 cents out of every US$ 100 of export earnings.

Ms. Francis said: ‘We know market access is necessary, but not sufficient, and while addressing macro issues may make it possible for LDC firms to be internationally competitive, it is a business’s specific capacity to produce marketable products that makes it actually happen. The private sector, particularly small and medium enterprises, will generate growth and create jobs, where competitive.’

The aim in holding WEDF in the framework of LDC-IV was to take advantage of the presence of so many private and public sector partners supporting the LDCs to explore, define and commit to work. ITC’s intention was to come out of the WEDF and
LDC-IV with a concrete plan of action for 2012 and beyond, working with LDCs and partners to achieve Export Impact for Good.

The plan of action focuses on four development projects in the tourism sector that were the subject of workshop discussions during the forum. They would then be further developed in-country and validated by local stakeholders with a view to producing bankable project documents and commitments from implementing partners.

The four projects cover:

- Inclusive tourism through protection and promotion of cultural heritage and handicrafts;
- Backward linkages for agriculture in the tourism supply chain;
- Engaging women vendors in the tourism value chain;
- Managing tourism after a crisis.

H.E. Mr. Ali Babaçan, Deputy Prime Minister of Turkey, told delegates that the importance of ITC was that it had a bottom-up approach, reflecting the expectations and concerns of people in LDCs. The organization focused on helping people to trade their way out of poverty, on SMEs, women and other small entrepreneurs.

He said the LDCs had suffered particularly from the crises of recent years, and that the food and energy crises had not been fully overcome. Building the productive capacities of the LDCs was a goal for the whole international community, and the services sector was playing an increasingly important role in this effort, with a growing contribution to economic growth and job creation. Among services, tourism had been identified as a potential major driver of growth, already representing the most important foreign currency earner for many of them. However, he noted that governments had tended to consider the tourism sector as marginal and the participation of the LDCs in global tourist growth was constrained by weak and underdeveloped supply capacities.

The Minister described the development of Turkey’s tourism industry over the past 30 years, noting that today twice as many people were employed in tourism as in manufacturing. Turkey was now the eighth most important tourist destination in the world, with nearly 29 million visitors annually. However, he cautioned of the importance of protecting the cultural and physical environment on which tourism depended. It was essential not to kill the goose that laid the golden eggs.

Dr. Supachai Panitchpakdi, Secretary-General, UNCTAD, reiterated the importance of tourism for development in the LDCs, with more than half of them depending on tourism as a major source of export earnings. He noted that in the three LDCs that have been in the process of graduating out of the category, Cape Verde, the Maldives and Samoa, tourism had made an important contribution to their graduation. There were ten more LDCs expected to graduate in the next decade, and in all of them tourism had been identified as one of the key factors helping them over the threshold.

Dr. Supachai said the last decade had been one of growth, but it had not had an impact on poverty. To ensure this would not continue, there was a need to transform the LDCs structurally, and one way to do this was to target capacity building. He explained how the ten UN agencies and five regional commissions working together in the Cluster for Trade and Productive Capacity were working to help reduce bureaucracy and red tape. In this area, the role of the private sector had been identified as particularly important: the State has an important role in developing policies, which could not be left to the market, but should focus on working with the private sector.
In concluding, Dr. Supachai made three key points:

1. It is important for the State to understand that tourism is about more than earning money, raising revenue and bringing in investment – that was missing the point. Tourism needed to be linked to the creative economy, engaging in multi-stakeholder dialogue at all times.

2. Tourism needed to be sustainable, involving local communities and benefiting the poor. There was an important issue of leakage – that is the level of profits being repatriated by foreign investors.

3. The importance of regional cooperation should not be overlooked: it was easier and cheaper for countries to work together. He noted that Asia had been very successful in mobilizing tourism on a regional basis.

Mr. Pascal Lamy, Director-General, WTO, said that the tourism sector had some interesting characteristics, from the WTO perspective. Not many markets could point to steady growth in the range of 5% to 7%, even though the LDC share was tiny, at around 1% of the global total. It was also a resilient market, as was demonstrated by the fact that the fall of LDC travel-related exports during the economic crisis was limited to 4%, much less than other sectors. Tourism was also a sector where access to the market was relatively easy, and it did not suffer from serious market-distorting subsidies.

However, Mr. Lamy warned that tourism is not a simple issue. It might have looked simple, like agriculture, but in fact it was very complex. Growing the tourism sector is a multifaceted issue with huge significance for the private sector and a major role for the public authorities in ensuring skills, knowledge, infrastructure and quality standards. It is important that each international agency should bring its own strengths to the effort to support tourism development in the LDCs. In the case of WTO, this involved two areas: its core business of rule-making, providing a predictable, stable playing field for businesses; and capacity building through the Aid for Trade initiative.

Mr. Ed Fuller. President and Managing Director, Marriott International Lodging, described Marriott’s social responsibility strategy in developing countries, which focused on providing shelter and food, protecting the environment, preparing local people for careers in the hotel business, ensuring the vitality of children and embracing global diversity and inclusion.

He outlined the way the company was seeking to address environmental challenges through innovative conservation initiatives. An example was an agreement signed by Marriott in 2008 with the State of Amazonas in Brazil and the Amazonas Sustainable Foundation, to protect 1.4 million acres of rainforest – the Juma Sustainable Development Reserve. The company had committed US$ 2 million to the project. Spending would include the development of an environmental management plan, funding of a school, provision of new emergency boats, mosquito netting, medical equipment, rainwater cisterns and solar panels for school electricity.

Another conservation programme had been launched in the Sichuan Province in China, which was hit by the earthquake in 2008, to support a vital water conservation programme. Marriott hotels had committed to reducing their water and energy use by 25% within ten years, Mr. Fuller said.

In response to a question, Mr. Fuller said Marriott had an advantage in investing in LDCs because of its multiple brands. Currently it was building in Rwanda and Ghana and seeking other LDC markets. On the question of maximizing linkages to local markets, he said Marriott had a policy to spend
a year before opening a hotel working with the markets, establishing standards with farmers and other vendors, and explaining its expectations. Because its policy is to recruit locally, Marriott also focuses on education and training, particularly in countries where there is no established hotel market.

Mr. Taleb Rifai, Secretary-General, UNWTO, said that a few years ago the voice of the organization was a lonely one. Tourism seemed to be of relevance only to those who could afford to dream. Yet now the WEDF was focusing on tourism for the first time, and the Director-General of WTO had emphasized its importance. Finally there was an acknowledgement that tourism had become a central global phenomenon. Against all the odds, people felt it was their human right to travel, creating jobs and income and improving the lives of communities. Tourism was joining with other non-traditional sectors such as sport and the arts in taking over from more traditional activities in terms of their impact on lives.

There was thus a need to pay more attention to these service sectors, and governments had a major responsibility to meet the needs of tourism and of host communities, while protecting the future. Governments needed to design appropriate policy frameworks and prevent unsustainable practices. The role of the private sector is also crucial, as is ensuring its socially responsible approach. It was not appropriate to build five star facilities in two star communities, to create islands of affluence in deprived communities. Respecting the environment and the surrounding socio-economic area is a particular challenge for the private sector, particularly small and medium-sized enterprises.

