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Thema:

Pro-Poor Tourism as a means of poverty reduction- Benchmarking and Performance Measurement of pro- poor activities in developing countries

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I Table of Contents

I	Table of Contents	II
II	Figures	IV
III	Tables.....	V
IV	Abbreviations	VI
1	Introduction	1
1.1	Problem statement	1
1.2	Objectives	1
1.3	Structure of the thesis.....	1
2	Pro-poor tourism as a means of poverty reduction.....	2
2.1	Definition of the term poverty reduction and its measurement.....	2
2.1.1	Tourism's contribution to the reduction of poverty	5
2.1.2	Pro-poor tourism as a way of sustainable development	5
2.1.2.1	Economic dimension.....	6
2.1.2.2	Ecological dimension	7
2.1.2.3	Socio-cultural dimension	7
2.1.2.4	Political dimension.....	7
2.2	Definition of the term pro-poor tourism.....	8
2.2.1	Goals of pro-poor tourism.....	10
2.2.2	Strategies of pro-poor tourism	10
3	Approaches to pro-poor tourism	12
3.1	Community-based tourism.....	12
3.2	Value chain analysis.....	13
3.3	Creation of local business linkages	18
4	Tourism in developing countries	23
4.1	Developing countries	23
4.1.1	Development of tourism in developing countries	25
4.1.2	Reasons for expansion	27
4.1.3	Tourism demand for developing countries	28
5	Pro-Poor Tourism in developing countries	29
5.1	Organisations involved in pro-poor activities.....	29
5.2	Countries that engage in pro-poor activities	30
5.3	Role of the government	31

5.4	Pro-poor actions in Third World destinations.....	31
5.4.1	Community-based tourism in Botswana and Bolivia	32
5.4.2	Value chain analysis in Cambodia and Tanzania	32
5.4.3	Local business linkages in Ethiopia and Lao PDR	32
6	Benchmarking and performance measurement of pro-poor activities.....	32
6.1	Objectives	35
6.2	Benchmark of quantitative factors.....	35
6.2.1	Pro-poor income	36
6.2.2	Implementation of strategies focused on economic benefits ..	38
6.3	Benchmark of qualitative factors.....	39
6.3.1	Implementation of strategies focused on other benefits	39
6.3.2	Analysis of pro-poor offer	40
6.3.3	Analysis of the image of the destination	44
6.3.4	SWOT-analysis.....	45
6.3.4.1	Internal analysis of the project's methodology	46
6.3.4.2	External analysis of the poor's situation	46
6.3.5	Qualitative assessment of expert opinions	46
6.4	Recommended areas for action	47
6.4.1	Recommendations regarding quantitative benchmarking	48
6.4.2	Recommendations regarding qualitative benchmarking	49
6.4.3	General recommendations	51
7	Summary and Conclusion	56
7.1	Summary	56
7.2	Conclusion	57
V	References	IX
VI	Attachment	X
	Declaration	

II Figures

Figure 1: The Gambian Tourism Value Chain	15
Figure 2: Value Chain Development	18
Figure 3: Different types of linkages between tourism and the local economy	21
Figure 4: Six main important steps of conducting performance measurement	34
Figure 5: Quantitative and qualitative success figures of a developing country	35
Figure 6: Pro-poor income as % of destination spending.....	37
Figure 7: Cost components of a typical Mountain-climbing holiday.....	38

III Tables

Table 1: Benefits and constraints for companies investing in local linkages	20
Table 2: International Tourist Arrivals from 1998 to 2008	26
Table 3: International Tourism Receipts in 2007 and 2008	27
Table 4: Percentage of staff in Cambodia assessed as poor (by sector).....	38

IV Abbreviations

BL	Business Linkage
BMZ	Federal Ministry of Economic Cooperation and Development
CBNRM	Community-Based Natural Resource Management
CBT	Community-Based Tourism
CI	Conservation International
CITouR	Centre for International Tourism Research
DAC	Development Assistance Committee
DFID	UK Department for International Development
DWNP	Botswana Department of Wildlife and National Parks
F&B	Food and Beverage
GTZ	German Agency for Technical Cooperation German Technical Cooperation
IDB	Inter-American Development Bank
IFC	International Finance Cooperation
IFC MPDF	International Finance Corporation's Mekong Private Sector Development Facility
IMF	International Monetary Fund
ITC	International Trade Centre
ITP	International Tourism Partnership
IUCN	International Union for the Conservation of Nature
LDC	Least Developed Country
LPB	Luang Prabang
M&E	Monitoring and Evaluation
MIF	Multilateral Investment Fund

IV Abbreviations

MSE	Micro and Small Enterprise
NGO	Non-Governmental Organisation
NIC	Newly Industrialised Country
NRMP	Natural Resource Management Project
ODI	Overseas Development Institute
PPEI	Pro-Poor Employment Income
PPI	Pro-Poor Income
PPT	Pro-Poor Tourism
SMME	Small, Medium and Micro Enterprises
SNV	Netherlands Development Organization
SS	Semi-Skilled
ST-EP	Sustainable Tourism – Eradication of Poverty
TO	Tour Operator
TTF	Tourism Trust Fund
UNCTAD	United Nations Conference on Trade and Development
UNWTO	United Nations World Tourism Organization
US	Un-Skilled
USAID	United States Agency for International Development
VC	Value Chain
VCA	Value Chain Analysis
VCD	Value Chain Development
VCI	Value Chain Intervention
WCED	World Commission for Economic Development

1 Introduction

1.1 Problem statement

"Not everything that can be counted counts: not everything that counts can be counted".¹

This quote places emphasis on the fact that diagnosing, assessing, monitoring and measuring activities in reality can be really difficult due to the fact that different data is needed and that data sets are often not valuable or weak. This problem also faces pro-poor actions that are often influenced by different needs, trends, decisions and changes. The question therefore is how are using, comparing, measuring and evaluating different organisations information based on tourism in developing countries? Which kind of tourism is most appropriate so as to alleviate poverty? How can pro-poor activities be improved and how in general can tourism contribute to the local wealth of the people?

1.2 Objectives

Can tourism reduce poverty? Is it feasible? How can performance be measured and projects be evaluated and compared in terms of global thinking? The discourse on this matter results as the consequence against the difficult background that there are several ways of reducing poverty and that there no fixed rules and common definitions about how tourism and different tourism types can generate benefits to the poor. Originally, this thesis was solely supposed to describe community-based tourism, but new methodology like the value chain analysis and approaches like the creation of business linkages were found.

1.3 Structure of the thesis

The first and theoretical part deals with an explanation and definition of the terminology such as poverty reduction, sustainable tourism and pro-poor tourism so as to get a first overview about the content of this thesis. It also illustrates some tools related to pro-poor tourism such as community-based tourism, value chain analysis and business linkages. Likewise, the term developing country and the general significance of tourism in developing countries are presented as well as the role of the

¹ Albert Einstein

government and developing countries that engage in pro-poor tourism. The second and practical part deals with a description of examples of pro-poor cases in these destinations, and by measuring and evaluating activities and making recommendations, pro-poor findings are discussed. The thesis reflects work based on empirical enquiry including qualitative expert interviews. These reflect broader themes that are treated in this work as well as recommendations and criticism towards certain issues.

2 Pro-poor tourism as a means of poverty reduction

In the following, poverty reduction and its measurement, the contribution of tourism to poverty reduction, sustainable development and its four pillars and PPT are defined and explained because they are highly interconnected. Likewise, the strategies and goals of PPT are described so as to be able to measure actions later on.

2.1 Definition of the term poverty reduction and its measurement

Before defining the meaning of poverty reduction and its implications, it is useful to explain the sense of the term poverty. The Merriam-Webster's Collegiate Dictionary explains poverty from a monetary and ownership-based point of view: Therefore poverty is the "state of one who lacks a usual or socially acceptable amount of money or material possessions"², whereas a socially acceptable amount of money differs in every country, meaning that countries have different poverty lines. Nevertheless, a "socially acceptable" amount of money can be described as the minimum budget which is needed to obtain merely physical efficiency.³ According to the Asian Development Bank, poverty can be described as a "deprivation of essential assets and opportunities to which every human is entitled"⁴. The "essential assets and opportunities" are further defined as the access to basic education, to primary health services and nutrition, to employment opportunities, to social protection and security and to decision-making processes shaping the poor people's lives and empowerment⁵, i.e. that poverty cannot only be regarded in terms of money. To avoid different ways of understanding and dealing with poverty, the OECD established a more multidimensional approach: Therefore, poverty can be regarded as the "inability of

² Kanbur, Squire, 2001, p. 185

³ Cf. Kanbur, Squire, 2001, pp. 185

⁴ Cook, Duncan, Jitsuchon, Sharma, Guobao, 2005, p. 226

⁵ Cf. Cook, Duncan, Jitsuchon, Sharma, Guobao, 2005, p. 226

people to meet economic, social and other standards of well-being⁶. Moreover, this approach includes five core dimensions that contain economic, human, political, socio-cultural and protective capabilities (cf. Attachment 1). Each of this five core dimensions reflects an important dimension of poverty. The links between the core dimensions show that the dimensions can affect and are likewise affected by each other.⁷

As a consequence, poverty reduction contains all the activities which (try to) alleviate this inability of the people and the deprivation of the core dimensions. In addition to that, special attention should be also drawn to gender equality and environmental sustainability owing to the fact that poverty is not gender-neutral (men and women are affected in different ways, female poverty is often more predominant) and that environmental degradation, water pollution etc. lead to a higher degree of poverty.⁸

In order to combat poverty and to promote human development, the UN has set up the *Global Code of Ethics for Tourism* so as to minimise negative impacts of tourism (social as well as environmental) and increase positive benefits for tourism businesses and destinations. Furthermore, the United Nation's Millennium Project was established containing eight *UN Millennium Development Goals* which were signed by all Member States of the UN in 2000. These goals include the eradication of extreme poverty and hunger, reduction of child mortality, improvement of maternal health etc. and their targets are supposed to be met by 2015.⁹

A further step towards poverty reduction also represents the *ST – EP program* which is originally tied to the UN Millennium Development Goals.¹⁰ This program, initially launched in 2002 at the World Summit for Sustainable Development in Johannesburg by UNWTO and UNCTAD, provides technical assistance on sustainable development in tourism in developing countries and is supported and funded by the ST – EP Foundation and the ST – EP Trust Fund.¹¹

⁶ OECD, 2001, p. 37

⁷ Cf. OECD, 2001, pp. 37

⁸ Cf. OECD, 2001, p. 40

⁹ Cf. Miller, Twining-Ward, 2005, p. 8

¹⁰ Cf. Telfer, Sharpley, 2008, p. 54

¹¹ Cf. Ashley, De Brine, Lehr, Wilde, 2007, pp. 44

Also, the *Paris Declaration on Aid Effectiveness* led to further progress towards the alleviation of poverty through the reformation of the ways that deliver and manage aid. The paper summarises newer developments for an effective aid. It was confirmed at the HAC High Level Forum on March 2005 by 35 agencies and donor countries, 26 multilateral organisations, 14 civil society organisations and 26 countries that receive aid. It builds on the commitments made in 2002 at Monterrey and these commitments are enlarged by the consensus of delivering aid more practically, action-oriented, qualitative and cooperative. Therefore, five key principles (ownership, alignment, harmonisation, managing for results and mutual accountability) set the basis for further actions regarding a higher effectiveness of aid.¹²

Thus, the question how to measure and monitor poverty still remains: There are several ways that relate to the measurement of poverty and therefore only some strategies are mentioned such as the widely-used *minimum poverty line* which was developed in the early 1960s by the economist Mollie Orshansky. It allows income-based and nutritional ways of calculating poverty, saying that people having less than US\$1 a day, are poor. Another measurement is the *head-count ratio*, which, in fact, is the "ratio of the number of poor individuals to the total number of the population"¹³. Another possible way is to measure the depth of poverty through the *poverty gap*, considering the required income transfer to bring the population up to the poverty line and investigating how far below the poverty line certain groups of the population are.¹⁴ Equally, when there is up-to-date and reliable information, *household expenditures* of the poor are often measured, calculating the poor people's income. Furthermore, *benefit dependency measures* are employed very often, meaning that the people who receive benefits and recipes from the state are counted. Beside these kinds of economic and financial data measurement, there exist other measurements such as *infant mortality and school enrolment rates, life expectancy, social consensus* and *public opinions*. Although there have been great improvements (e.g. increasing number of conducted surveys) there is still common and reliable measurement of data needed, especially when considering that every methodology has a high impact on the countries and states policy and practice and that some measure-

¹² Cf. OECD, 2006, p. 79

¹³ Yahie, 1996, p. 128

¹⁴ Cf. Yahie, 1996, p. 128

ment might be not very up-to-date (such as the poverty line of US\$1 a day) due to a globalising and fast-changing world. Thus, the model of poverty and its alleviation is quite complex and profound¹⁵, but at least tourism might be a possible pathway to reduce poverty.

2.1.1 Tourism's contribution to the reduction of poverty

There are three main pathways through which tourism can affect poor people and poverty reduction in a different way:

- *Direct effects:* Direct effects are considered to be workers and entrepreneurs that directly participate in the tourism sector; examples of direct effects are labour earnings from tourism jobs, other forms of tourism income and non-financial livelihood changes.
- *Indirect effects:* Indirect effects contain incomes from non-tourism sectors (food, construction, transportation etc.) that supply tourism.
- *Dynamic effects:* Dynamic effects include other export sectors, factor markets, human and private development, the natural environment, business climate, growth in the local and national economy, infrastructure of the destination etc. and are generally effects on the macro economy.

Yet, most of the tourism studies have only focused on one pathway and three pathways hardly have been analysed simultaneously (although a combination might be very effective to reduce poverty at scale).¹⁶ Reasons for the implementation of tourism - additionally to reducing poverty - will be explained in chapter 4.1.1 and 4.1.2. How poverty may be reduced also illustrates the further investigation of PPT and sustainable development below.

