TOURISM-LED POVERTY REDUCTION PROGRAMME (TPRP)
Poverty Reduction through Inclusive Tourism

A presentation to:
Asia Pacific Workshop

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International Trade Centre (ITC)

Established in 1964 as the joint implementing agency of the WTO and the UN, ITC specializes in trade development and export promotion activities in developing and transition economies.

Mission
Promote the growth of small business exports from developing and transition countries by providing, with partners, sustainable and inclusive trade development solutions.

ITC has designed and implemented successful export promotion programmes worldwide, serving the business community, trade support institutions and policymakers.
Export Impact for Good

**ITC Outputs**

Economic Growth & Related Distribution of Wealth

Equal access for Women Youth Poor Communities

**Export Impact for Good**

Job Creation

Social, Economic & Environmental Sustainability

**MDG Goals**

1. Eradicate Extreme Poverty and Hunger
2. Promote Gender Equality and Empower Women
3. A Global Partnership for Development
4. Ensure Environmental Sustainability

**ITC**

Export Impact for Good
Globalization, Tourism and Poverty

- International awareness to make globalization and the growth of the tourism industry work for the poor
- Benefits of economic growth do not automatically trickle down to the poor
- Therefore, the poor need to be brought into the growth process through employment and entrepreneurship
Tourism and FDI

• Development of tourism in LDCs
  • Even before 2002 tourism receipts in LDCs exceeded US$ 200 billion
  • Significant Increase in Investment over the past 2 decades
  • Accounted for 11% of total world exports in 2008
  • Principal export for 1/3 of developing countries

However…

• Statistics suggest that 60-75% of revenues related to tourism leak away from LDCs as a result of:
  • Foreign Ownership
  • Choice of importing rather than sourcing locally
  • Belief in local inability to cope with international hotel chain requirements
TPRP Objectives

- TPRP is a market-led approach aiming to integrate poor local communities in developing countries in the value chain of trade through tourism.

- Facilitate an increase in the income along with an improvement of the livelihoods of poor women and men through active entrepreneurial participation in tourism value chains.

Achieved by:

- Involving the poor by linking them to tourist market value chains.

- Ensuring tourism products and services meet international requirements.

- Providing market expertise, capacity building, policy advocacy, and formal market linkages.

- Working with existing tourism destinations and supply sectors.
TPRP’s Inclusive Tourism: Success Factors

- Select existing sites with a minimum of tourism fluxes and infrastructure
- Ensure participation & commitment
- Build on what is already existing
- Use a business-like approach
- Structure and organize the communities
- Forge international & local partnerships
- Include environmental, social and economic factors
- Respect local legislation & manage risks
Defining Inclusive Tourism

*Inclusive Tourism* is a means of tourism development that fosters links and interaction between the different actors in the tourism industry, forms partnerships with private actors, stimulates the local economy and promotes the integration of women and active involvement of local communities. It emphasises sustainability, taking environmental, social and economic factors into account.
The Tourism value chain

The 4 main tourism sub-chains are:

- Accommodation (Hotels)
- Food (Restaurants, intermediaries, farmers)
- Excursions (Tour operators, transports, communities)
- Handicraft (producers, vendors)
The Triangle of Sustainability

ITC Technical Inputs

Local Community
- group organization
- local capacity building
- production and supply

Tourism Support Institutions
- training and services
- replication
- policy advocacy

Market Link
- formal link to communities
- product development
- marketing, export
Implementing TPRP: Project Cycle

- National EDRP Strategy
- Replication / Scaling Up
- Implementation / Monitoring
- Government Request
- Opportunity Study / Needs Assessment
- Participatory Project Design
Undertaking an Opportunity Study

To successfully prepare an opportunity study, TPRP created world class opportunity study guidelines which use the value chain approach.

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

The opportunity study is divided in three phases:

- Phase 1: Diagnosis of current situation and context
- Phase 2: Project opportunities, prioritisation and feasibility
- Phase 3: Project planning
Monitoring Implementation: Impact & Assessment

- EPRP strives for **DIRECT IMPACT** on poor communities’ livelihoods

- **DIRECT IMPACT** assessed through IT-based Impact Measurement Tool (survey at the beginning of intervention, halfway and at the completion).

- The **IMT** takes into account social, economic, community development and product specific indicators
WHY is it crucial?

- Fundamental TPRP approach: to know the impact of projects on living conditions at the **community level** (group of households)
- In line with the MDGs: poverty reduction measurement
- Credibility amongst donors
- Communication/TPRP Promotion
Current Inclusive tourism projects

- Main beneficiaries: poor communities neighboring tourist destinations/resorts
- Goal: thousands of beneficiaries can experience improvements in their livelihoods as a result of TPRP projects
- Projects:
  - Benin
  - Brazil
  - Jamaica
  - Mozambique
  - Senegal
  - The Philippines
Partnership with International Hotel Chains

• TPRP is starting to work with SIXSENSES, MARRIOTT (Brazil), IBEROSTAR, BREEZES & FIESTA:
  • to help them create local economic development by sourcing directly from the local businesses
  • to improve their competitive edge
Case Study - TPRP in Brazil
Project’s Triangle of Sustainability

Local Communities
• 7 municipalities along CC (193Km)

Technical Inputs
TPRP

Market Link
• International Hotels

Committed TSIs
• Banco Santander
**Main Investments on the Costa dos Coqueiros**

<table>
<thead>
<tr>
<th>INVESTOR</th>
<th>INVESTMENT VALUE (US$)</th>
<th>COUNTRY OF ORIGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reta Atlântico</td>
<td>100 million</td>
<td>Portugal</td>
</tr>
<tr>
<td>Iberostar</td>
<td>300 million</td>
<td>Spain</td>
</tr>
<tr>
<td>Trusam</td>
<td>1.30 billion</td>
<td>Spain</td>
</tr>
<tr>
<td>Orissio</td>
<td>300 million</td>
<td>Italy</td>
</tr>
<tr>
<td>Sol Meliá</td>
<td>337 million</td>
<td>Spain</td>
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<tr>
<td>Grupo Ace</td>
<td>320 million</td>
<td>Spain</td>
</tr>
<tr>
<td>Grupo Invisa</td>
<td>70 million</td>
<td>Spain</td>
</tr>
<tr>
<td><strong>Total Investment</strong></td>
<td><strong>2.7 billion</strong></td>
<td></td>
</tr>
</tbody>
</table>
Investments on the Costa dos Coqueiros
Achievements of TPRP in Brazil

• Organic waste Recycling plant

• Increase in the production of fruits and vegetables, to be sold to hotels, restaurants, and self catering apartments

• Organization of Women’s cooperative

• Skills’ enhancement of women craft producers & linkages to the market

• Development Training and Advanced Leadership Courses

• Organize courses on computer science and foreign languages

• Ongoing replication in 2 other resorts en route to the rest of CC

• These results and others were facilitated by other partners funding and infrastructure development.
Impact on the Poor

New jobs
• 3000 new jobs at hotels through preferential hiring policy for community members

New markets
• 600 farmers, using organic fertilizer, supply organic fruits and vegetables to committed hotels & other tourism markets

Higher salaries
• 3 to 10-fold increase in artisan income
Thank You!

Website: www.intracen.org/poverty-reduction

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