H.E. Ms. Victoire Ndikumana, Minister of Trade, Industry, Posts and Tourism, Burundi, said that international tourism was one of the most important industries for job creation and foreign currency earning in many countries. In Africa, it had shown positive growth despite the crisis. Economic integration was opening up possibilities for establishing various services, including tourism.

She said that in recent years, Burundi had stabilized and security was being established. Elections had been successfully held. Action was being taken to attract investment from the private sector, and tourism appeared to be a lever for economic growth and a driving engine for many other sectors too. Although tourism was still embryonic, it had clear potential and the Government was actively developing partnerships with the private sector, civil society organizations and international organizations.

The Minister stressed that while peace and political stability were prerequisites for any development, this was especially so in the case of tourism. Tourists would flee unstable regions, as the recent experience in North Africa had shown. LDCs should therefore make the consolidation of peace and political stability their number one priority; in turn tourism, as a driver of social and economic progress, would also become a driver of peace.

Ms. Ndikumana said that her country saw great potential in the development of tourism through regional integration, for example through introducing a single tourist visa for East African countries. She also noted the potential of tourism to develop marginalized areas of the country and help reduce the rural exodus to the cities and narrow the huge rural-urban gap.

H.E. Mr. Luzius Wasescha, Ambassador of the Permanent Mission of Switzerland to the WTO, representing SECO, said that Switzerland, being itself a famous tourist destination, was particularly keen to put sustainable tourism on the front-burner of discussions. Income from tourism accounted for roughly one third of the country’s total export earnings. This reflected some 36 million tourist nights in 2010 and showed the importance of tourism in the services industry.
The Ambassador said that while tourism could create positive effects for a whole region there were also risks associated. On the positive side, suppliers of all kinds of goods and services could benefit from increased demand. Jobs were created and migration patterns might improve by stopping people from leaving otherwise less-productive areas. But on the potential negative side, it was necessary to take into account environmental impacts as well as socio-economic dynamics that could be affected. Today’s tourism demanded more and more not only quantity but also better quality. Before deciding on a destination, travellers investigated a destination in terms of safety and security, observation of ethical and social standards and of environmental impacts.

He concluded: ‘Let me assure you of the continued interest and support of my Government in promoting sustainable tourism also together with our global partners. Our strategic orientation includes the strengthening of competitiveness and sustainability of touristic offers, the improvement of a conducive institutional framework and improving market access and touristic information.’

CONCLUSIONS

The discussions in the WEDF opening session highlighted a number of key issues:

• The critical importance of public-private partnerships;
• Tourism as an important driver for LDC growth;
• The importance of sustainability in tourism development;
• The important role of the State in the promotion and facilitation of tourism;
• The question of benefits to the host country and leakage of profits;
• The importance of governments thinking seriously about tourism;
• The challenge of working with SMEs and establishing an ethical framework for development;
• The need for political and social stability;
• The potential for injecting earnings into rural communities;
• The need for a dialogue mechanism between public and private sectors; and
• The need for human capacity development.
PRIVATE SECTOR ENGAGEMENT WITH LDCs AND LDCs’ COMMITMENT FOR SUSTAINABLE TOURISM-LED GROWTH

PANELLISTS

- **Mr. Kemal Fahir Genç**, Deputy Undersecretary, Ministry of Culture and Tourism, Turkey
- **Mr. Hasan Arat**, Vice President, Tourism Assembly of the Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- **Mr. Guy Johnson**, Secretary-General, Ministry of Handicrafts and Tourism, Benin
- **Mr. Hiran Cooray**, Chairman, Pacific Asia Travel Association (PATA) and Chairman, Jetwing, Sri Lanka
- **Mr. Ronald Hepburn**, Founder, Chamber Member and Managing Director, Etoile Partners, United Kingdom
- **Ms. Rosette Chantal Rugamba**, Founder and Managing Director, Songa Africa, Rwanda

MODERATOR

- **Ms. Valentine Sendanyoye Rugwabiza**, Deputy Director-General, WTO

The first plenary session focused on private-sector engagement with LDCs, and the commitment of LDCs for sustainable tourism-led growth.

**Mr. Kemal Fahir Genç**, Deputy Undersecretary, Ministry of Culture and Tourism, Turkey, said that considering that there were no more boundaries in today’s world, the tourism sector was the most integrated sector in every country. As a sector, it would steer and accelerate the process of globalization. He noted that UNWTO envisaged global growth to some 1.6 billion visitors and US$2 trillion in revenues. This was a clear indication that countries needed to develop their tourism sectors.

Mr. Genç described how Turkey had developed its tourism sector over the past 40 years. He said that in the first decade, the State did almost everything, from planning and implementation to hotel construction. After 1982 the emphasis shifted, with the private sector being encouraged to become more involved by the State, which concentrated on investments in infrastructure. State lands and forests were allocated to private sector investors on no-cost...
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49-year leases. In the third period, after 2003, the State delegated its role to the private sector, retaining mostly a monitoring function.

Mr. Genç said the Ministry attached particular importance to the quality and diversity of tourism. It carried out promotional and marketing activities and ensured the availability of a qualified workforce through the establishment of tourism and hotel management courses at universities. He stressed that environmental consciousness and sustainability were fundamental principles of the tourism strategy.

Mr. Hasan Arat, Vice President, Tourism Assembly of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), asked the question: ‘Who are the 29 million coming to Turkey and how do we get them?’ He said Germany, the Russian Federation and the United Kingdom were the most important sources of visitors, but countries such as Syria and Iran were also significant. He noted that Turkey had no visa restrictions for citizens of more than 50 countries, and had recently lifted visa requirements for Tunisia, Libya, Albania, Syria, Lebanon, Jordan, Pakistan and the Russian Federation.

Mr. Arat said that 1.5 million people were employed in the sector, equivalent to 6.5% of total employment. Tourism was stimulating overall production in the economy by creating demand in more than 50 other sectors. In 2010, the services sector as a whole made up 73% of the country’s GDP and accounted for 54% of the total labour force.

Mr. Arat stressed the importance of communications, noting that more than a quarter of the world’s population could reach Turkey in a flying time of three hours or less. As well as the flagship Turkish Airlines, there were a number of smaller private airlines operating, and private sector Turkish companies were operating more than ten airport terminals. Mr. Arat’s key message was that without government the private sector could not do anything.

Mr. Guy Johnson, Secretary-General, Ministry of Handicrafts and Tourism, Benin, said that African countries were keen to study the successes of other countries, including Turkey and the Maldives, as well as countries that had left the LDC category thanks to tourism. For him, the big question was how to attract investment. He felt the main constraint was a lack of political will and genuine intent to remove hurdles and increase professionalism. The first action should be to share good practices and build political will by encouraging a proper understanding of the issues. There was a need to improve professionalism through capacity building, with international cooperation. He welcomed the fact that UN agencies were working together to support tourism development, and spoke of projects that Benin was developing in three townships that were related to the tourism sector, and that these would ideally enable the producers to move up the value chain.