2.1.2 Pro-poor tourism as a way of sustainable development

PPT is embedded into the approach of sustainable development and sustainable tourism respectively. The term sustainable development first gained popularity through the Brundlandt Commission Report "Our Common Future" which was released by the WECD in 1987. The Brundlandt Commission Report, or better known as the *Brund-*

¹⁵ Cf. MacPherson, Silburn, 1998, pp. 8

¹⁶ Cf. Ashley, Mitchell, Mann, 2007, p. 2 and Ashley, De Brine, Lehr, Wilde, 2007, p. 8

landt Report, identified core values of sustainable development, such as the combat of poverty or the stabilisation of population growth and identified sustainable development as the “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”^{17, 18}.

Five years after the Brundlandt Report, the term sustainable development became known worldwide through the in Rio de Janeiro occurring *Rio Earth Summit* (UNC-TAD). The Rio Earth Summit triggered off a significant change in the direction for the sustainable development debate, achieving a wider participation of NGOs and an improved partnership between developing and developed nations. Likewise, especially the compiled developing concept “Agenda 21” facilitated the avoidance/ prevention of negative repercussions in tourism and the implementation of sustainable development at a local, national and international level.¹⁹

The term eco, soft or green tourism was enlarged by the term sustainable tourism, meaning that tourism not only can have negative impacts on the environment (concept of eco, soft or green tourism), but that also a form of “hard tourism” can have negative impacts related to the recreational value of the journey as well as to the social environment of the destination, while the guest e.g. tries to import his culture regardless of the culture of the host country.²⁰

Therefore, sustainable tourism is understood to be long-term ecologically acceptable and tangible, economically feasible and profitable, and ethically/socially legitimate and conducive for the local people as well as culturally conformist.²¹ In the following these traditional three pillars of sustainable tourism and the possible achievement of its aims plus the political sustainability as a newly-concluded pillar will be explained.

2.1.2.1 Economic dimension

In order to preserve economic sustainability longer term prosperity has to be the foundation for continuing sustainable development. Economic sustainability can be reached through the calculation of benefit and follow-up costs of infrastructure, op-

¹⁷ WCED, 1987, p. 43

¹⁸ Cf. Miller, Twining-Ward, 2005, pp. 6

¹⁹ Cf. Miller, Twining-Ward, 2005, p. 7

²⁰ Cf. Kirstges, 2003, p. 21

²¹ Cf. Schmied, Götz, Kreilkamp, Buchert, Hellwig, Otte, 2008, p. 26 and Kirstges, 2003, p. 22

timisation of marketing effects, generation and protection of knowledge, creation of networks of industry sectors, adequate, long-lasting value added and long-lasting economic revival through tourism.

2.1.2.2 Ecological dimension

Ecological or environmental sustainability implies that resources are conserved and effectively managed. It can be reached through the preservation of areas of unspoiled nature, avoidance of negative impacts through the construction of infrastructure, development of an environment management system, avoidance of loads through events and long-lasting preservation of the value of nature (e.g. biodiversity).

2.1.2.3 Socio-cultural dimension

Socio-cultural sustainability can be obtained if special attention is paid to the alleviation of poverty, construction of equal opportunities, promotion of human rights, increase of self-determination and political freedom, strengthening of the regional identity (including culture, subjective well-being, solidarity, public spirit), inclusion of the community and provision for its interests and development of course of action for future generations.

2.1.2.4 Political dimension

Sustainability is also highly influenced by political decisions as differing political ideologies may lead to different perspectives on sustainable development. Therefore, different political approaches such as neoliberalism, socialist political economies, Marxist or eco-feminist perspectives promote different actions in sustainable development.²²

Yet, the concept of sustainable development and tourism is highly controversial and has received a lot of criticism (e.g. over all the political exploitation of the world "sustainability", the polarisation of good (sustainable) forms of tourism and the bad (mass) forms of tourism, the lacking consensus about the actual definition of the term, the very few examples of sustainable tourism in practice, the high emissions due to air and long-distance travel and the question whether tourism can contribute

²² Cf. Telfer, Sharpley, 2008. pp. 35 and Bieger, 2006, p. 111

to sustainable development at all). Therefore a new, more responsible and pragmatic approach to sustainability in tourism has been established: Pro-poor tourism.²³

2.2 Definition of the term pro-poor tourism

The term pro-poor tourism was first employed in work for the DFID and presented to the UN in 1999, where it was adopted then. The aim of PPT was to put "poverty at the heart of tourism agenda"²⁴ and for this reason the pro-poor tourism partnership was shaped, i.e. it was supposed to explore how tourism that already exists, could contribute to the reduction of poverty. Yet, there still remains some disagreement on what PPT really means in practice and demonstrable examples of tourism benefiting the poor are still lacking. Nevertheless, the PPT approach can be seen as an emerging shift to new enhanced activities where organisations and governments (especially in Africa) turn tourism to account for poverty reduction.²⁵ So, in general, PPT can be defined as a way of tourism that increases the positive impacts of tourism on the local economy and poor people. While increasing these positive impacts, participation of the poor is expected to augment at many significant points in the tourism sector, i.e. the poor are actively involved in the pro-poor process. It tries to investigate and put ideas into action that boost the social and economic net benefits for the local economy and the poor people while alleviating the negative impacts of tourism and other industries on the poor.²⁶

The advantage of PPT is that its low-skill requirements are very labour-intensive and that it can create many opportunities (also in the informal sector); it is highly built on cultural and natural resources that already belong to poor people.

Hence, PPT can be seen as a further approach of sustainable tourism while putting its main focus on the social and economic issues. It does not reflect the broader developmental and environmental aims of sustainable tourism, because it directly attempts to address the tourism industry and manage it towards poverty related and social issues in the destinations. Equally, it tries to boost the poor's economic situa-

²³ Cf. Telfer, Sharpley, 2008, p. 32

²⁴ Ashley, Goodwin, 2007, p. 80

²⁵ Cf. Ashley, Goodwin, 2007, pp. 80

²⁶ Cf. also Ashley, 2006, p.1

tion and their access to markets.²⁷ Furthermore, the UNWTO has tried to merge PPT (with its special attention to poverty reduction) and sustainable tourism when regarding the initiated ST - EP program²⁸ mentioned in chapter 2.1.

Despite these chances of PPT to combat poverty, there still remain some concerns about PPT approaches and results, such as

- A limited focus
- Little attention to markets
- Limited documentation
- Less economic benefits in terms of employment and income

A limited focus implies that many pro-poor activities in the past, predominantly CBT projects, remained at micro level and represented kind of a niche product (such as eco tourism) instead of reaching the macro level and being a more mainstream tourism product.

Moreover, very little attention to market linkages was paid occasionally and communities often did not pay enough attention to commerce, for instance, due to a lack of business expertise.

Besides, owing to a deficiency of systematic and documented monitoring and assessment of changes in the destinations and poor people's livelihoods, there have been no tangible results either and therefore no comparison of countries has been possible lately.

The last concern, meaning that a policy of smaller scale and appropriate tourism could generate fewer economic benefits²⁹, is highly arguable when regarding what kind of tourism reaches more economic wealth. Examples of success and failure are presented in chapter 5.4.

In the following the objectives, strategies and approaches related to PPT are explicated into depth and these three major concerns might be eliminated or at least minimised consequentially.

²⁷ Cf. also Miller, Twining-Ward, 2005, p. 32

²⁸ Cf. Telfer, Sharpley, 2008, p. 54

²⁹ Cf. Ashley, Goodwin, 2007. pp. 80

2.2.1 Goals of pro-poor tourism

Pro-poor goals can be divided into three different kinds of goals benefiting the poor:

- More tourists and tourist arrivals in general
- More average expenditure per tourist
- More share reaching the poor

The first objective, boosting the tourist numbers, is a good opportunity for bigger destinations to maximise cash benefits and total tourism spending and especially in destinations where growth already exists, PPT and M&E is easier to implement. Nonetheless, this approach alone is not sufficient to maximise the poor's benefits and seems to be a kind of superficial and one-sided view.

The second objective is to enhance the average expenditure per tourist and can be achieved by augmenting the tourist's length of stay, increasing the availability of (quality) goods and services where the tourist can spend money on while doing a trip and/or targeting more high-spending markets instead of or rather than budget tourists; in fact, this is not always necessarily pro-poor.

The last objective increasing the share of spending that reaches the poor and enters the local community respectively reflects a real challenge for PPT. The tourism supply chains must be introduced to and adopted by the local community, meaning that many local workers and entrepreneurs from different working sectors are involved. The achievement of this goal depends on the tourism product offered, the type of tourist and the environment in which small and large businesses are operating.³⁰

Accordingly, PPT intends to achieve its objectives not by increasing the size of the (tourism) industry, it rather tries to create possibilities and redistribute benefits for disadvantaged groups.³¹ Thus, the possibilities to achieve these goals portray the following strategies.

2.2.2 Strategies of pro-poor tourism

Pro-poor strategies can also be classified into three specified kinds of strategies that enable the poor and local community to have benefits:

³⁰ Cf. Ashley, 2006, p. 1

³¹ Cf. Miller, Twining-Ward, 2005, p. 32

- Strategies focused on increasing economic benefits
- Strategies focused on enhancing non-financial livelihood benefits
- Strategies focused on enhancing participation, process and partnerships

Strategies focused on the economic benefit contain the expansion of local wages and employment via training up the locals for employment and enhancing their commitment to carry out local jobs. Moreover, it contains the expansion of business possibilities for the poor via selling of food etc. to (local and foreign) tourism operators or selling local products and crafts directly to the tourist. Last but not least, a development or an expansion of collective community income via partnerships with tourism operators or governmental institutions from donations, equity dividends, revenue shares or lease fees can be possible so as to achieve economic benefits.

Strategies focused on the enhancing of non-financial livelihood benefits include physical, cultural and/ or social improvements and often begin by reducing certain negative impacts, such as the loss of access to land or coast. These strategies can focus on training, empowerment and capacity building. Another focal point can be the mitigation of environmental impacts and the competing use and management of natural resources. Likewise, the improvement of cultural and social impacts of tourism and the improvement of access to services and infrastructure, such as transport, water supplies, radio access and health care, also belong to strategies focused on non-monetary livelihood benefits.

Strategies focused on participation, process and partnerships can develop an increased participation by the poor in decision-making. Equally, a more planning framework and a supportive policy (for the least powerful stakeholders) can be created. These strategies can lead to more pro-poor partnerships with organisations of the private sector. Last but not least, a flow of communication and information can be heightened and this can facilitate further discussion, planning and dialogue.³² General strategies for promoting PPT also involve the removal of unfair advantage to foreign investors and red tape as well as the creation of linkages between the informal sector and tourism businesses.³³

³² Cf. Ashley, Goodwin, 2004, pp. 1

³³ Cf. also Miller, Twining-Ward, 2005, p. 32

3 Approaches to pro-poor tourism

There are various approaches to tourism that can contribute to the reduction of poverty in a country or region. Therefore, CBT, VCA and BLs, as three possible methods, are presented in this context. The question is which PPT tool or approach is the most advantageous solution and has the most beneficial impacts on the poor/ local community, if tools and approaches can be regarded isolated at all.

3.1 Community-based tourism

The idea of managing local resources and activities by a large host community originally comes from the agricultural sector in the 1960s and 1970s where it then was abandoned through disastrous flirtations.

The concept of CBT emerged in the 1990s. It can be determined as a form of ecotourism and generally represents a more sustainable way of tourism. As the term reveals, this sustainable development of rural areas takes place with a high focus on the host community in terms of planning, monitoring and maintaining tourism development, i.e. a large group of community members is best managing tourism and other activities within the service sector.

Besides, CBT provides financial benefits to all people that are affected by tourism through a local control of tourism development and a consensus-based decision-making process. The communities receive support through initial financial help, consultation from experts and training. Hence, social development and active local participation are the main premises so as to conduct CBT.

Another precondition is long-term ecological sustainability as the community is expected to ensure the conservation of natural resources.³⁴

However, there always has been much criticism on CBT. According to *Mitchell* and *Muckosy*, CBT hardly reduces vulnerability and poverty. Only a small number of CBT projects had success in the past and many projects promoting CBT have failed owing to key factors such as scarcity of financial viability. For instance, a recent survey about 200 CBT projects across Latin America identified that a lot of accommodation providers have very low occupancy with an occupancy rate of only 5%. After nine years of operation another CBT project in Ecuador only generated \$200 for the

³⁴ Cf. Beeton, 2006, p. 50, Mitchell, Muckosy, 2008, p. 1 and Palm, Pye, 2001, p. 1

community fund. Some of the reasons for these financial collapses and failure of CBT projects are *poor market access* and *poor governance*.

Poor market access signifies that the poor are not participating and operating successfully in commercial markets. Although people might assume that this could be the poor's fault (due to a lack of knowledge and know-how), an analysis of CBT projects reveals that often development agencies themselves are the biggest obstacle to the feasibility of CBT projects. Likewise, the community is highly dependent on the CBT project's success which can also lead to competition and a lack of cooperation between different projects.

Poor governance means that although CBT projects should have a gender-sensitive and fully-inclusive institution and management committee in theory, in practice traditional authorities often decide on financial resources and critical decisions and those collective management structures are often too complex to work together effectively. Likewise, there exist too many one-man-businesses and project-initiators are often more interested in their own profits rather than sharing benefits with the community.