Mr. Hiran Cooray, Chairman, Pacific Asia Travel Association (PATA) and Chairman, Jetwing, Sri Lanka, endorsed earlier comments about the need for peace and stability. He had lived through a 25 year period of internal conflict in his country and it had been almost impossible to keep tourism alive. Nonetheless, they had maintained good relations with operators, and relied on repeat business from the United Kingdom, Germany and France. But income was barely significant and the Government was not interested in supporting the sector. However, in the past two years, Sri Lanka had been seeing the fruit of peace and stability. People were returning and investors were interested, and there was a tremendous feeling of confidence in the sector.

A major constraint to development that had been identified was the length of time it took to obtain Government approval for tourist developments, which could be up to two years. Recently, after extensive negotiations, a one-stop shop bringing
together all concerned ministries had been set up, which guaranteed a response to formal development proposals within three weeks.

Mr. Cooray concluded by stressing the need for an exchange control regime that allowed foreign investors to be able to repatriate profits. It was right to focus on people and the planet, he said, but the private sector needed profits. ‘Communities cannot be supported if we don’t make a profit.’

Mr. Ronald Hepburn, Founder, Chamber Member and Managing Director, Etoile Partners, United Kingdom, said his agency was a geopolitical consultancy that focused on strategic positioning and communication management – helping people and governments to position themselves on the world stage in the most advantageous way. He said it was remarkable how few people or organizations, when planning a development, asked the five key questions:

1. Where do you come from?
2. Where are you now?
3. Where to you want to be?
4. How will you measure success?
5. How will you know when you have got there?

He described the success story of South Africa in developing its tourism industry by making the most of its natural advantages and carving out a niche in the market. He cautioned that tourism could not be expected to solve all social problems or be a tool of social engineering. His key rules of thumb were:

• Choose your market carefully, know who you are trying to attract. Initially, at least, go for quality not quantity, which requires major infrastructure investment.
• Aim high – try to attract high net-worth individuals, whose footprint will also be less.
• Get your positioning right - don’t try to be all things to all people.
• Be unique.
• Think about your brand – remember that people get information from the Internet and will make their own judgements.
• Ensure that your communication campaign really does communicate your position.
• Understand the importance of security and stability.

Ms. Rosette Chantal Rugamba, Founder and Managing Director, Songa Africa, Rwanda, also drew on several years of experience as Director-General of Rwanda Tourism. She stressed the essential role of public-private partnerships in tourism development and said tourism had the capacity not only to be a driver of economic growth, but also to project the image of Africa. Rwanda had worked hard to create an environment of peace and stability that made it possible to contemplate developing tourism. It also put in place a legal framework and created incentives for private sector investment. In this context, she noted that 90% of investors were in fact local, and it was important that they should be treated no less favourably than international investors. A further important need was capacity development and vocational training: initially Rwanda found that because its people did not have the required skills, staff were being brought in from abroad. In response, the Government set up a Workplace Development Authority to ensure that the human capacity would be available. Ms. Rugamba said that if Rwanda could be successful, other countries could too, but governments had to recognize and embrace the private sector as full partners.
OPEN FLOOR SESSION

In the question and answer session that followed the presentations, one issue raised was how to involve local investors, and how to ensure local communities benefited from tourism development. Ms. Rugamba explained how communities in the area of a luxury lodge, which was built to bring tourists to view mountain gorillas, were sharing in the revenues, which also gave them an incentive to combat poaching. There was also reference to schemes in Samoa and the Maldives under which thousands of local people became shareholders in tourist developments.

A delegate from Bangladesh said his country had not been successful in attracting foreign tourists and asked for advice. Mr. Genç said, based on the Turkish experience, that the first essential was a belief in the importance of tourism in both the public and private sectors. Then governments needed to provide incentives for investment and promote the industry actively abroad.

CONCLUSIONS

The discussions showed that there was clear agreement on:
- The importance of public-private partnership and collaboration;
- The importance of government leadership;
- The need for security and stability;
- The need for effective marketing;
- And the importance of capacity development and training, which could not be done by the private sector alone.

Mr. Johnson said his final message was that they needed to share success stories to inspire each other. Mr. Hepburn underscored the need to match a country’s best tourist assets to the best tourist it could find. Mr. Cooray said that as tourism grew, governments should not succumb to the temptation to raise taxes. And Ms. Rugamba re-emphasized the importance of the public and private sectors working as partners.
The purpose of the workshop was to highlight the contribution of handicrafts and cultural heritage to tourism-led growth in (LDCs). The projects being developed aim to show how handicrafts developed through market-led design capability can be sustainable in the tourism sector in Uganda, and also how cultural heritage can become a more fully integrated part of the tourism value chain in Ethiopia. Participants worked on creating a structured approach to product development for tourism value chains through projects linking micro-producers of handicrafts to the tourism industry and integrating the development of cultural heritage projects into tour operators’ supply chains.

The title of Ethiopia’s project proposal is: ‘Inclusive cultural heritage product development for the enhancement of tourism in Ethiopia’.

The title of the Ugandan project is: ‘Trade development for micro-artisans and artists in the value chain of tourism’.

CONCLUSIONS

1. Project ideas were presented and interest raised
   • Countries presented their respective project ideas. Through further assessment and project planning in the country, it will be possible to move from the project idea stage to the project development level targeting donor interest.

2. Country ownership and resource mobilization
   • Countries have a vision for the development of the tourism sector. They are ready to exploit their competitive advantage and promote women, young people and other vulnerable groups as beneficiaries of inclusive tourism projects.
   • Countries should promote their projects in order to mobilize resources and seek partnerships with institutions such as the Netherlands’ Centre for the Promotion of Imports from developing countries (CBI).

3. Needs to be addressed for a successful inclusive tourism project:
   • The involvement of all stakeholders, in particular private sector and public support institutions, and the identification of reliable partners are essential;
   • The creation of local institutional infrastructure (a ‘business hub’) for project implementation and sustainability is required;
   • The development of value-added products using fair labour when meeting buyer requirements is needed;
   • To meet the Millennium Development Goals (MDGs), gender and youth dimensions and environmental sustainability should be taken into account in the project design phase;
   • There is a need for a marketing approach/support (stories behind products, geographical indication);
   • The diversification of products and services that are offered to tourists is required.

4. Recommendations
   • Ethiopia could benefit from the experience of ethical fashion projects in Kenya and Uganda (especially regarding institutional infrastructure);
   • Ethiopia and Uganda could both benefit from the Turkish experience in tourism development and promotion mapping cultural heritage sites with corresponding available products and services;
   • With nine UN agencies joining forces under the banner: ‘Making tourism work for development. Delivering as One UN’, Ethiopia and Uganda could benefit from this new initiative;
Based on their experience in tourism and collaboration with ITC, CBI has expressed interest in supporting initiatives such as those that have been presented;

Further consultations should be held at country level to ensure that all relevant stakeholders are involved and that needs to be addressed are well reflected in the final version of project proposals, leading to country ownership.