According to *Mitchell* and *Muckosy*, in contrast to CBT, mainstream tourism could be an ideal way to create linkages between locals and tourism. The following two chapters indicate how mainstream tourism can work and what it is.³⁵

3.2 Value chain analysis

According to *Kaplinsky* and *Morrist*, a conventional value chain "describes the full range of activities which are required to bring a product or service from conception, through the different phases of production [...] delivery to final consumers and final disposal after use"³⁶. Though, VCA have traditionally been utilised in the agriculture and service sector. But more recently the VC approach has been adapted to the service sector and most important in this context to tourism. It was developed by ODI, SNV and IFC.

Therefore a VC describes the full range of activities and all the functional areas that are required to firstly bring the tourist to a destination (transport) and secondly provide all the necessary services (accommodation, retail and shopping, food and bev-

³⁵ Cf. *Mitchell*, *Muckosy*, 2008, pp. 1 and *Palm*, *Pye*, 2001, pp. 23

³⁶ Cf. *Ashley*, *Mitchell*, *Mann*, *Lloyd-Williams*, 2007, p. 1

erages, excursions, etc.) where tourists' out-of-pocket expenses take place. In pro-poor context the VCA is essential because it provides an opportunity to show key points and stages along the chain where interventions could increase the income, wages and profits earned by the poor.

Due to the fact that production and consumption of the tourism product take place simultaneously and that the tourist consumes the product at a certain geographic location - mostly the tourist destination - diagnostic tools have to be applied in order to facilitate the VCA, to get to know how value is distributed along the VC, to receive empirical information and to minimise the problem of not being able to "store" the tourism service or product.³⁷

Figure 1 exemplifies how a VC can look like. The red boxes demonstrate how different sectors capture the whole tourism value chain in terms of revenues (e.g. the airline companies make up one-third). The green boxes show which sectors are actually pro-poor (e.g. shopping is the activity that most benefits the poor).

³⁷ Cf. Ashley, Mitchell, Mann, Lloyd-Williams, 2007, pp. 1 and Ashley, Mitchell, 2009, p. 1

3 Approaches to pro-poor tourism

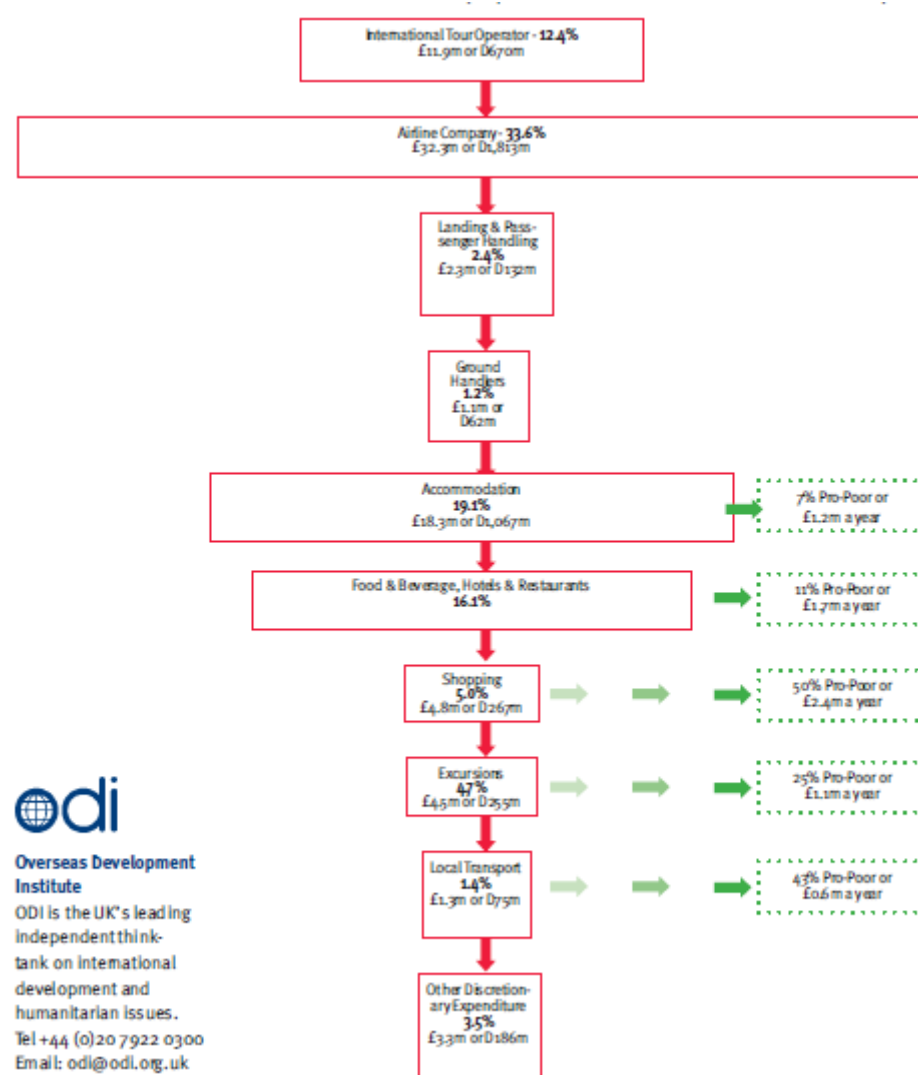


Figure 1: The Gambian Tourism Value Chain³⁸

The advantage of the VCA is that, on the one hand, it covers the analysis of macro-variables, the mainstream economy and the tourist destination's competitiveness (tourist arrivals, foreign exchange receipts and investment) and, on the other hand, it also provides information about the micro-variables, analysing the poor's income and participation and the inter-relation between services and products. Moreover, VCA can be developed quickly, particularly with regard to the ability of working in a more participatory and policy-based manner than it would be possible with usual tourism development strategies.³⁹

³⁸ Ashley, Mitchell, Mann, Lloyd-Williams, 2009, p. 5

³⁹ Cf. Ashley, Mitchell, Mann, Lloyd-Williams, 2007, pp. 1 and Ashley, Mitchell, 2009, pp. 1

Despite these advantages, there also remain some methodological and general challenges, such as

- *The Definition of "the poor"*⁴⁰: The question is who counts as poor and who not, if it always depends on the objective of the work or on a fixed definition (e.g. below the poverty line of US\$1 per day).
- *Critical Data*: A lot of data must be collected through primary data collection as secondary sources are not available; information is often not detailed and disaggregated enough (e.g. flows per person or bed night).
- *Measurement of PPI*⁴¹: It is really complex to measure how much is being earned by how many poor people.
- *Action Research*: VCA are not supposed to be just a technocratic research; it rather strives for an explanation why poor people are excluded from VCs.
- *Difficulty in comparing findings*: A best-practice for VCA does not exist yet, and methodology and measurement vary very often.
- *Lack of consideration of non-financial costs*: Other cost-increasing factors as sex tourism or other forms of exploitation as well as livelihoods and social and environmental changes such as demonstration effects or environmental degradation that are difficult to diagnose are often ignored.
- *Equal treatment of all "poor"*: Recently, the poor have been analysed regardless of their sex, gender or other political factors; there is no differentiation.
- *Little regard of dynamic effects*: A consideration of economies of scale, prices and exchange rates, new infrastructure may be the most important impact on poverty reduction in the long-run.
- *How information will be used and analysed*: What are the questions that ultimately have to be answered and what is to be compared with what.
- *Consideration key influencing factors*: Bottlenecks, market relations, trends and functioning of the VCs highly influence VCA.⁴²

⁴⁰ "The poor" or "poor people" are assumed to be people coming from a poor background

⁴¹ PPI is the amount of money that is being earned by the poor; it measures how financial transfers from international tourists reach the poor

Besides, a value chain approach can be seen from two different perspectives:

At first, VCA can be recognised as a **tool** that can gather information, focus on pro-poor issues, analyse the sector's competitiveness, map flows to the poor and identify linkages between different key actors in the chain. It is therefore a means of diagnosing and analysing pro-poor impacts in supply chains and identifying possible interventions.

But, however, in order to boost the poor's economic livelihoods and change conditions, one has to go one step further and use VCA as an **objective**. This leads to a shift of the value chain intervention. VCIs permit to intervene at certain key stages in the VC so as to *change* how the poor operate (improvement of the performance of the chain from the poor's perspective) and not only to *analyse* and *diagnose* how the poor operate and *identify* best interventions.

Therefore, monitoring of pro-poor impacts is indispensable and VCA as a tool alone is not enough to meet pro-poor requirements.⁴³ Figure 2 illustrates how value chain development works, including VCA (step 2) and VCI (step 6). Step 8 (Global Benchmarking and Performance Measurement) is new and will be discussed later.

⁴² Cf. Ashley, Mitchell, Mann, Lloyd-Williams, 2007, pp. 2 and Ashley, Mitchell, 2008, p. 36

⁴³ Cf. Ashley, Mitchell, 2008, p. 6 and Ashley, Mitchell, 2009, p. 1

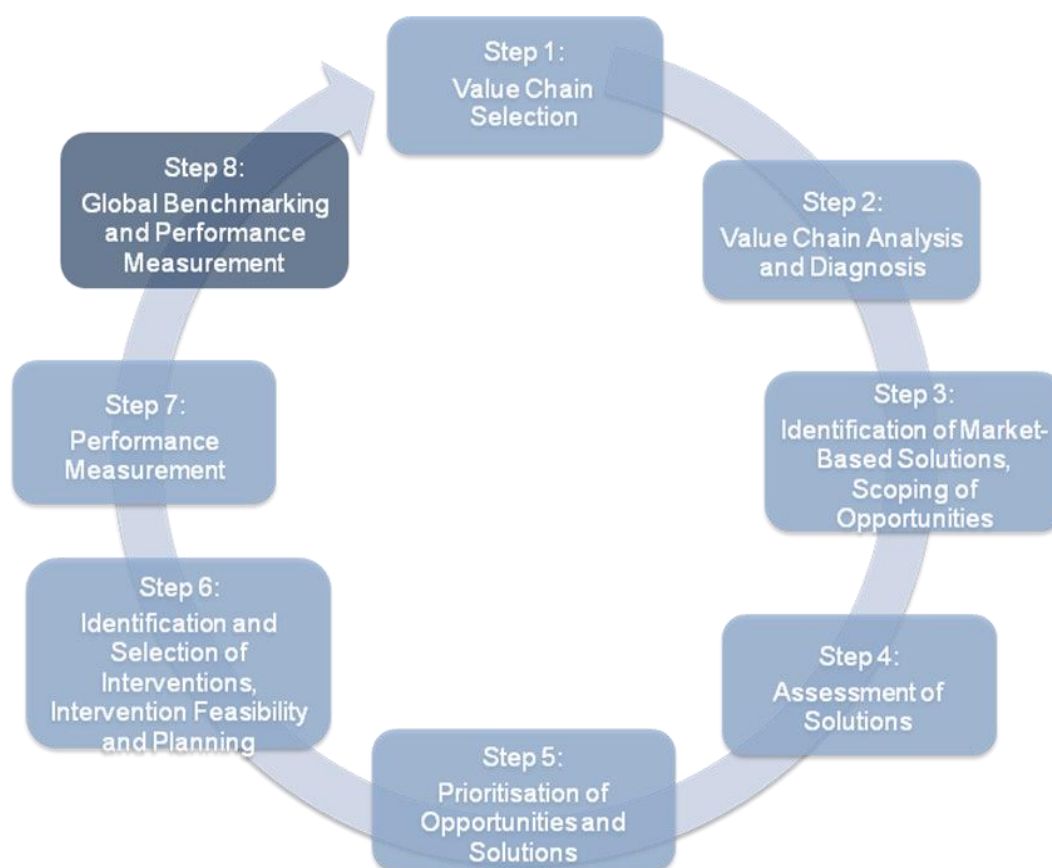


Figure 2: Value Chain Development⁴⁴

3.3 Creation of local business linkages

Although many international tourism companies make considerable donations to developing countries these donations are often not self-sustaining and separated from regular day-to-day business. Likewise, most of the tourist dollars paid for a journey is left in the hands of tourism firms far away from the destination,⁴⁵ and especially by importing goods to satisfy the visitor's demand foreign currency gained through tourism is lost in the local economy. Besides, many properties are owned by foreign companies. Large leakages in the economy are the consequence then.⁴⁶

Therefore, another possibility to implement pro-poor actions and to reduce these leakages is to invest in local linkages where the local economy (local residents, SMMEs and MSEs) and tourism companies (well-established, corporate and medium-sized businesses) thrive and work together. This provides an opportunity for tourism

⁴⁴ Own illustration, according to Ashley, Mitchell, 2008, p. 5 and Ashley, Mitchell, 2009, p. 2

⁴⁵ Cf. Ashley, Poultney, Haysom, Mc Nab, Harris, a 2005, pp. 1

⁴⁶ Cf. Huybers, 2007, pp. 15

companies to boost and contribute more to the local economy and develop and enhance their private businesses simultaneously. Hence, the creation of local businesses and economic links creates positive effects for both parties.⁴⁷ By this account it is also the imports can be replaced through cooperation with traditional sectors (e.g. agriculture) of the economy and a production of sufficient and more qualified services and products is feasible.⁴⁸ However, companies also have to face certain constraints while investing in local linkages, as Table 1 shows.

<i>Benefits of building local linkages</i>	<i>Constraints of building local linkages</i>
Improved customer satisfaction (identified by managers as the most important benefit)	Lack of acceptable local suppliers and products (owing to a lack of quality, quantity or reliability of local goods)
Enhancement of brand and USP (company becomes known for PPT involvement, leads to competitive advantages)	Price (the shift to local delivery can be costly, because discounts and other benefits from established suppliers are missing)
New or more distinctive products and services (guests value the difference and are more enthusiastic about spending money)	Exclusionary procedures and policies (some tourism companies are obliged to always use the same supplier in contracts)
Greater local support and social licence to operate by local residents and municipality	Inertia or staff resistance to change (e.g. difficulty in motivating staff for change)
Improved staff morale and service (that leads to an enhancement in customer service and satisfaction)	
Preferential recognition from government and increased score in the Tourism BEE Scorecard ⁴⁹	
Improved corporate governance and organisational development (general business processes are optimised)	

⁴⁷ Cf. Ashley, Poultney, Haysom, Mc Nab, Harris, a 2005, pp. 1 and Ashley, Mitchell, 2006, p. 1

⁴⁸ Cf. Sadler, Archer, 1975, pp. 181

⁴⁹ The new Tourism BEE Scorecard recognises and acknowledges activities that support community initiatives, enterprise development or affirmative procurement within a region. Activities are rewarded as a percentage (e.g. 15 per cent of the score is rewarded on local procurement)

Cost-saving (due to cheaper local supplies)	
Access to responsible financing (institutional lenders focus on conscientious commerce performance in their deals)	
General recognition and marketing advantage from word-of-mouth-marketing, more media response, industry awards	

Table 1: Benefits and constraints for companies investing in local linkages⁵⁰

There are different types of local linkages and different ways in which businesses can participate – illustrated in Figure 3. The more local linkages are built the more opportunities to boost the local economy exist. Governments can highly influence flows to the poor which is most notably because collected quantitative data reveals that the type or size of the tourism sector does not matter. What matters is how the tourism sector is structured, i.e. how, when and where tourists spend their money and how supply chains and linkages work. Nevertheless, it remains quite challenging for governments to decide which local linkage(s) to choose first because time and commitment are needed and all linkages cannot be implemented simultaneously.⁵¹

⁵⁰ Own illustration, data from Ashley, Poultney, Haysom, Mc Nab, Harris, **a** 2005, pp. 4 and Ashley, Poultney, Haysom, Mc Nab, Harris, **b** 2005, pp. 4

⁵¹ Cf. Ashley, Poultney, Haysom, Mc Nab, Harris, **b** 2005, p. 23 and Ashley, Laumans, 2006, p. 5



Figure 3: Different types of linkages between tourism and the local economy⁵²

For instance, when regarding the bottom of Figure 3 local training, recruitment and promotion of staff can have great pro-poor impacts owing to the fact that employment of local personnel is usually cheaper than taking people from outside into account. Local wages can provide the greatest cash flow from tourism companies into the community. Nonetheless, many companies are known for paying low wages and often opportunities for local applicants and appropriate training of SS are lacking. Furthermore, tourism is often seen as a seasonal and menial sector. In order to avoid these obstacles some opportunities can be adapted: Using labour-intensive services (e.g. babysitting) that have a high job creation potential, increasing better conditions of employment for US and SS staff (e.g. bonuses, health policies, safety at work, pensions) and enabling SS and US to move up the management chain by offering career progression and training generate local benefits from employment.

⁵² Ashley, Poultney, Haysom, Mc Nab, Harris, **b** 2005, p. 2

Procurement from local enterprises, often seen as the only type of a local linkage, offers a direct transformation of the supply chain and can be a good opportunity to stimulate the home economy, to work with more loyal suppliers and to create distinctive or cheaper products. It is often a missed opportunity as most tourism businesses tend to deal with already established large, possibly distant suppliers. This is of major importance when regarding the problematic situation of many local entrepreneurs: they are operating under such constraints that earning a decent living is almost not possible. Thus, companies can enter into the supply chain by breaking contracts into smaller more manageable chunks, providing advice on product standards and safety issues or helping suppliers to obtain the right working tools.

Then, local partnerships provide the opportunity to deliver social and economic benefits not only faster, but also at a higher quality and to a broader number of people, than it could be reached by companies acting alone. Examples of local partnerships are neighbourhood partnerships⁵³, legal equity-based joint venture partnerships⁵⁴ or other arrangements which at least go beyond a conventional commercial contract or a one-way donation.

Selling local cultural and heritage products to tourists delivers a range of advantages for local communities. On the one hand, it makes the tourist's journey memorable and unique; on the other hand, word-of-mouth stories attract guests and customers and make them return. Local economy also benefits from a product diversification or enhancement. Local or heritage products can be archaeological excursions, dance festivals, theme nights, etc.. It is essential that cultural entrepreneurs should be advised how to meet tourists expectations (regarding safety, translation, accessibility).

Last but not least, tourist expenditure in the local economy can be strongly increased by tour operators and hotels by giving advice on what to produce, how to sell the product or service, assist with marketing activities or providing a sales side at their front door.⁵⁵ The following chapters accentuate why an inclusion of these types of linkages is necessary.

⁵³ A neighbourhood partnership can be defined as a partnership that involves a range of stakeholders at the destination that upgrade facilities, services or the product.

⁵⁴ In A legal equity-based joint venture the Community Trust or local people hold equity for a facility such as a lodge or a café.

⁵⁵ Cf. Ashley, Poultney, Haysom, Mc Nab, Harris, a 2005, p. 3 and Ashley, Mitchell, 2006, pp. 2

4 Tourism in developing countries

The following section deals with a definition of the term developing country, the growth of tourism, the reasons for tourism expansion and the general tourism demand for developing countries so as to get an overview of the characteristics of a developing country.

4.1 Developing countries

According to *Vorlauffer* and the BMZ, many developing countries are coined by common characteristics such as impoverishment of fast growing population parts, mass unemployment, population explosion, accentuation of social and regional disparities, increasing balance of payment deficits, destruction of resources, low per-capita income, little education possibilities, insufficient supply of food, unequal distribution of goods, bad state of health, low standard of living, economic dependence on the agricultural sector, obsolete or unstable political and social structures and institutions and a general shortage of foreign exchange. In order to overcome these obstacles many developing countries are forced to use all available resources for their survival protection. These resources such as a warm climate, unspoiled landscapes, heritage attractions, exotic cultures and people primarily define the prime touristic offer and attract people from the North and from industrialised and richer countries. This is also due to the fact that these touristic attractions cannot be substituted by touristic offers in their countries. Therefore many developing countries see tourism as an opportunity to stop this economic misery.⁵⁶

A generally and widely-accepted definition of the term "developing country" does not exist and its determination is quite disputed. Different terminology is used such as "Third World", "less developed country" or "the South".⁵⁷ International organisations and institutions still try to measure and compare the stage of development of certain countries.

For instance, the OECD has established the DAC list of aid recipients in 1962 which comprises several countries that receive development aid. Due to the fact that these countries change very often, the DAC list is checked every third year. It also puts

⁵⁶ Cf. *Vorlauffer*, 1996, p. 1, *Hemmer*, 2002, p. 38 and *Telfer*, *Sharpley*, 2008, p. 4, pp. 9

⁵⁷ Cf. *Telfer*, *Sharpley*, 2008, p. 4

forward a transition to least developed countries (LDCs), newly industrialised countries (NICs) and industrialised countries.

In contrast to that, the World Bank only distinguishes between developing countries, i.e. countries with low and middle incomes and industrialised countries, i.e. countries with high incomes. Furthermore, owing to operational reasons, it only employs the Gross National Income per capita (GNI) for its definition. The maximum GNI income for developing countries constitutes US\$9.265 whereas countries above that number pertain to industrialised countries.

The United Nations distinguish between developed countries or economies, developing countries or economies, LDCs, most seriously affected countries, NICs, land-locked countries and transformation countries. Industrialised countries include New Zealand, Australia, Canada, United States of America, countries that formerly comprised Western Europe, Eastern Bloc Countries, Russia, Japan and South Africa.⁵⁸ Yet, some commentators assume that also Israel, Singapore, Hong Kong and South Korea can be considered as developed countries.⁵⁹ Developing economies are therefore all remaining countries.

An LDC can be considered as a second group of developing countries and is determined by the Gross Domestic Product (GDP) per capita income (maximum GDP of US\$700 per year), by the Augmented Physical Quality of Life Index (APQLI) (including factors such as life expectancy) by the Economic Diversification Index (EDI) (including factors such as number of employees in the industry sector) and the number of inhabitants (except for Bangladesh). Also, the Human Development Index (HDI) (including economic and social factors such as health opportunities) and the Human Poverty Index (HPI) are indicators that measure human development and poverty. The LDCs comprise 48 countries at present.

Moreover, the UN took most seriously affected countries into consideration, i.e. countries that were affected by the world economic crisis in 1973 and 1974. At present these do not play an important role.

⁵⁸ Cf. Hemmer, 2002, pp. 39

⁵⁹ Cf. Telfer, Sharpley, 2008, p. 4

NICs attain an economic status of an industrialised country and are characterised by economic dynamics whereas their level of social, political and environmental lies behind this stage.

Landlocked countries are determined by their geographical location. These are currently 31 developing countries without any access to the sea.

Transformation countries are in a transition from a central planned economy to a free market system and have special economic and societal adaption problems. They comprise many countries of the former "Second World" and Soviet Union.

As a conclusion, it remains quite difficult to assess which characteristics exactly determine a country as developing and which non-economic features must be kept in mind.⁶⁰ Due to a more specified and common classification, the country classification indicated by the UN is really helpful and will be consequentially used in this paper. Overall, the term developing country refers to a nation that is generally and widely not recognised as being developed.

4.1.1 Development of tourism in developing countries

The growth and development of tourism in developing countries is enormous and many new destinations have emerged beside traditional countries such as Western Europe and North America.

Thus, international tourism in Third World destinations started in the seventies. Whereas in the mid-1970s only 8% of tourists from developed countries travelled to developing countries (of 222 million tourists arrivals), the number of foreign travellers in developing countries had climbed to 17% in the mid-1980s (of 320 million tourist arrivals), and by the mid-1990s it already jumped to 20% (of 541 tourist arrivals). By 2000, the developing countries' share of international tourist arrivals already increased up to an amount of 30% (of 684 million tourist arrivals) and to 45% (of 922 million international tourist arrivals) in 2008.

Table 2 shows the current distribution of international tourist arrivals within developing (and developed) regions. International tourism in developing regions such as East Asia and the Pacific, South Asia, Africa and the Middle East currently grows at 6%

⁶⁰ Cf. Hemmer, 2002, pp. 33 and UN-OHRLLS, 2009

annually. Compared to international tourism in developed countries and more mature regions such as Europe and the Americas where growth only accounts for 3.5% per year this growth is really high. It is expected that this growth in developing countries remains steady until 2020 with over 5% annually (cf. Attachment 2).⁶¹

	International Tourist Arrivals (million)							Market share (%)	Change (%)		Average annual growth (%)
	1990	1995	2000	2005	2006	2007	2008*	2008*	07/06	08*/07	'00-'08*
World	438	534	684	804	853	904	922	100	6.1	2.0	3.8
Europe	265.0	309.5	392.6	441.8	468.4	487.9	489.4	53.1	4.1	0.3	2.8
Northern Europe	28.6	35.8	43.7	52.8	56.5	58.1	57.0	6.2	2.8	-1.9	3.4
Western Europe	108.6	112.2	139.7	142.6	149.6	154.9	153.3	16.6	3.6	-1.1	1.2
Central/Eastern Europe	33.9	58.1	69.3	87.5	91.4	96.6	99.6	10.8	5.6	3.1	4.6
Southern/Mediter. Eu.	93.9	103.4	139.9	158.9	170.9	178.2	179.6	19.5	4.3	0.8	3.2
Asia and the Pacific	55.8	82.0	110.1	153.6	166.0	182.0	184.1	20.0	9.6	1.2	6.6
North-East Asia	26.4	41.3	58.3	86.0	92.0	101.0	101.0	10.9	9.8	-0.1	7.1
South-East Asia	21.2	28.4	36.1	48.5	53.1	59.7	61.7	6.7	12.3	3.5	6.9
Oceania	5.2	8.1	9.6	11.0	11.0	11.2	11.1	1.2	1.7	-0.9	1.8
South Asia	3.2	4.2	6.1	8.1	9.8	10.1	10.3	1.1	2.6	2.1	6.8
Americas	92.8	109.0	128.2	133.3	135.8	142.9	147.0	15.9	5.2	2.9	1.7
North America	71.7	80.7	91.5	89.9	90.6	95.3	97.8	10.6	5.2	2.6	0.8
Caribbean	11.4	14.0	17.1	18.8	19.4	19.8	20.2	2.2	1.6	2.0	2.1
Central America	1.9	2.6	4.3	6.3	6.9	7.8	8.3	0.9	12.0	7.0	8.4
South America	7.7	11.7	15.3	18.3	18.8	20.1	20.8	2.3	6.5	3.6	3.9
Africa	15.1	20.0	27.9	37.3	41.5	45.0	46.7	5.1	8.4	3.7	6.7
North Africa	8.4	7.3	10.2	13.9	15.1	16.3	17.2	1.9	8.5	4.9	6.7
Subsaharan Africa	6.7	12.7	17.6	23.4	26.5	28.7	29.5	3.2	8.3	3.1	6.7
Middle East	9.6	13.7	24.9	37.9	40.9	46.6	55.1	6.0	14.0	18.1	10.5

Table 2: International Tourist Arrivals from 1998 to 2008⁶²

Despite the growing number of international tourist arrivals, it is also tourism receipts that grew intensely: For instance, tourism receipts in the LDC considerably doubled between 1992 and 1998 (from US\$1 billion to \$2 billion)⁶³ and in 2005, developing countries recorded US\$205 billion in international tourism receipts. Table 3 exemplifies the distribution of tourism receipts in developing (and developed) regions.