Among the experts contributing to the workshop were:

Mr. Ephraim Amare Awgichew, Director, Heritage Inventory Directorate, Ministry of Culture and Tourism, Ethiopia
Mr. Cuthbert Baguma, Executive Director, Uganda Tourism Board
Ms. Grace Barya, Consultant, Ethical Fashion, Kenya
Mr. Ousseynou Dieng, Director of Planning, Ministry of Tourism, Senegal
Mr. Madibaye Djimadoumbaye, EIF Focal Point, Director of External Trade, Ministry of Trade and Industry, Chad
H.E. Mr. Tina Dith, Under Secretary of State, Ministry of Commerce, Cambodia
Mr. Mahmut Evkuran, Director-General of Research and Education, Ministry of Culture and Tourism, Turkey
H.E. Mr. Ali Rasheed Hussain, Deputy Minister, Ministry of Economic Development, Maldives
Mr. Guy Johnson, Secretary-General, Ministry of Handicrafts and Tourism, Benin
Ms. Florence Kata, Executive Director, Uganda Export Promotion Board, Uganda
Mr. Dick de Man, Deputy Managing Director, Centre for the Promotion of Imports from developing countries (CBI), Netherlands
H.E. Mr. Darlington Mwape, Ambassador, Permanent Mission of the Republic of Zambia to the UN, Geneva
Ms. Shinta Oosterwaal, Senior Strategic Adviser, Centre for the Promotion of Imports from developing countries (CBI), Netherlands
Mr. Touka Mahmat Saleh, EIF National Coordinator, Chad
H.E. Leopold Ismaël Samba, Ambassador, Permanent Representative of the Central African Republic to the UN and WTO in Geneva
Ms. Abdoulaye Sanoko, Permanent Mission of Mali to the UN and the WTO in Geneva
Ms. Saeeda Umar, Coordinator, National Implementation Unit for EIF and Aid for Trade, Ministry of Economic Development, Maldives
Ms. Joyce Wangui, Country Buyer, Serena Hotels, Uganda
Mr. Hailu Zeleke Woldetsadik, Senior Archaeological Expert, Ministry of Culture and Tourism, Ethiopia

Workshop leader - Uganda:
Mr. Simone Cipriani, Chief, Technical Adviser, Ethical Fashion, ITC
Workshop leader - Ethiopia:
Mr. Ramin Granfar, Trade Promotion Officer, ITC
Facilitator:
Mr. Hernan Manson, Associate Adviser for Value Chain Development, ITC
Rapporteur:
Ms. Aïssatou Pouye, Director, Division of Business and Institutional Support, ITC
The tourism industry has huge potential as a market for agro-industry producers in LDCs in Africa and elsewhere. However, the evidence suggests that very few agro-industries in Africa, especially in the horticulture subsector, are currently integrated into the supply/value chains serving local and regional hotel, restaurant and supermarket companies. Governments in LDCs are working hard to connect small-scale farmers producing fresh fruit and vegetables to commercial agro-industry operations led by multinational corporations (MNCs) and serving the ever-growing tourism industry. This requires developing business models to link these farmers to tourism businesses that create shared value along the supply/value chain: generating incomes and making profits for all involved.

The objective of the workshop on integrating horticulture in the tourism supply chain was to discuss successful methods that are being used in countries to tackle this problem and identify the best solutions for LDCs. The United Republic of Tanzania was used as a case study to identify ways to establish supply chains that could achieve significant horticulture-tourism integration. The workshop brought together the key business leaders and stakeholders dealing with these issues: growers, intermediaries, processors and hotel operators.

H.E. Mr. Felix Mosha, Chairman of the Horticultural Development Council of Tanzania (HODECT), said that tourism has overtaken agriculture as the number one sector in the country and is currently its fastest growing sector. Paradoxically the country often has to import horticultural products from other countries while their own horticultural products end up as waste if not sold at markets. The government is investing heavily to increase the share of the market the horticultural sector represents from 10% to 20%. In order to lift smallholder farmers from poverty, backward linkages need to be created between tourism and horticulture. This is to be done by institutional capacity building and by coordination between the two, which are currently working in isolation. The government has to be involved and promote these backward linkages instead of just tourism.

From the industry side there were comments that experience with local farmers showed that maintaining quality, supply and variety was a challenge. Despite several attempts to encourage local farmers to better their quality, variety, etc., hotels ended up having to import products. The conclusion was that it is not cost-effective to work directly with local farmers and therefore cooperatives and hubs should be established to supply farmers with basic needs such as finance and technical support. Smallholder farmers need to be helped and guided in starting cooperatives.

THE MAIN CONCLUSIONS OF THE WORKSHOP WERE:

1. Experiences from around the world, for example Colombia and Turkey, indicate that it is possible but by no means easy to establish viable value chains stretching from small-scale commercial farmers to the hospitality industry. Experience also indicates that there is no one model that fits all and that establishing viable, predictable and reliable value chain systems is a process that takes time (years) to accomplish.

2. All stakeholders have to be involved from the beginning of the project’s formulation as it requires long-term (multi-year) commitment and related agreement on the ‘game rules’ from all sides: buyers, suppliers and intermediaries. The project must start with understanding of the market/demand, and subsequently discuss strategies to meet this demand.
3. Being able to supply the international hospitality industry does not only provide a market opportunity but also serves as a quality assurance stamp, also potentially allowing producers to supply other demanding (international) market segments.

4. Intermediaries (consolidators) are needed to mitigate the risks involved in the value chain (fluctuations in supply, quality assurance, losses due to poor transport and storage, etc. (making prices non-competitive), pooling of produce from several small sources, etc.). However, involving a consolidator is itself not without risk as middlemen also have profit motives and might squeeze the farmers while demanding high prices from hotels. These consolidators can be individual commercial companies but also, for example, an arm of a farmers’ cooperative, or part of an association.

5. Quality and consistency (in addition to competitive prices) are key parameters for the hospitality industry. The intermediary has to meet those demands and hence must overcome issues related to seasonality, quality, variety, regionality of where one can grow what, etc.

6. Not all international hotel client groups have the same demands, so the client base of individual hotels will impact upon what will be demanded by a specific hotel. The appreciation of local produce means more to some client groups than others.

7. A public-private partnership is typically needed to facilitate the development of viable value chains stretching from small farmers to the international hospitality industry and to overcome related challenges, for example in relation to infrastructure (lack of cooling hubs where produce can be stored and distributed), extension services to farmers, facilitation of credit/trade finance provisions, relevant supportive legislation, etc.