⁶¹ Cf. Honey, 1999, p. 8, WTO, 2006, p. 1 and WTO, 2009, p. 2, p. 11

⁶² WTO, 2009, p. 4

⁶³ Cf. Benavides, 2002, p. 11

International Tourism Receipts										
	Change local currencies, constant prices (%)			Share (%)	US\$ Receipts			Euro Receipts		
	06/06	07/06	08*/07		(billion)	per arrival		(billion)	per arrival	
				2008*	2007	2008*	2008*	2007	2008*	2008*
World	5.3	5.4	1.7	100	858	944	1,020	626	642	700
Europe	4.2	2.7	-1.1	50.2	435.2	473.7	970	317.5	322.1	660
Northern Europe	9.3	3.9	-2.4	7.4	70.7	69.8	1,220	51.6	47.5	830
Western Europe	4.0	2.3	-2.5	17.2	149.6	162.1	1,060	109.2	110.2	720
Central/Eastern Europe	8.4	9.0	2.7	6.2	48.5	58.1	580	35.4	39.5	400
Southern/Mediterranean, EU	1.6	1.0	-0.5	19.4	166.3	183.7	1,020	121.4	124.9	700
Asia and the Pacific	11.1	9.8	2.7	21.8	186.8	206.0	1,120	136.3	140.1	760
North-East Asia	12.1	8.5	3.1	10.2	85.8	95.9	950	62.6	65.2	650
South-East Asia	15.9	14.8	1.5	6.5	55.3	61.1	990	40.4	41.6	670
Oceania	1.2	7.0	2.4	3.6	31.9	33.9	3,050	23.3	23.0	2,080
South Asia	13.9	5.2	6.1	1.6	13.8	15.1	1,470	10.1	10.3	1,000
Americas	2.1	6.3	5.0	19.9	171.3	188.4	1,280	125.0	128.1	870
North America	0.8	7.2	7.0	14.7	124.9	138.5	1,420	91.1	94.2	960
Caribbean	4.2	0.6	-2.1	2.5	23.2	23.8	1,180	17.0	16.2	800
Central America	10.5	8.9	-0.5	0.7	6.2	6.8	820	4.5	4.6	560
South America	6.6	6.8	2.7	2.0	16.9	19.3	930	12.4	13.1	630
Africa	11.5	9.1	-1.0	3.2	29.1	30.6	650	21.2	20.8	440
North Africa	19.6	7.5	-4.4	1.1	10.2	10.7	630	7.5	7.3	430
Subsaharan Africa	7.7	9.9	0.7	2.1	18.9	19.9	670	13.8	13.5	460
Middle East	3.0	9.0	17.3	4.8	35.0	45.6	830	25.5	31.0	560

Table 3: International Tourism Receipts in 2007 and 2008⁶⁴

In general it is estimated that tourism in developing countries contributes 40% to a nation's GDP whereas tourism makes up between two and 12% of GDP in developed and advanced economies.⁶⁵

4.1.2 Reasons for expansion

Despite the growth of tourism in the last decades that accentuates the potential of tourism as a growth industry tourism in developing countries can be seen as a vehicle of economic and social development. It is included in recent Poverty Reduction Strategies in more than 80% of low income countries. Tourism often creates an improvement of living standards through a redistribution of wealth (investment in tourism infrastructure from more developed and richer countries of the world or via direct tourist expenditure) and provides an important source of increased employment, income, labour intensity and foreign exchange earnings (due to more tourist arrivals). For instance, 23.9% of the world tourism revenues (US\$131 billion) could be apportioned to developing countries in 1999 and for 24 LDC and at least one third of developing countries receipts in tourism are the main source of export revenue.

⁶⁴ WTO, 2009, p. 5

⁶⁵ Cf. Ashley, De Brine, Lehr, Wilde, 2007, p. 8

Moreover, tourism's contribution to the national economy remains at a very high level - particularly with regards to the balance of payments. Due to the fact that tourism utilises man-made and natural infrastructure (beaches, wilderness areas etc.), it has low start-up costs compared to other industries. In contrast to trading blocs such as the European Union tourism hasn't got any trade barriers, i.e. that governments do not put forward any restrictions or limitations when citizens want to travel. Last but not least, tourism offers direct and indirect backward linkages (cf. chapter 3.3.) and in contrary to other industry sectors, developing countries can promote non-substitutable cultural and natural resources in tourism (cf. chapter 4.1.).

Though, tourism in developing countries is often seen as a consequence of lacking alternatives and as a last chance to receive economic and social wealth. It is easily vulnerable to external forces such as natural disasters, diseases or terrorist attacks. In addition to that, it provokes environmental, social and economic costs to local communities, and economic wealth is often neither distributed equally within a nation nor can it be achieved at all.⁶⁶

4.1.3 Tourism demand for developing countries

There are various factors which have led to an increase in tourism demand for developing countries in the last 50 years such as the powerful growth of international tourism, the increases in leisure time and wealth, the technological advances in transport and, in particular, political changes.

Equally, the structure and tastes of tourism demand have changed over the past 20 years: Although standardised mass tourism holiday packages are most popular within tourism consumers, a shift to more active/participatory and individualistic forms of tourism can be seen, particularly cultural tourism, adventure tourism, heritage tourism, ecotourism and, in general: long-haul tourism. There is the phenomenon of the so-called "new tourist", i.e. a tourist that is more experienced, quality-conscious, discerning, adventurous, flexible, environmentally sensitive and inclined to gather experiences and get to know new cultures.⁶⁷

⁶⁶ Cf. Telfer, Sharpley, 2008, pp. 2, pp. 17 and Benavides, 2002, p. 11

⁶⁷ Cf. Telfer, Sharpley, 2008, pp. 24

Besides, domestic (residents travelling within their countries) and outbound tourism (residents travelling to other countries) are becoming more significant in developing countries as standards of living are changing, the level of disposable income is rising and access to domestic travel from a wider cross-section of society is available. In particular, NICs and huge developing countries such as India, China, South East Asia and the Middle East are facing the rise in touristic activity.⁶⁸

Anyway, the question is as to which extent domestic and international tourists are able to contribute to poverty reduction.

5 Pro-Poor Tourism in developing countries

Below I have included a little description of the main organisations engaging in PPT, developing countries that have adopted PPT, the role of the government while conducting PPT and example destinations where pro-poor actions have taken place. It is these destination findings that make further analyses in the performance measurement and benchmarking process possible.

5.1 Organisations involved in pro-poor activities

There are various organisations involved in sustainable and pro-poor actions. In this context only the main and leading organisations specialising on pro-poor activities are mentioned: The ODI, the IFC, the SNV and the UNWTO.

As already mentioned above, (cf. chapter 2.2), ODI and the ODIs Tourism Programme respectively have been focussing on examining the link between tourism and poverty reduction since 1999 when the PPT approach was then presented to the UN. Since then, ODI as the UK's leading independent agency focused on humanitarian issues and development has aimed at finding ways to implement policies and principles of pro-poor growth to the tourism sector, to enhance the study of PPT and to promote the public, private and civil society to work more effectively in the area of PPT.

SNV, as a Dutch-based, international development organisation, really concentrates on working with private, governmental and civil society organisations that need advisory service. The organisations with whom they work are located in the destinations where they serve as mediators between national policies and the communities at dis-

⁶⁸ Cf. WTO, 2009, pp. 7

tract and provincial level. So far, SNV has been fighting against poverty in over thirty developing countries and has helped nearly 1800 local organisations.⁶⁹

The IFC is member of the World Bank Group and provides advisory services and investments to put up the private sector in developing countries. It enables financial institutions and companies to generate tax revenues, create jobs, improve corporate governance and boost their local economies.⁷⁰

Despite the large number of publications provided by ODI, IFC and SNV the UNWTO has also conducted and published four reports on poverty alleviation and tourism, including a compilation of good practices for tourism projects and a guide that describes microfinancing in tourism. Moreover, it has established the ST-EP Programme, Foundation and Trust Fund as well as the Millennium Development Goals to combat poverty (cf. chapter 2.1). In general, UNWTO is an agency specialised in tourism and the development of responsible, universally accessible and sustainable tourism practices, especially in developing countries.⁷¹

5.2 Countries that engage in pro-poor activities

PTT has been adopted within various developing countries. In Asia the Asian Development Bank led to a usage of PPT. In Africa, Central and South America especially SNV has given advisory service on pro-poor sustainable tourism up to now. Recent changes that harness tourism for poverty reduction can be seen particularly among African governments.⁷² Pro-poor studies reveal that among the continents mentioned, PPT tools have been mainly implemented in the following destinations:

- Tunisia, The Gambia, Ethiopia, Kenya, Rwanda, Uganda, Northern Tanzania (Kilimanjaro and Northern Circuit Safari), Mozambique, Namibia and Cape Verde in Africa
- Lao PDR (Luang Prabang), Cambodia (Kratie, Siem Reap, Phnom Penh and Si-hanouk), Indonesia (Bali) and Central Vietnam (Da Nang) in South East Asia
- India (Bihar) in South Asia

⁶⁹ Cf. Ashley, 2006, p. 62

⁷⁰ Cf. IFC, 2009

⁷¹ Cf. WTO, 2009

⁷² Cf. Ashley, Goodwin, 2007, p. 1

- Jamaica, Bahamas, St. Lucia, Antigua and Dominica in the Caribbean⁷³

5.3 Role of the government

As already mentioned above in terms of Africa, the government plays an important role and can have strong impacts on the performance of PPT. Nevertheless, governmental influence varies from destination to destination and PPT is consequently not applicable to all destinations in the same manner. Every destination is different and, as a consequence, each nation must prioritise its method of change.

When it comes to dealing with the general perception of the government's function, literature is sometimes contradictory. Some assume that private partnerships are more important and beneficial to pro-poor outcomes than public and governmental institutions because they provide less corruption, less bureaucracy and less regulation on the environment and more know-how on product or market enhancement.⁷⁴ Others tend to think that public-private partnerships (e.g. to enhance training capacity) are needed.

After analysing pro-poor literature, it can be concluded that private organisations are of major importance, but government can facilitate PPT. Governments can develop linkages between suppliers and buyer (e.g. hotels), work with agricultural NGOs, upgrade marketing, products and facilities, introduce a destination brand, support tourist's out-of-pocket spending in villages, reduce transaction costs to companies, build infrastructure to facilitate access etc..⁷⁵

5.4 Pro-poor actions in Third World destinations

In the following two examples of each mentioned pro-poor form above will be illustrated. They always contain one "worst-case" (low benefits to the poor) and one "best-case" (high benefits to the poor) so as to illustrate that different destinations can have different pro-poor impacts. Attachment 3 includes a profile of every country. Remarkable data is highlighted in bold type.

⁷³ Cf. Ashley, Goodwin, 2009, p. 2, Ashley, De Brine, Lehr, Wilde, 2007, pp. 25, Ashley, Meyer, Poultney, 2004, pp. 1 and Ashley, Laumans, 2006, pp. 5

⁷⁴ Cf. Ashley, Mitchell, 2009, p. 2 and p. 4

⁷⁵ Cf. Ashley, Laumans, 2006, pp. 8 and Ashley, De Brine, Lehr, Wilde, 2007, p. 24

5.4.1 Community-based tourism in Botswana and Bolivia

The following examples of CBT in landlocked countries like Botswana and Bolivia show that CBT projects can be either very successful or less effective with regards to certain critical factors that can emerge during and after the operation. The methodology and results of CBT in Botswana and Bolivia are presented in Attachment 4 and Attachment 5.

5.4.2 Value chain analysis in Cambodia and Tanzania

The following two examples of VCA in the LDCs Cambodia and Tanzania show that tourist destinations cannot only can have very different pro-poor outcomes but there have also been recent changes in the methodology of VCA. A presentation of the methodology and results of VCA in Cambodia and Tanzania follow in Attachment 6 and Attachment 7.

5.4.3 Local business linkages in Ethiopia and Lao PDR

Also these examples of creating BLs in LDCs like Ethiopia and Lao PDR are very interesting, because they illustrate how two cultural tourism destinations can have very different linkages in the local economy and can be unequal to pro-poor impacts respectively. The methodology and results of VCA in Ethiopia and Lao PDR are illustrated in Attachment 8 and Attachment 9.

Thus, it might be helpful to compare these typical destination findings, to identify best solutions and to reflect their performance. That is why, in the following, the destination outcomes will be benchmarked and their performance will be measured.

6 Benchmarking and performance measurement of pro-poor activities

Benchmarking can be described as a systematic process of identifying best solutions, comparing own solutions with these best solutions and learning from best enterprises and competitors. Thus, benchmarking is a procedure of being forcefully oriented on best solutions - either being the best in his or her area or just improving one's own solutions.⁷⁶

When it comes to PPT, benchmarking can be understood as a means of comparing PPT outcomes, indentifying best solutions for pro-poor actions and finally achieving

⁷⁶ Cf. Sabisch, Titelnot, 1997, p. 12

an optimisation. As yet, only some comparisons (e.g. among developing regions such as Bihar (India), Da Nang (Vietnam), The Gambia (Africa)⁷⁷) exist and these are only related to certain aspects such as the VCA. Due to the fact that agencies and organisations are supposed to cooperate rather than compete (cf. Paris Declaration on Aid Effectiveness), the aim of pro-poor benchmarking is rather finding areas of improvement than being the best.

Performance Measurement signifies the usage of different key figures to measure the performance of enterprises and their departments. These key figures can be distinguished between quantitative (such as ROI) and qualitative indicators (such as employee or customer satisfaction) so as to measure effectiveness and efficiency of the company. Hence, the qualitative and non-monetary factors are becoming more and more important so as to establish a holistic, reasonable performance measurement approach.⁷⁸

When it comes to PPT, it might be helpful to compare the performance and methodology of pro-poor actions so as to be able to perform more effectively and efficiently in the future. Figure 4 illustrates the process of performance measurement that includes six main steps of conducting pro-poor measurement successfully. All analyses and recommendations that will be utilised in this paper are based on this process and on the measurement of quantitative and qualitative factors that the example destinations described in Attachment 4 to Attachment 9 employ.

In the following, step 2 (key success criteria) and step 3 (benchmark) are put together in the section "Benchmark of quantitative and qualitative factors", step 4 (target/actual comparison), step 5 (areas for action) are put together in the section "Recommended areas for action". Step 6 (controlling) can be regarded in the section "Summary and Conclusion".

⁷⁷ Cf. Ashley, Mitchell, 2008, p. 27

⁷⁸ Cf. reimus.NET, 2009

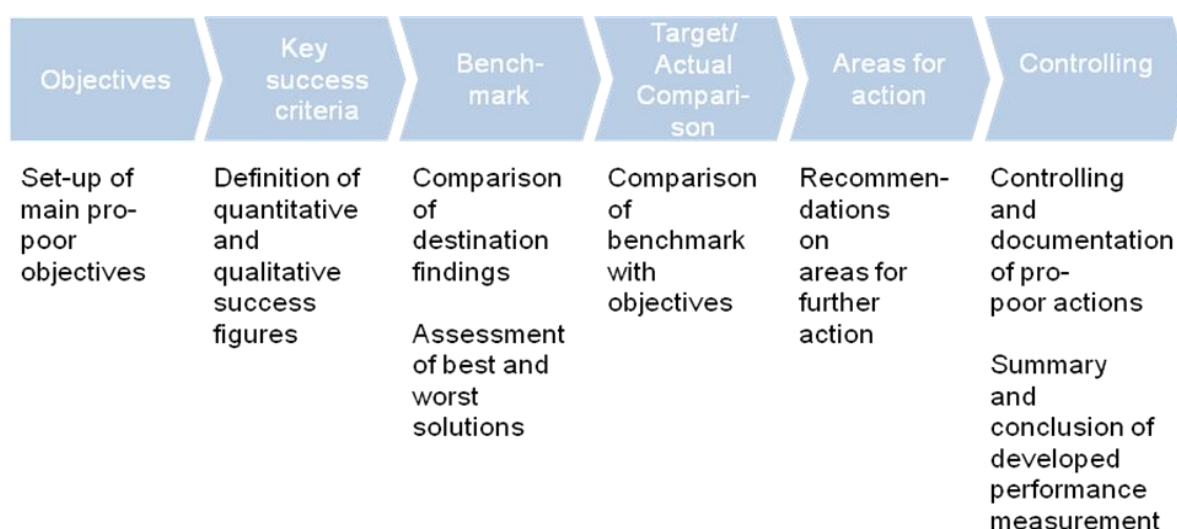


Figure 4: Six main important steps of conducting performance measurement⁷⁹

Based on this process, Figure 5 illustrates the possible quantitative (e.g. PPI) and qualitative (e.g. destination image) success figures that a Third World destination can apply and which will be regarded consequentially. The arrow describes what can and should be done with these key figures (e.g. assessment of expert opinions). Below the arrow, the aim and positive outcome of this process (global benchmarking and performance measurement) are portrayed.

⁷⁹ Own illustration, data also from Langner, 2009, pp. 91

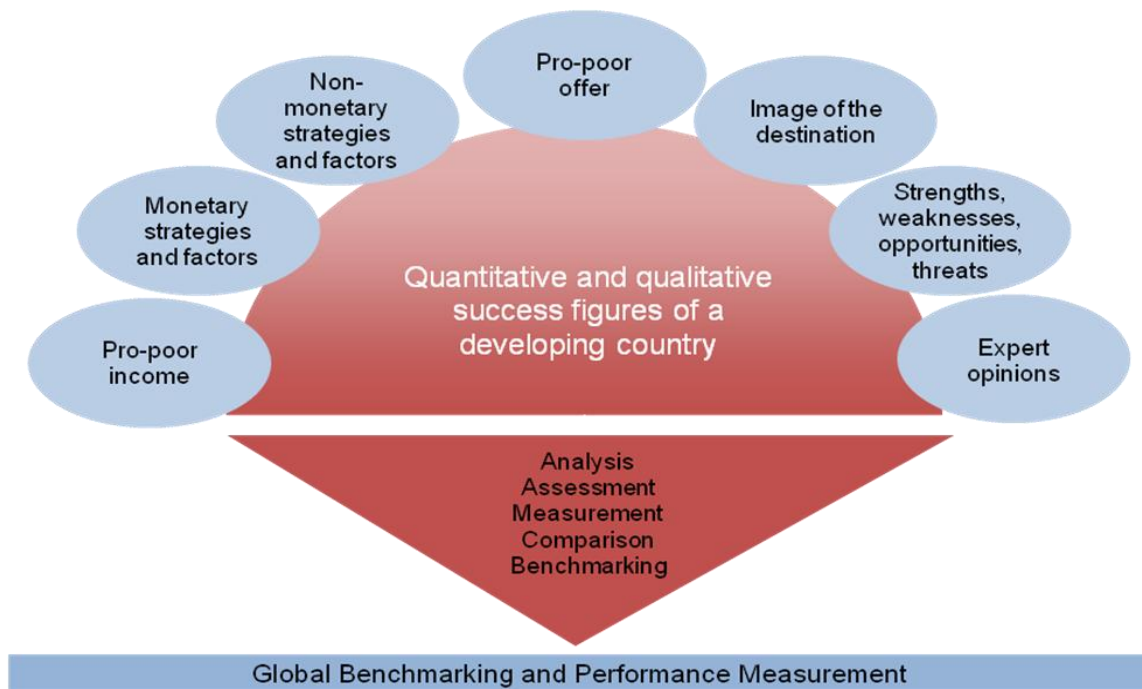


Figure 5: Quantitative and qualitative success figures of a developing country⁸⁰

6.1 Objectives

- Boost economic, social and environmental livelihoods of poor people while harnessing tourism for poverty reduction
- Make pro-poor outcomes and findings more globally comparable and accessible
- Enhance global cooperation and development aid

The objectives and an optimisation of pro-poor actions could be achieved, if quantitative and qualitative indicators were employed reasonably and equally in all destinations. Consequently, pro-poor actions have to be reflected in a more critical way.

6.2 Benchmark of quantitative factors

This section deals with an analysis of quantitative factors that have been applied in the destinations.

⁸⁰ Own illustration, data also from Bruhn, Stauss, 2005, pp. 439

6.2.1 Pro-poor income

When regarding monetary aspects, a comparison of the destination's PPIs seems to be useful.

A survey conducted in 2006 on the estimated value added regarding natural resources provides information about the Okavango Community Trust and Nqwaa Khobe Xeya Trust in Botswana. For instance, 650 people were employed in commercial and community-based tourism and these people generated incomes of US\$460,000. At present, 135,000 people (10% of Botswana's population) are working in ecotourism. Nevertheless, data on joint-ventures and employment in other sectors such as firewood collection, veld and craft production are missing. Likewise, most numbers concerning employees and their incomes are only estimated and it is not known how tourist spending and revenues reach poor households. Furthermore, direct employment in the communities rose from 750 (2001) to approximately 980 (2006).⁸¹ But since indirect and dynamic effects of tourism (cf. chapter 2.1.1) have been investigated direct effects alone might leave little room for interpretation.

As already mentioned, total revenues of the Chalalán Ecolodge in Bolivia accounted for US\$280,000 in the last five years and 74 indigenous families were involved in the project. It becomes neither evident how income was distributed among these families and other work force nor by which sub-chains these revenues were gained.

The detailed VC and linkages mapping done in Cambodia, Northern Tanzania, Ethiopia and Luang Prabang (LPB) helps to quantify pro-poor flows more reasonable: Compared to Northern Tanzania (28%) and LPB (27%), economic benefits to the poor in Ethiopia (17%) and Cambodia (7% at the maximum) remained lower. Cambodia had the lowest PPI compared to other destinations where PPI was measured, as Figure 6 proves.

⁸¹ Cf. Rozemeijer, 2009, pp. 246

6 Benchmarking and performance measurement of pro-poor activities

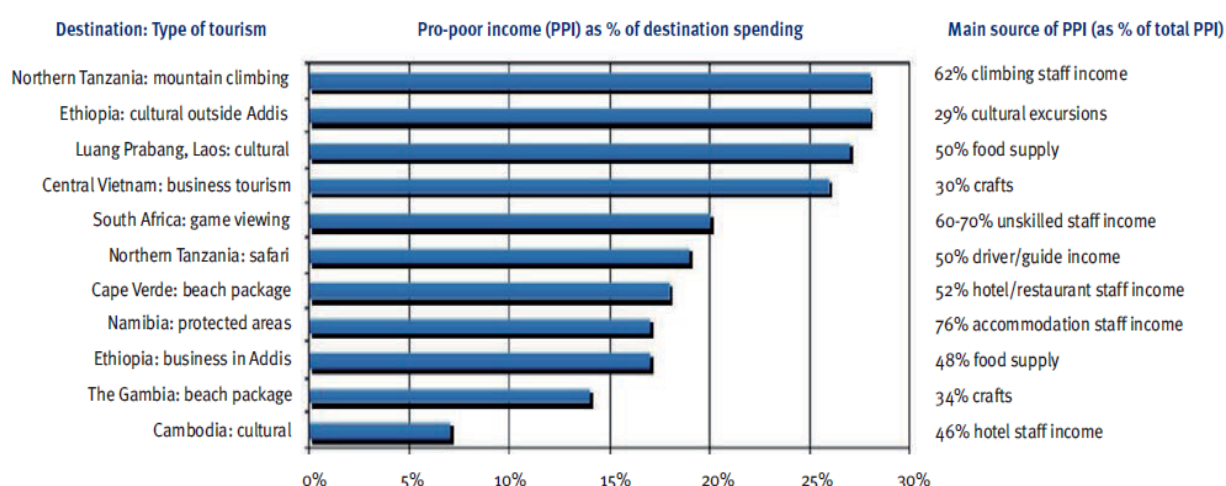


Figure 6: Pro-poor income as % of destination spending⁸²

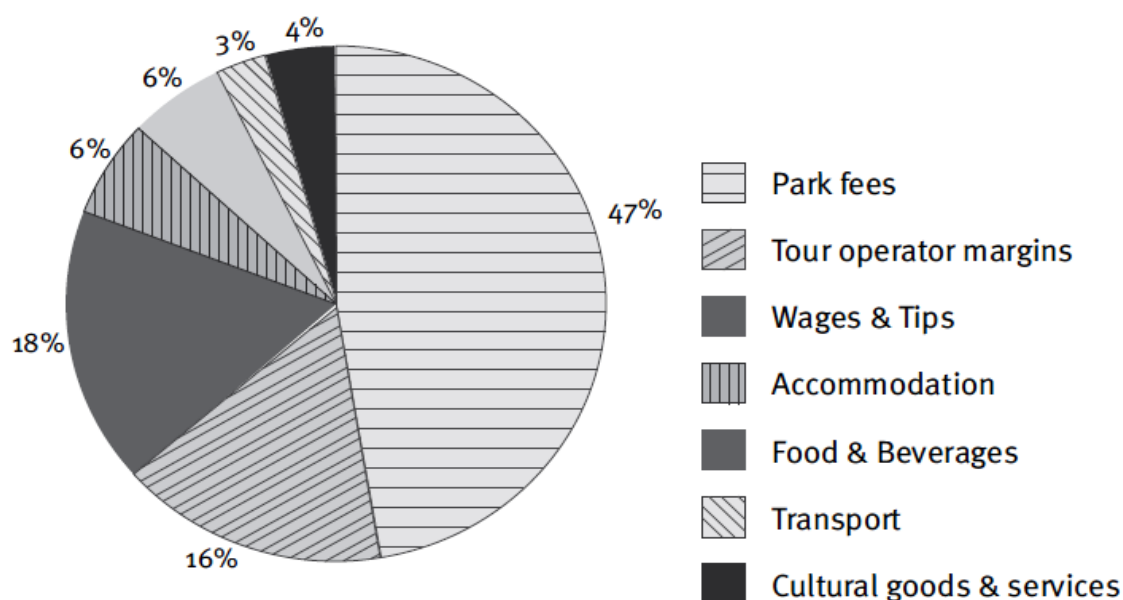
All four destinations have established a profile of travellers and an analysis of tourists markets and tourist expenditure per chain. Though, there still remains some difficulty in comparing these outcomes: Whereas PPI in Northern Tanzania, LPB and Ethiopia meant a combination of wages paid to the poor and a share of supply costs that might accrue to craft-makers or farmers, in the World Bank's definition, PPI (PPEI) in Cambodia was only the measurement of the poor's wages. Likewise, in Cambodia, a narrower definition of the poor (through the development of poverty profiles of the poor) was established, as Table 4 illustrates.

Sector	# of staff employed	Estimated number of staff from poor backgrounds	as % total number of staff	Earnings of poor staff as % total salary bill
Hotel	12,628	5,821	46%	22%
Guest house	3,489	2,346	67%	53%
Restaurant	8,287	3,762	47%	33%
Souvenir shops	2,835	1,729	61%	32.5%
Market shops	889	nc	nc	nc
Roadside vendors for souvenirs	488	378	65%	41.0%
Motodop	6,220	1,963	32%	35%
Tuk tuk	6,100	1,786	29%	26%
Taxi	980	92	9%	11%
Cyclo	145	66	46%	66%
Boat	290	nc	Nc	Nc
Guide	2,917	52	2%	3%

⁸² Ashley, Mitchell, 2009, p. 2, adapted from Mitchell and Coles, 2009

Table 4: Percentage of staff in Cambodia assessed as poor (by sector)⁸³

Though, also climber expenditure at Mount Kilimanjaro, Northern Tanzania, was investigated very detailed and reasonable, as Figure 7 illustrates.

**Figure 7: Cost components of a typical Mountain-climbing holiday**⁸⁴

6.2.2 Implementation of strategies focused on economic benefits

In this context it might be interesting to know if the pro-poor goals mentioned in chapter 2.2.1 are fulfilled by the implementation of pro-poor strategies focused on the increase of economic benefits.