Among the experts contributing to the workshop were:

H.E. Ms. Irluthisham Adam, Ambassador, Permanent Mission of the Republic of Maldives to the UN, Geneva
Ms. Naffie Barry, Permanent Secretary, Ministry of Trade and Employment, The Gambia
Mr. Ravi Bhattacharai, Under Secretary, Ministry of Commerce and Supplies, Nepal
Mr. Chandra Kumar Ghimire, Joint Secretary, Ministry of Commerce & Supplies, Nepal
Mr. Viwanou Gnassounou, Expert in charge of Protocols and Commodities, ACP Secretariat
Ms. Engin Guvenç, Executive Director, Turkish Business Council for Sustainable Development, Turkey
Mr. Johnson Apan Guy, Secretary-General, Ministry of Handicrafts and Tourism, Benin
Mr. Ferit Karakaya, Sustainable Tourism Expert, Turkish Business Council for Sustainable Development, Turkey
H.E. Mr. Léopold-Ismael Samba, Ambassador, Permanent Representative of the Central African Republic to the UN and WTO, Geneva
Ms. Margaret Malua, President, International Women in Development Inc, Samoa
Ms. Mamello Morojele, Head Investment Promotion, Lesotho Tourism Development Corporation, Lesotho
H.E. Mr. Felix Mostha, Chairman of the Horticultural Development Council of Tanzania (HODECT)
Mr. André Soumah, Executive Chairman, ACE (Audit Control Expertise Global Ltd), Switzerland
Ms. Mpai Tseole, Director of Tourism, Ministry of Tourism, Environment and Culture, Lesotho
Mr. Miguel Tungadza, Second Secretary, Permanent Mission of Mozambique, Geneva
Ms. Saeeda Umar, Coordinator, National Implementation Unit for EIF and Aid for Trade, Ministry of Economic Development, Maldives

Workshop leaders:
Mr. Silencer Mapuranga, Senior Trade Promotion Officer, ITC, and Mr. Ian Sayers, Coordinator, Sector Development Programmes, ITC
Facilitator:
Mr. Juan Hoyos, Adviser on Supply Chain and Value Chain Management Training Capacity Development
Rapporteur:
Mr. Anders Aeroe, Director, Division of Market Development, ITC
The Platform for Action on Sourcing from Women Vendors was launched at the 2010 WEDF as an outcome of the Senior Executive Roundtable on Integrating Women into Global Value Chains. This year we moved to focus on a particular sector – tourism – to explore what is being and could be done to link women in tourism to opportunities created through supplier diversity initiatives.

The aim of the workshop was to build the confidence of participants in advocating the integration of women into global value chains by increasing understanding of:

- The business case for sourcing from women vendors;
- The development case for sourcing from women vendors;
- The importance of identifying gender issues in value chains;
- New approaches to moving from strategy to action.

THE MAIN POINTS OF THE DISCUSSION:

- Speakers presented solid evidence and facts that supported and confirmed that there is a business case for sourcing from women vendors. In fact, multinational companies around the world such as Walmart and with an approximate purchasing power of US$ 700 billion have made sourcing from women vendors in LDCs part of their standard operations. The panel concluded that the reasons behind this were purely related to improving the productivity and profitability of the business and were a cornerstone of the buyer firm’s operational, commercial and reputational strategy. The business case is therefore not only rooted in tourism but in related sectors such as agriculture. For example, Marriott buys handicrafts and foods from women vendors but now wants to buy buildings and comprehensive maintenance and catering services. Women are ready to compete and have outstanding entrepreneurial skills, and manage to see value where others do not, particularly related to creativity, service provision and quality of work.

- The panel highlighted a strong development case for sourcing from women vendors in the tourism industry, as well as in other industries such as agriculture and manufacturing. In fact, in LDCs women represent 80% of agriculture employment and 72% of the agri-processing workforce (statistics from UN Women). In Uganda, women make up 42% of the country’s micro-entrepreneurs.

- Speakers explained that the main gender-specific issues at the value chain integration and linkage level were first related to the fact that women’s perspectives, challenges and priorities were often different and were not captured or factored into the equation. Moreover, in LDCs women were often constrained and unable to participate in decision-making at all levels of the value chain. In particular, it was said that there was no gender sensitivity in policy-making, business operations, smallholder-level integration, and resource mobilization, and most importantly in development programme design and implementation. Other operational constraints in the value chain were linked to the above, for example in cases where women had unequal access to resources such as land, technology, credit, education and training, or market information.

- The panel explored the need to factor in new practices and approaches in trade and socio-economic development, particularly from a value chain and business linkage point of view. The example of ITC’s gender-sensitive value chain
An innovative approach was mentioned as an alternative way to incorporate women’s integration at all levels and to link different actors in the chain to different market opportunities, in both the tourism and non-tourism sectors. The need to address education and human development challenges first and foremost, as well as market access and operational issues, was identified, but to be catered specifically for women. This is a tool for women’s entrepreneurial empowerment, to help them grow and adopt new and improved roles in the value chain.

The example of Vanuatu was described as part of the proposed new approach, because policymakers had acknowledged the involvement of women and empowered them to become decision-makers and sit at the funding negotiation and allocation table. Vanuatu had set an example by confirming a gender-sensitive allocation of funding through the Enhanced Integrated Framework (EIF), earmarking at least 30% of tier 2 resources to women in business development-related projects.

UN Women referred to negotiations with ITC towards a memorandum of understanding strengthening the partnership between the two organizations. Business and Professional Women (BPW) International expressed interest in collaborating in support of integrating members in the Pacific into value chains.

ITC is also engaged with New Zealand and Australia and Carnival Cruise Lines to build a public-private partnership integrating more local vendors into their supply chain.

Among the experts contributing to the workshop were:

- Ms. Liz Benham, International President, BPW International, United States
- Ms. Letty Chiwara, Chief, Africa Division, UN Women, United States
- Ms. Naila Chowdhury, CEO, Grameen Solutions, Bangladesh
- Ms. Amanda Ellis, Deputy Secretary for International Development for the New Zealand Ministry of Foreign Affairs and Trade (MFAT)
- H.E. Mr. Roy Mickey Joy, Ambassador of Vanuatu to the EU and the Kingdom of Belgium
- Ms. Florence Kata, Executive Director, Uganda Export Promotion Board, Uganda
- Ms. Virginia Littlejohn, President and CEO, Quantum Leaps, Inc., United States
- Ms. Margret Malua, President, International Women in Development Inc, Samoa
- Ms. Arzu Ozyol, BPW Ankara, Turkey
- Ms. Louisa Sifakula, Senior Trade Manager, Pacific Islands Trade & Invest Office, New Zealand
- Ms. Linda Trenkner, General Manager, Fresh Change Ltd., Vanuatu
- Ms. Elizabeth A. Vazquez, CEO and Co-Founder, WEConnect International, United States
- Ms. Mereia Volavola, CEO, Pacific Islands Private Sector Organisation (PPISO), Fiji

Moderator:
- H.E. Mr. Pan Sorasak, Secretary of State, Ministry of Commerce, Cambodia

Workshop leaders:
- Ms. Meg Jones, Women and Trade Programme Manager, ITC and Mr. Kuyun Jiang, Chief, Office of Asia and the Pacific, ITC

Rapporteure:
- Mr. Hernan Manson, Associate Adviser for Value Chain Development, ITC
The purpose of the workshop on recovering tourism after a crisis was to discuss how a country can resurrect its tourism industry after a major shock, be it political instability or a natural disaster. After the tsunami in Thailand and the earthquake in Pakistan, and political instability in Egypt and Tunisia, it became clear that the economic well-being of some countries can become more vulnerable if their economies rely heavily on tourism. A crisis can seriously reduce foreign exchange reserves for a government, drive down the value of its currency, and also adversely touch the livelihoods of the most vulnerable, those who make a living in the tourism value chain.