For instance, in Botswana the expansion of local income and employment as one aim was highly addressed through the diversification of the economy (tourism, wildlife and veld products). The community's commitment to carry out local jobs was enhanced by receiving a permission to use wildlife and land. In Bolivia, partnerships between communities and tour operators made way to an expansion of the community's collective income. In Northern Tanzania, Ethiopia and LPB, strategies to boost economic benefits were included in the recommendations. For instance, in Northern Tanzania one strategy consisted of ensuring and expanding wages paid to climbing

⁸³ IFC MPDF data, Ashley, Mitchell, 2008, p. 20

⁸⁴ Mitchell, Keane, Laidlaw, 2009, p. 4

staff by introducing a minimum wage initiative. In Ethiopia, the expansion of business possibilities for the poor is supposed to be achieved by the support of the retail industry through the creation of local businesses and development of a cooperative outlet and craft market. In LPB, the expansion of employment was supposed to be achieved by facilitating more Lao silk and cotton in the production chain.

As already mentioned, literature regarding recommendations to the Cambodian government could not be extracted and therefore a mapping of economy-based strategies is not possible. Also, the CBNRM project in Botswana reveals that the established strategies cannot be achieved properly because communities still lack managerial skills and funds for training are not financially viable on a long-term basis. Another thing is that the CBT project in the Chalalán Ecolodge questions if local employment could recover donations one day.

6.3 Benchmark of qualitative factors

Almost all findings specialise on economic benefits, namely PPI and economic strategies. Hence, one might wonder if the destination findings can also be compared in qualitative aspects and if these indicators gain equal attention.

6.3.1 Implementation of strategies focused on other benefits

Strategies aligned on other benefits than monetary can be focused on enhancing non-financial livelihood benefits or participation, process and partnerships (cf. chapter 2.2.1).

For instance, as part of the non-financial livelihood benefit strategies local NGOs in Botswana received training on management of natural resources, capacity building and community empowerment by organisations such as Thusano Lefatsheng or SNV. Through the project's implementation in Bolivia, an expansion of the community's ethnic pride and traditional values can be perceived as cultural and social improvements. In Northern Tanzania, one strategy was to strengthen several associations so as to reach an empowerment of porters. In Ethiopia, physical, cultural and social improvements were made by the support of the informal tourism sector through capacity building and the organisation of cultural events. In LPB, the improvement of the F&B supply chain - so as to replace imports - can also be perceived as a non-financial livelihood strategy.

As part of possible participation, process and partnership strategies the CBNRM in Botswana helped to integrate the communities in collective decision-making. In Bolivia somewhat supportive policy was introduced to raise the living standards of 74 families. In Ethiopia private partnerships between hotels and local suppliers and handicraft sellers were established in order to strengthen local tourism enterprises. While finding ways to capture tourist spending in LPB, an increased participation of the poor in selling the tourist product was developed.

It becomes quite evident that these strategies have been implemented in all destinations (despite Cambodia where strategies were not found). Yet, it is questionable if a consideration is as long-term oriented and focused on the poor as it should be. For instance, in Botswana there still exists a lack of participation by the poor due to political and economic domination of certain groups.

6.3.2 Analysis of pro-poor offer

The tourism product of a destination can be distinguished between the natural and the derivative offer. The developing economies presented in this work mostly used to promote the natural offer including flora, fauna culture, etc., but times have changed and the supply of supra structure such as accommodation, board or events⁸⁵ is getting more important so as to diversify; this can be seen in the following analysis. Hence, in this context it might be useful to know if vendors and (governmental) organisations have created reasonable holiday packages within the destinations and how these tourist products and services required by the tourist are merchandised. Equally, this section is supposed to describe if offers can be identified as pro-poor (local ownership, community-focused, appropriate to local environment)⁸⁶. Whereas analysis in the last chapters was based on information given in Attachment 4 to Attachment 9, benchmarking now focuses on the Internet, as it is becoming the main information channel.⁸⁷

According to the Botswana Tourism Board, there are several activities Botswana offers. Attractions are divided into regions, namely the Southern Region, the Eastern and Central Region, the Kgalagadi Region, the Makgadikgadi and Nxai Pans Region,

⁸⁵ Cf. Freyer, 2006, p. 254

⁸⁶ Cf. also Telfer, Sharpley, 2008, pp. 25

⁸⁷ Cf. Hartmann, Markus, 2007, pp. 199

the Chobe Region and the Moremi and Okavango Region. In these regions, visitors can participate in wildlife and game viewing (e.g. Chobe National Park), they can visit monuments (e.g. Livingstone Memorial Kolobeng), museums (e.g. Khama III Memorial Museum), several hills (e.g. Tsodilo Hills) or the Okavango Delta with its maze of lakes, islands and waterways. The website also provides additional information on the country, accommodation, housing, travel behaviour, events, embassies, consulates, travel agents and TOs. It also pictures maps, books, useful telephone numbers and photos. With regards to sustainable tourism development, the website's visitor can download the Botswana Ecotourism Best Practices Manual which addresses TOs, NGOs and community trusts through guidelines that ensure economic growth, social development and particularly environmental protection (of wildlife areas). The document is an integral part of the Botswana National Ecotourism Strategy initiated in 2002.⁸⁸ It seems as if Botswana's government is now focussing on the promotion of ecotourism rather than CBT. Neither the CBNRM programme is mentioned specifically nor does it become evident as to how revenues should be distributed among host communities and in how far they have really benefited (from projects, policies, donors, etc.). But all in all, the website appears to be very informative, user-friendly and well-structured, offering a very much diversified tourism product.

Bolivia does not have a national tourist office or board where tourism within the country is promoted. Only the Ministry of External Relations⁸⁹ can be seen as a source of information. However, specific activities related to tourism cannot be discovered and information is just available in Spanish. Only various TOs provide touristic information. The Chalalán Ecolodge has its own and very informative website where several activities the visitors can undertake are presented such as guided nature hikes, bird watching, canoe trips and forest interpretation. The user receives useful information about transport, food, logistics, theme walks and other travel related topics. Several TOs are recommended where the user can find further information (e.g. ruta verde tours or forest tour operator). Also, here the tourism offer is pretty diversified and inherently pro-poor as the community manages the ecolodge to

⁸⁸ Cf. Botswana Tourism Board, 2008

⁸⁹ Ministerio de Relaciones y Culto de Bolivia, 2008

a 100%⁹⁰ as the main focus lies on the community's empowerment. However, specific information how these benefits are delivered to the community (in form of wages, tips, trusts etc.) and to whom (guides, restaurant owners etc.) is not given but it is possible that visitors can receive this information during their trips.

Cambodia owns an official site for tourism but, interestingly there are hardly any other websites giving information. The website provides very reasonable and detailed information about the Cambodians (e.g. religion), general information about Cambodia (e.g. history), activities to undertake and major tourist attractions (e.g. Angkor Wat's archaeological park), travel behaviour (e.g. clothing), events (e.g. water and moon festival), tour packages (e.g. golf tours), travel guides (in all 24 provinces), food and beverage (including prices), transportation etc.⁹¹ Nevertheless, there is neither information about benefits to the poor nor about sustainable travel; the offer is mostly commercial. Besides, in contrary to other destination findings, Cambodia has not focused on a specialised theme, it rather offers everything. However, the differentiation of the tourism product by provinces makes the tourist offer very interesting.

In Northern Tanzania, foreign exchange earnings and tourist numbers have grown immensely over the past few years.⁹² As recent analysis show, climbing at Mount Kilimanjaro is very pro-poor. The distribution of wages and tips, the general distribution of climber expenditure (e.g. F&B), the possibilities to maximise pro-poor impact (e.g. increasing pro-poor impact of park fees through TANAPA), the structure of the tour operators market (packages are also sold by smaller, less-established and niche operators) and the fact that visitors stay in it longer than in other National Parks make this case not only very pro-poor and successful but also reveals that tourists are informed very well in advance. The World Wide Web provides a lot of information about the Mount Kilimanjaro National Park and several articles recommend it for its activities such as climbing or watching wildlife sanctuary and scenic sites. In general, mountain-climbing is claimed to be popular because people would have the chance to climb the summit (Uhuru Peak) and being at the UNESCO World Heritage Site.⁹³ Similar to Botswana and Cambodia, Tanzania has an official legal body engaging in

⁹⁰ Cf. Chalalán Albuerge ecológico-Ecolodge, 2008

⁹¹ Cf. Tourism of Cambodia, 1999-2010

⁹² Cf. Mitchell, Keane, Laidlaw, 2009, p. 2

⁹³ Cf. Planetware.com, 1995-2010

tourism, the Tanzania Tourist Board. A lot of information is posted about Tanzania and Mount Kilimanjaro. Visitors are informed about activities they can undertake (shopping, snorkelling, safari options etc.), the characteristics of the country, flights and ferry timetables, visa information, festivals and fairs, lakes, islands and towns to visit etc.⁹⁴ However, photos, information on embassies and consulates and travel behaviour and packages remain scarce. Anyway, here it is not marketed either how pro-poor climbing at Mount Kilimanjaro actually is. Nevertheless, Tanzania's website offers a very qualified tourism product.

Ethiopia's official website for tourism was initiated by the ministry of culture and tourism. Hardly any other website can be seen which provides information on touristic offers. Ethiopia, as a cultural destination, particularly promotes tourism related to culture such as historical (e.g. the Mysterious Monoliths in Axum), cultural (e.g. Timket, the feasts of Epiphany in January) archaeological (e.g. hominid fossils in Haddar) and natural attractions (e.g. natural caves in Sof Omar). In addition to that, the website publishes information about the country itself, the main capital Addis Ababa, TOs, hotels, airlines and suggests tours that can be made (e.g. the historic route: Bahir Dar, Gondar, Lalibela, Axum)⁹⁵. In contrast to other mentioned websites it is difficult to run, it provides less information and the layout seems to be really old-fashioned. When regarding pro-poor impacts or sustainable travel no information is provided. At least, a specialisation on cultural and historical tourism can be recognised.

Last but not least, LPB and Lao PDR respectively are highly promoted among the internet. The official website for tourism in Lao PDR is run by the Lao Tourism Organization and provides equal information as findings in other destinations (weather, travel tips, events, shopping, activities and accommodation). To the accompaniment of this, there is also a section of meeting and incentives which are appropriate regarding the diversification of the tourist product. The offer is differentiated among different provinces,⁹⁶ which makes it easy to read. Unfortunately, there is no benefit to the poor mentioned. However, while searching the Internet there are several case studies which provide information on poverty alleviation in Lao PDR (e.g. in Vientiane

⁹⁴ Cf. Tanzania Tourist Board, 2009

⁹⁵ Cf. Ethiopian Tourism

⁹⁶ Cf. Lao Tourism

or LPB). Another critical factor of the website is the scarce information on LPB as one of the main cultural and historical sites of Lao PDR and as part of the UNESCO World Heritage. Though, the Lao embassy (laoembassy.com) and the Laos Hotels and Travel guide (visit-mekong.com/laos) provide specific information on LPB's cultural attractions such as the Wat Xieng Thong and other relevant topics (restaurants, activities, hotels, shopping and nightlife).

6.3.3 Analysis of the image of the destination

Another qualitative indicator is the image of the destination. A useful tool to find out about the destination's image, i.e. how tourists and visitors on the one hand and tour operators on the other hand perceive the destination, can be guest and tour operator surveys.⁹⁷ These can e.g. monitor and measure length of stay, preferred accommodation or travel motivation of tourists and opinions of tour operators towards a destination and can strengthen, if applied by the destination, pro-poor activities due to an increased interest in the destination.

For instance, the Botswana Tourism Board has created the Consumer Feedback Programme where visitors can evaluate accommodation facilities in Botswana by filling in a questionnaire. This questionnaire is then analysed by the Quality and Assurance Committee so as to facilitate the grading system which has been introduced to determine the standard of all available facilities.⁹⁸ Though, accommodation/housing is just one focal point of the VCA that can be taken into consideration and results related to the perception of guests, TOs or employees are not published.

In Cambodia and Northern Tanzania, information about climber expenditure etc. was obtained through the questioning of TOs, locals, tourists and accommodation facilities.⁹⁹ But also here information on the perception of the destination is not given.

In Ethiopia a tourist survey conducted in 2003 demonstrated that 42% of the tourist travelling to Ethiopia would have spent more money on local products if facilities and products were available at cultural sites. It is also estimated that tourists would have spent more if the use of credit card was easier. The survey revealed that Ethiopia has been approximately losing US\$10 million per year due to lacking credit card fa-

⁹⁷ Cf. Bruhn, Stauss, 2005, pp. 440

⁹⁸ Cf. Botswana Tourism Board, **b** 2010

⁹⁹ Cf. Mitchell, Keane, Laidlaw, 2009, pp. 4 and Ashley, Mitchell, 2006, pp. 24

cilities.¹⁰⁰ Therefore it can be concluded that lacking tourism facilities and products can deteriorate the destination image. Thus, higher guest satisfaction and destination branding can be reached by the realisation of the recommended strategies.

31 tourists were interviewed in LPB in May 2006 and investigation was done in cooperation by SNV, MPDF and Luang Prabang's Provincial Tourism Office. Despite monetary-based information such as average accommodation costs (US\$22 to \$213 per tourist) and other expenditure (e.g. on crafts: US\$21 to \$63 per tourist), the questionnaire provides information about the tourist's total length of trip, average length of stay in LPB (4.3 nights), way of travel (e.g. independent tourism), and trips undertaken during the stay (e.g. to the Kuangsi Waterfalls). In the same way, it specifies the reason for the implementation of the survey: "Assess the benefits of tourism for the people of Luang Prabang and make plans for the best management of future tourism here"¹⁰¹ which may increase the survey's credibility and tourist's willingness to assist. Attachment 16 contains the detailed questionnaire. Further data was collected in hotels and guest houses, e.g. the tourist's profile (majority are backpackers), tourist's nationality (28% Asian, 72% Western), motivation for travel (culture, temples, people's way of living), seasonality (high season tourism ten times higher than low season) and means of transportation (mostly boats and buses) were analysed.¹⁰² Nevertheless, specific information on the destination's image is not given and the total number of 31 tourists questioned might not be very representative.