During the presentations and discussion, three key elements of crisis management were identified:

1. **Planning**
   Tourism being a trust and belief product, an emotional experience, it is important to react immediately as tourism is the first sector to be hit at a time of crisis. It is essential to develop a media response and integrate tourism into the emergency structure, making sure key actors have the necessary phone numbers and other information for emergency situations. Countries should also consider establishing a crisis fund, as Egypt has done after its recent crisis. Risk and crisis management will be able to convert tourism into sustainable tourism.

2. **Immediate crisis management**
   The critical elements are:
   - Tell the truth and bring respectful media to write honestly about you;
   - Give people permission to believe;
   - Be in charge and give the impression of being in charge and having the situation under control;
   - Agree on message to avoid conflicting messaging;
   - Social networking – react quickly in order to avoid the spread of inaccurate information through social networking tools such as YouTube and Facebook.
3. **No crisis is ever the same. Know the unknown and prepare for the unknown.**
   - Never try to solve your problems alone, use the help of others, including social partners and the positive effects word-of-mouth can have, for example, that of the first tourists returning to a tourist site after a crisis.
   - In times of crisis, use the crisis for training purposes to avoid having to lay off people. When possible, replace international tourists with domestic ones.
   - Use persuasion instead of just information to regain trust. Use good stories to relaunch the image of your country.

Other points raised during the workshop discussions included:
- Tourism is the first sector to be hit by a crisis;
- Proper planning and crisis management are needed to react quickly and in order to assign clear roles and responsibilities;
- Emotional power is important: show that you have control over the situation and that you are in charge;
- No crisis is the same, a crisis is always a learning experience;
- No one wants to have their face linked to a disaster, therefore most political leaders will not want to be the first to address the crisis;
- Social media and social networks are extremely important, enabling the news of a crisis to spread quickly, therefore you need to react quickly;
- The first 48 hours are critical and it is advisable to seek professional advice on how to deal with the crisis in order to avoid severe damage.

Among the experts contributing to the workshop were:
- **Mr. Hiran Cooray**, Chairman, Pacific Asia Travel Association (PATA), and Chairman, Jetwing, Sri Lanka
- **Mr. Dirk Glaesser**, Manager, Risk and Crisis Management, UNWTO, Spain
- **Ms. Hala El Khatib**, Secretary-General, Egyptian Hotel Association and former communication adviser to the Minister of Tourism, Egypt
- **Mr. Dexter Koehl**, Communications Specialist and former Vice President, Public Relations & Communications, Travel Industry Association of America, United States
- **Mr. Martin Roche**, Partner, Etoile Partners, United Kingdom

**Moderator:**
- **Mr. Moussa Oumarou**, Director of the Industrial and Employment Relations Department, International Labour Organization (ILO)

**Workshop leader:**
- **Mr. Torek Farhadi**, EnACT Programme Coordinator, ITC

**Rapporteur:**
- **Mr. Friedrich von Kirchbach**, Director, Division of Country Programmes, ITC
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PLENARY SESSION 2

INCLUSIVE SUSTAINABLE DEVELOPMENT LED BY SUSTAINABLE PARTNERSHIPS, ETHICAL INVESTMENT AND INTELLIGENT RESOURCE MANAGEMENT IN THE TOURISM SECTOR

PANELLISTS

- **Prof. Geoffrey Lipman**, Chair, Greenearth.travel and Adviser to the UNWTO Secretary-General
- **Mr. Alexander Barkawi**, former Managing Director, SAM Indexes and Dow Jones Sustainability Indexes
- **Ms. Amanda Ellis**, Deputy Secretary for International Development, New Zealand Ministry of Foreign Affairs and Trade (MFAT)
- **Mr. Patrick Ramonjavelo**, Adviser to the Minister of Tourism, Madagascar
- **Ms. Dorothy Tembo**, Executive Director, Enhanced Integrated Framework (EIF) Executive Secretariat

MODERATOR

- **Mr. David Eades**, BBC News anchor

**Professor Geoffrey Lipman**, Chair, Greenearth.travel and Adviser to the UNWTO Secretary-General, asserted that if the tourist sector could effectively leverage the ‘green growth’ era, the benefits to LDCs would be massive and a new style of public-private partnerships would emerge that would be both pivotal and inevitable. He said that as the global green growth agenda took root, with renewable energy as a point of focus, trillions of dollars would be available over the next 40 years for transformation, and the tourism sector would be able to benefit.

Professor Lipman said he preferred to talk about travelism rather than tourism, because the latter term often excluded the role of transportation, and particularly the airlines. Without aviation, there would be no tourism for LDCs. He was confident that the airline industry would solve its carbon emissions problems. He predicted that the importance of the BRIC countries (Brazil, the Russian Federation, India and China) to global tourism would be one of the features of the coming years: it would be important to encourage Chinese tourists to travel to Africa and to Asian LDCs. He predicted a shift in the balance between public and private sectors in tourism, with governments having less money and the private
sector having to fill the gap. Old-style public-private partnerships (PPPs), where the government owned key elements of the market process and invited or incentivized the private sector to collaborate and bring finance had been good incubators, he said. But they would not survive the green growth course, except perhaps for major infrastructure or security-related PPPs involving, for example, toll roads and border services. ‘Governments don’t have the money or the management skills and the private sector needs the flexibility (with fair oversight) to make fast decisions,’ he said.

He predicted that the public sector would progressively regulate more lightly, establish safety nets for market failure and rules for monopoly abuse and consumer protection. The tourism sector could be a key component of long-term climate change and poverty transformation income streams and capacity building in LDCs, he said.

Mr. Alexander Barkawi, former Managing Director, SAM Indexes and Dow Jones Sustainability Indexes, said the key issue that needed to be factored into development planning was increasing constraints on resource availability. This would involve water and energy, and scarcities would need to be considered in planning infrastructure development, determining, for example, how many tourists could visit a particular region, and the price they would have to pay.

He also discussed the problem of investment horizons and short-termism, with companies focused on reporting quarterly results. He noted that over the past 40 years, the average period for which New York Stock Exchange investors held shares had fallen steadily from more than eight years to less than one year. Obviously, tourism needs a long-term investment horizon and attention should therefore be paid to extending existing horizons.

Mr. Barkawi said it was also important to note what large companies were doing through their lobbying activities, particularly where they impacted tourism. An example was deep-water drilling in the Gulf of Mexico, where the accident last year had clearly damaged the tourist industry, but now companies were lobbying to be able to resume drilling. Without discussing taxation levels in particular, he noted that governments needed to raise revenue to deliver what the tourism sector required.

Ms. Amanda Ellis, Deputy Secretary for International Development, New Zealand Ministry of Foreign Affairs and Trade (MFAT), provided a donor perspective on ethical and sustainable investment and the importance of PPPs. She said the steady and significant growth of tourism in LDCs showed that there was a huge opportunity for growth and development, but this needed to be managed in a way that was not just about revenues, but involved local communities and environmental protection.

On the ethical side, she noted that there were potential negative results of tourism, including human trafficking and sex tourism, corruption in supply chains, degradation of the environment, exclusion of local communities and discrimination against indigenous communities. She welcomed the fact that the United Nations, at the global level, promoted environmental and socially sustainable principles and established an overarching set of global principles.

On the positive side, she also welcomed the United Nations emphasis on the empowerment of women, including ITC’s global platform for encouraging sourcing from women vendors and proactive efforts on education and increasing understanding. This was not only the right thing to do, but the smart thing, she said.
Ms. Ellis gave examples of how New Zealand worked with small Pacific island nations to promote local involvement in tourism projects, including sourcing and training, business mentoring and environmental protection.

**Mr. Patrick Ramonjavelo.** Adviser to the Minister of Tourism, Madagascar, said tourism was of great importance to his country, accounting for 30% of GDP. The country would like to grow the sector, but the question of sustainability needed to be on the table. He said tourism was a meeting between local populations and the visitors, whether local or international. If that did not happen, tourism lost its raison d'être. It was important for local populations to be conscious of their natural and cultural heritages, but it was also important to be open and transparent with local populations in explaining the positive and negative impacts of tourism: opportunities in employment, potential negatives in inflation and sex tourism. It was vital to involve local populations when decisions on major investments were being taken.

Mr. Ramonjavelo said that in seeking sustainability in tourism it was important to assure continuity, and this started at school, teaching children about their heritage, and also later about market requirements and how to match offer and demand. He recommended that tourist operators create funds for training. He noted the importance of realizing that no country was isolated and there was a need to think globally. Competition would bring risks, but national and regional networks could offer synergies.

Finally he proposed that the traditional abbreviation PPP for public-private partnership should be extended to PPPPP – public-private-population partnership.

**Ms. Dorothy Tembo.** Executive Director, EIF Executive Secretariat, briefly described the origin of the EIF as a partnership between LDCs, donors and implementing agencies set up in 1997 to address trade-related issues. Its key principle was inclusive involvement of stakeholders in development projects and programmes from conceptualization through to implementation. The EIF aimed to facilitate the process of bringing all stakeholders to the table, including civil society and the private sector. She said it was clear that the services sector had much to offer in export and trade development, and tourism was an important component of the sector. There was a need now to translate plans and strategies into action, to see how it was possible to move forward in a practical way.

### QUESTION AND ANSWER SESSION

The statements of the main speakers were followed by a question and answer session, in which issues raised included:

- Balancing the demands of renewable energy and protecting landscapes;
- How to calculate baselines for taxation;
- How to involve young people;
- How to learn from models, transfer and share good experience;
- How to get the required technical and financial assistance to develop the sector;
- How to streamline visa processes;
- How to ensure retention of profits/revenues in-country;
- How to deal with pollution legacies.

Recommendations from the panel included:

- Since funding for tourism development may be lacking, try to leverage funds that are available for renewable energy development and the carbon credit system to kick-start underdeveloped markets;
- Try to engage the private sector in long-term sustainability;
- If projects are good and local populations are involved, funding should materialize: don’t always wait for international investors – money may be available in the country;
- To avoid pollution damaging the attractions that bring tourists to a country, a regulatory framework is certainly needed;
- On retention of revenues and combating leakage, it was noted that while in the past LDCs had negotiated from a position of weakness, in coming years this would change, with funds becoming available for climate change adaptation and poverty reduction.
CLOSING OF THE WORLD EXPORT DEVELOPMENT FORUM 2011

PANELLISTS

- Ms. Zoritsa Urosevic, Programme Manager, Institutional and Corporate Relations, UNWTO
- Mr. Dick de Man, Deputy Managing Director, Centre for the Promotion of Imports from developing countries (CBI), Netherlands
- H.E. Mr. Pan Sorasak, Secretary of State, Ministry of Commerce, Cambodia
- Ms. Florence Kata, Executive Director, Uganda Export Promotion Board
- Mr. Ephraim Amare Awgichew, Director, Heritage Inventory Directorate, Ministry of Culture and Tourism, Ethiopia
- H.E. Mr. Felix Mosha, Chairman, Horticulture Development Council of Tanzania (HODECT)
- Mr. Martin Roche, Partner, Etoile Partners
- H.E. Mr. Darlington Mwape, Permanent Representative of the Republic of Zambia to the UN, Geneva

MODERATOR

- Ms. Patricia Francis, Executive Director, ITC

Ms. Patricia Francis, Executive Director, ITC, opened the final session of WEDF 2011 by saying this should be seen as a first step on a journey towards achieving the goals set at the outset, determining how countries can achieve inclusive and sustainable tourist development. She welcomed Professor Lipman’s vision of ‘travelism’, including industries such as aviation linked to tourism, and also the importance of looking forward to mid-century. She said big questions had been raised, and it was clear there was no silver bullet solution, but the stories from Rwanda and Burundi, both countries emerging from conflict, showed how a structured approach to managing and thinking through the issues could be effective in moving from crisis to economic development.

She stressed the importance of action: it was important to think in a comprehensive way, but not so comprehensive as to become trapped in writing policies and not taking action. There was a need to think structurally and take action at the same time.
Ms. Francis said it was important to find ways to ensure that revenues and financial resources flowed back to areas where investment was critical, and she noted the repeated emphasis on the need to involve local communities that had been voiced during WEDF.

Ms. Zoritsa Urosevic, Programme Manager, Institutional and Corporate Relations, UNWTO, informed the meeting about the new Making Tourism Work for Development alliance of nine UN agencies. The aim was to deploy the strengths of each agency to respond to the needs of LDCs, who were at the heart of the initiative. Under this innovative approach to Delivering as One in the area of tourism, agencies were making inputs to a joint portfolio that could offer services in an integrated manner. So far some 50 services had been articulated under four pillars.

Mr. Dick de Man, Deputy Managing Director, Centre for the Promotion of Imports from developing countries (CBI), Netherlands, noted that CBI and ITC had been partners for two decades, and that CBI had been active in the tourism sector for many years. He endorsed the statement at the opening session by WTO Director-General Pascal Lamy that tourism seemed simple but was in fact very complex. Tourism required an embracing and inclusive approach, had huge potential to contribute to sustainable development and poverty reduction if the right choices were made, and needed both government and the private sector. The role of the State was to provide leadership and coherent policies, and to set priorities and provide dedication – half-heartedness does not work.

Mr. de Man said a proactive private sector needed to involve local communities from the start, but it was also necessary to study the market, which was the driver for development. Very often tourism development happened in the wrong place and at the wrong time, resulting in low returns on investment and no contribution to poverty reduction. Policymakers needed to be well-informed to develop marketable projects, understanding market-driven considerations, and then enter into public-private partnerships and use the entrepreneurship of the private sector to achieve sustainable economic development and poverty reduction targets. Countries also needed well-resourced and well-functioning Tourist Boards – all too often these were weak and lacked resources.

Mr. de Man noted that countries did not have to go it alone in developing their tourism sectors: agencies such as ITC and CBI had many decades of experience and could provide support in identifying solutions. He concluded by emphasizing: ‘Never forget that the key driver is the market.’

Ms. Francis then introduced reports on the outcomes of the workshops held on the afternoon of the first day.

H.E. Mr. Pan Sorasak, Secretary of State, Ministry of Commerce, Cambodia, presented the results of the workshop on ‘Engaging Women Vendors in the Tourism Value Chain: Impacting Human and Economic Development’. He said speakers had presented solid evidence and facts that supported and confirmed that there is a business case for sourcing from women vendors.

Ms. Florence Kata, Executive Director, Uganda Export Promotion Board, and Mr. Ephraim Amare Awgichew, Director, Heritage Inventory Directorate, Ministry of Culture and Tourism, Ethiopia, presented the results of the workshop on ‘Inclusive Tourism as a Market Opportunity for the Developing World: Two cases – Ugandan handicrafts and Ethiopian cultural heritage’. They noted that it had been possible to have a useful exchange of experience with Turkish delegates on integrating handicrafts and cultural heritage into tourism.

H.E. Mr. Felix Mosha, Chairman, Horticulture Development Council of Tanzania, reported on the workshop on ‘Integrating Horticulture in the Tourism...
Supply Chain’. He said that solving the problem of integrating horticulture into the tourist supply chain would go a long way to solving the problem of poverty reduction.

Mr. Martin Roche, Partner, Etoile Partners, reported on the workshop session that considered ‘Recovering tourism after a crisis’. He said the single most important conclusion of the session was the need to plan how to get out of a crisis before you get into it and to be clear and consistent in your proposition.

Ms. Francis then introduced Mr. Sun Xiao, Director, Division for International Organizations, Department of International Relations, China Council for the Promotion of International Trade (CCPIT). Mr. Sun noted that last year’s WEDF in Chongqing, China, had established a follow-up mechanism and three areas of action had resulted, involving: women in trade, including women vendors; capacity development; and agricultural standards. He said a successful WEDF was a starting point for action, not an event standing alone, and he believed the WEDF 2011 in Istanbul was following the example of WEDF 2010 in Chongqing.

Ms. Francis, in thanking Mr. Sun, disclosed that negotiations were under way with Indonesia to host WEDF 2012.

H.E. Mr. Darlington Mwape, Permanent Representative of the Republic of Zambia to the UN, Geneva, delivered the closing address. He noted that tourism had been identified as a priority sector for development by 90% of LDCs and that it was already a major export earner for many of them. It created jobs and was becoming an industry worldwide, with a direct link to poverty eradication.

The key messages that emerged from discussions at WEDF 2011 included:

- A circuit approach involving regional partners is highly desirable;
- The role of the state in policy, legal and regulation creation is essential, but there is also a need to reduce bureaucracy and streamline licensing processes;
- The empowerment of local communities and their sharing in benefits of tourism is critical;
- Public-private partnerships are essential;
- The issue of retention of earnings and reduction of leakages is one that confounds most LDCs;
- Training and human capacity development must be a high priority;
- Coordination and coherence with other economic sectors is important;
- Effective marketing and positioning strategies are important to achieve successful branding and create a niche in the market;
- Learning from the experiences of other countries and sharing success stories is an important ingredient.

Ambassador Mwape said the key questions were how to move from ideas for projects to actual project development; how to support countries in building on the experience of others; how to ensure that issues of quality and consistency in supply were addressed; and how to design inclusive supply structures. There was no one-size-fits-all solution: each needed to be addressed in context.

He stressed the need to understand the requirements of the market and how it was structured, including the use of intermediaries to create a critical mass and provide quality assurance. Financing would only be available to producers when supply value chains were clear. But finally, solutions must be about business, about making money. That was the bottom line, he said.

Ambassador Mwape closed by stressing the need for follow-up to the discussions at WEDF.
ITC’s preparations before WEDF and discussions during the event have demonstrated that many LDCs are interested and willing to take a leading role in projects that will engage their SMEs in the tourism value chain.

The outcomes of WEDF include three pilot projects, the potential for a public-private partnership and the creation of a guide to assist LDCs in recovering tourism after a crisis.

The development of these projects is being led by ITC in partnerships with local public sector stakeholders, the private sector and UN agencies. The aim is to produce projects that generate tangible impact on export-led growth for the countries.

Ongoing project development includes:

- **Inclusive Tourism as a Market Opportunity for the Developing World**
  - Trade development for micro-artisans and artists in Uganda – A team of international and national experts are working with government representatives to conduct a study on inclusive tourism opportunities. This will be used to further define the project, which will be presented to a stakeholder meeting planned for late 2011. The partners in the project include Uganda’s Ministry of Tourism, Trade and Industry; the Uganda Tourism Board; the Uganda Export Promotion Board; hotel associations; tour guide associations; and partner agencies.

- **Protection and Promotion of Cultural Heritage in Ethiopia** – Ethiopia’s Ministry of Culture and Tourism, and its partners, are studying the possibilities of two lines of actions for the country’s project. The first option is to design a tourism sector development strategy using the ES methodology. The second is to develop a project based on the Ethical Fashion model, promoting exports of useful household items with a touch of Ethiopian design.

- **Connecting Farmers Producing Fresh Fruits and Vegetables (FFV) to Commercial Agro-Industry Operations in the Tourism Sector**
  - In August 2011 ITC facilitated a meeting for stakeholders in the United Republic of Tanzania. The meeting was attended by 67 business leaders, hotel operators and representatives of organizations supporting similar initiatives and of UN agencies. The meeting was also joined by representatives from the Prime Minister’s Private Sector Development and Investment initiative. Key institutions such as HODECT and Tanzania Horticultural Association (TAHA) led the discussions with the aim to define future roles and responsibilities of all product specific suppliers in the supply and value chains.

- **Engaging Women Vendors in the Tourism Value Chain**
  - ITC is working under the framework of the Global Platform for Action on Sourcing from Women Vendors to explore the possibility of a public-private partnership between the Governments of New Zealand and Australia, Carnival Cruise Lines and ITC to investigate ways to more fully involve women in the tourism value chain in the Pacific.

- **A Guide to Assist LDCs in Recovering Tourism After a Crisis, a Project Led by ITC’s Supporting Partner at WEDF, the UNWTO**
  - A first follow-up event to the WEDF workshop ‘Recovering tourism after a crisis’ focused on Stimulating demand through product redesign took place in Cairo in August 2011, organized by UNWTO and ITC in collaboration with Egypt’s Ministry of Tourism. Recommendations resulting from the workshop include the approach to promote a country’s specific popular destinations rather than the country, and to market trips by theme rather than by place.

ITC is working with the relevant partners in the critical planning stages of the projects. It expects the projects to advance through 2011, and to be discussed at WEDF 2012.
ITC mission:

ITC enables small business export success in developing and transition countries by providing, with partners, sustainable and inclusive trade development solutions to the private sector, trade support institutions and policymakers.

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