Yet, literature on the other findings does not reveal if guest or tour operator surveys were conducted and in how far data on the image of the destinations was collected.

6.3.4 SWOT-analysis

In this context, it might be helpful to assess strategically by which present and future developments the destinations are coined. Hence, the SWOT-analysis serves as an appropriate tool to find this out. SWOT-Analysis means a systematic examination of **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats.¹⁰³ It can be distinguished be-

¹⁰⁰ Cf. Ashley, Laumans, 2006, p. 6

¹⁰¹ Cf. Ashley, 2006, p. 68

¹⁰² Cf. Ashley, 2006, pp. 53-69

¹⁰³ Cf. Hungenberg, 2004, p. 85

tween internal analysis (strengths and weaknesses) and external analysis (opportunities and threats).¹⁰⁴

6.3.4.1 Internal analysis of the project's methodology

The internal analysis illustrates the pro-poor status analysis. The issues tackled by the study are assessed, i.e. the strengths and weaknesses of the project's methodology and operation are compared.¹⁰⁵ Attachment 17 illustrates these strengths and weaknesses in detail.

6.3.4.2 External analysis of the poor's situation

The external analysis illustrates the issues concerning the poor and provides information on the poor's relevant environmental situation, their future economic development and changes in quality of life, i.e. it assesses factors that could boost (opportunities) or constrain (threats) the poor's situation.¹⁰⁶ Attachment 18 pictures these opportunities and threats in-depth.

According to the SWOT-Analysis, there is a high potential to minimise and overcome weaknesses and threats by using the illustrated strengths and opportunities. However, it remains questionable if through the development of VCA and BLS, environmental sustainability, community empowerment and collective decision-making are addressed in the best way as the weaknesses in Cambodia, Northern Tanzania, Ethiopia and LPB illustrate. In contrast to that, benefits to the poor and poverty reduction might be more long-lasting and profound than in CBT projects as Botswana and Bolivia face weaknesses and threats in the development of enterprises, technical assistance and distribution of financial remuneration.

6.3.5 Qualitative assessment of expert opinions

An expert interview is a process that collects qualitative data from people who know and experience a certain industry or sector. It rather focuses on the experts' capacities including their practical knowledge than solely on biographical information on the person as a whole.¹⁰⁷ The reason for implementing an expert interview was to reflect

¹⁰⁴ Cf. also Grant, 2005, p. 13

¹⁰⁵ Cf. also Freyer, 2007, p. 243

¹⁰⁶ Cf. also Pracht, Bachert, 2005, pp. 83

¹⁰⁷ Cf. Flick, 2009, pp. 165

broader themes such as PPT, poverty reduction and sustainable tourism that were covered in this paper and support the above treated ideas and findings by pro-poor, sustainable, tourism and poverty-led expertise. Furthermore, it was interesting to find something out about the sincere opinion of experts towards critical issues as they have been working in this area for years. Therefore, in the first step, 17 possible experts working in the field of PPT, poverty reduction, sustainable tourism or tourism in governmental and non-governmental organisations, in universities, in tourism consultancies and for tour operators were collected. On this account, in the second step, an inquiry per e-mail was sent to these experts where topic and aim of the paper were explained. After that, six out of possible 17 experts confirmed that mail while saying they would be available for an interview. They proposed an appointment and afterwards they received an email with possible topics that might be treated in the interview. Attachment 19 illustrates the possible topics, categorised in 8 groups. Then, several telephone interviews were conducted on several dates, lasting from February 15th to March 15th. The following people were interviewed: Dr Dorothea Meyer who is lecturing, providing training, research and consultancy at the Centre for International Tourism Research (CITouR) at Sheffield Hallam University, Thomas Frommhold who is a self-employed tourism consultant at the GTZ, Fabrice Leclercq who is Senior Trade Promotion Advisor in charge of the Export-led Poverty Reduction Programme (EPRP) at the International Trade Centre (ITC), Jonathan Mitchell who is Programme Leader of the Protected Livelihoods and Tourism Programme at ODI, Francisco Oliveira who is working as a consultant for sustainable tourism hotel resorts in Bahía (Brazil) for the ITC and Barbara Fritz, Head of Department Sustainable Tourism at the German consultancy AGEK. The interviews were not transcribed; notes were made in writing during the interview. The whole outcome of the interview including the similar reproduced statements can be seen in Attachment 20, Attachment 21, Attachment 22, Attachment 23, Attachment 24 and Attachment 25. Some of the interviews findings are also presented in the following section.

6.4 Recommended areas for action

When regarding the results of quantitative and qualitative benchmark it becomes evident that a progress in pro-poor benchmarking and performance measurement is needed so as to overcome weaknesses in pro-poor research and methodology. The

experts demonstrate this by putting forward critical opinions towards certain issues. Recommendations are based on necessary future actions.

6.4.1 Recommendations regarding quantitative benchmarking

At first, there should be reached a consensus on the definition and measurement of PPI or at least organisations and governments should try to do so. The methodology identified in Cambodia can be regarded as a best solution due to the fact that it is very detailed and truthful. Moreover, the detailed analysis of pro-poor climber expenditure in Tanzania is easy to understand. Findings in Botswana and Bolivia reveal that CBT projects hardly quantify the distribution of incomes for the poor and the distribution of revenues among different sectors. So the area of quantifying pro-poor flows in Bolivia and Botswana still needs improvement.

When regarding the strategies that focus on economic benefits there are no recommendations supposed to be made owing to the fact that all above-named destinations (Cambodia might include strategies although these could not be found) include all possible types of strategies that increase economic benefits. As mentioned before, CBT projects in Botswana and Bolivia still demonstrate difficulties in the transformation of these strategies. But through the identification of problems (e.g. lack of management expertise) that has been done so far, difficulties could be removed (e.g. via managerial and financial training) very quickly.

However, as challenges of the VCA (chapter 3.2) show, other costs - such as dynamic effects - have to be taken into consideration. According to *Meyer*, the measurement and documentation of all financial flows, including a reasonable cost and benefit analysis, is inevitable.¹⁰⁸ Meyer: "The biggest problem of PPT is that people don't count how much money comes into the destination and what then happens with the money."¹⁰⁹ Monetary costs and benefits of tourism can likely be effects on foreign exchange earnings, the effect on domestic price levels, income effects, employment effects, economic dependence upon tourism and infrastructural changes.¹¹⁰

For instance, Attachment 26 shows a method by which projects in developing countries and their economic impacts on a sector can be evaluated through the calcula-

¹⁰⁸ Cf. Meyer, 2010, see Interview 1, Attachment 20, p. XXXV

¹⁰⁹ Meyer, 2010, see Interview 1, Attachment 20, p. XXXV

¹¹⁰ Cf. Sadler, Archer, 1975, pp. 180

tion of the total amount of value added generated per unit of capital used. The value added is the initial input of foreign capital plus raw materials during the project (private income such as wages and social income in form of levies and taxes) which is generated in a project. This evaluation makes it easier to compare projects as well as adopt projects which earn the greatest amount of value added.¹¹¹ Ideally, it would be helpful to construct a full input-output model for developing countries so as to be able to compare and benchmark the results of a whole country and not only of a sector. Archer and Fletcher developed such a model in 1996 where empirical results regarding the impact and the origin of visitors who perform most effective are presented. Nevertheless, these results are specifically based on findings in the Seychelles.¹¹² As a recommendation, the construction of a generally-accepted input-output table should be a next step in the area of performance measurement.

6.4.2 Recommendations regarding qualitative benchmarking

When it comes to dealing with the strategies focused on other benefits, these strategies have been applied widely and appropriately in the destinations (despite Cambodia) and recommendation on the strategies' content is not needed. While regarding non-livelihood benefit strategies, *Meyer* mentioned that there are still so many poor people that do not read and write. She believes that education and the creation of academic links are needed to overcome obstacles.¹¹³

Furthermore, also here, if not done so far, a cost-benefit-analysis should be utilised. Among the non-monetary cost-benefit ratios of tourism the most significant are environmental and ecological effects and social and psychological results.¹¹⁴ Although a calculation of these costs (e.g. prostitution, sex tourism, demonstration effects, environmental degradation) and benefits (e.g. preservation of natural and cultural heritage) might be quite challenging their consideration so as to boost the poor's well-being is inevitable. Attachment 27 illustrates that these societal cost of large scale tourism capital investments in developing countries can be measured globally by implementing internal rate of return (IRR) and net present value (NPV) models. The

¹¹¹ Cf. Sadler, Archer, 1975, p. 187

¹¹² Cf. Archer, Fletcher, 1996, pp. 221 and Huybers, Twan, 2007, p. 21

¹¹³ Cf. Meyer, 2010, see Interview 1, Attachment 20, pp. XXXIV

¹¹⁴ Cf. Sandler, Archer, 1975, pp. 180

NPV is the “sum of the present values of a project's cash flow”¹¹⁵ The IRR is the “discount rate at which the net present value of discounted cash flows is equal to zero.”¹¹⁶ This evaluation makes it easier to assess whether a project should be undertaken and in how far an investment could be beneficial to all stakeholders.¹¹⁷

The pro-poor offer analysis illustrates that the majority of destinations have created a quality, diversified tourist product and well-established websites while giving sufficient information regarding the country and activities to undertake. However, the visitor is hardly informed about pro-poor and sustainable impacts although it might attract more visitors if they knew that they were benefiting the poor.

The analysis of destination image demonstrates that this area still needs improvement. It would be helpful to receive information about the quality of the tourist product and facilities, the kindness and cooperativeness of locals, the readiness to come back to destination, the readiness to recommend destination to others etc. so as to be able to upgrade the tourist product/ the destination, to increase tourist arrivals and tourist expenditure. Thus, all pro-poor goals could be addressed.

When taking the SWOT-Analysis into account, interventions related to VCA and BLs should include a wider focus on environmental and socio-cultural improvements. According to *Mitchell*, ODI plans to focus more on environmental factors in the future. Regarding socio-cultural aspects, *Mitchell* mentions that ODI will also be focussing more on a gender analysis, especially with regards to an inclusion of the poor in negotiations and discussions.¹¹⁸ Furthermore, the SWOT-Analysis shows that operations in CBT still lack adequate measurement and distribution of financial assets. According to *Mitchell*, CBT projects are inherently pro-poor and there are some good examples, but projects are not efficient in economic terms. *Mitchell* asks himself why people keep financing CBT projects.¹¹⁹ *Leclercq* criticises the UNWTO for strictly using CBT projects. He thinks that the ST – EP programme does not create long-term benefits due to a lacking inclusion of the private sector and that it is difficult to create link-

¹¹⁵ Cf. Brown, Kwansa, 1999, p. 199

¹¹⁶ Cf. Brown, Kwansa, 1999, p. 199

¹¹⁷ Cf. Brown, Kwansa, 1999, pp. 195

¹¹⁸ Cf. Mitchell, 2010, Interview 4, Attachment 23, p. XLII

¹¹⁹ Cf. Mitchell, 2010, see Interview 4, Attachment 23, pp. XLI

ages by implementing projects in remote areas.¹²⁰ But if components of CBT in the first step (such as environmental sustainability, equal opportunities for all poor, focus on communities rather than on the individual as they create a strong workforce) and the whole ideas of VCA and BLs in the second step were combined, poverty reduction would be addressed in the best way.

Last but not least, there are other strategic tools that could be implemented so as to measure qualitative indicators, such as a decision matrix which prioritises pro-poor actions, a Gantt-chart that determines the duration of projects by milestones, a PEST-Analysis that measures all influences on the destination etc..

6.4.3 General recommendations

Having regarded tourism's role on combating poverty, *Meyer* criticises that data in tourism is still lacking and old-dated and that the industry is rather seen as a pleasure-oriented than research-oriented.¹²¹ According to *Frommhold*, harnessing tourism for poverty reduction in Germany is still seen as critical.¹²² Frommhold: "For instance, the GTZ and the BMZ hardly employ and support tourism projects [...] Tourism is mostly a means to achieving a superior goal such as nature protection or employment promotion."¹²³ He comes to the conclusion that debates on the negative aspects of tourism on the environment (e.g. high emissions) and culture (e.g. acculturation) are the reason for this.¹²⁴ According to *William Powers*, senior fellow at the World Policy Institute, the problem of tourism is that it cannot be implemented solely; there are several things that have to be put in place with tourism such as health care, sustainable agriculture, land rights and education.¹²⁵

Therefore, as a recommendation, special attention should be paid to the benefits tourism can create and to the perception of the industry as a research industry. From an economic point of view, the Tourism Satellite Account (TSA) Recommended Methodological Framework launched by UN, WTO, Eurostat and OECD, explicitly shows the importance tourism can have on poverty reduction and the economic

¹²⁰ Cf. Leclercq, 2010, see Interview 3, Attachment 22, p. XL

¹²¹ Cf. Meyer, 2010, see Interview 1, Attachment 20, p. XXXIV

¹²² Cf. Frommhold, 2010, see Interview 2, Attachment 21, p. XXXV

¹²³ Frommhold, 2010, see Interview 2, Attachment 21, p. XXXV

¹²⁴ Cf. Frommhold, 2010, see Interview 2, Attachment 21, p. XXXVI

¹²⁵ Cf. Davis, 2010, p. 18

benefits it can bring by measuring tourism's full effect on a nation's economy with regards to the contribution to GDP and the overall number of direct and indirect jobs. While only a few countries have full and comparable result available¹²⁶, an application of the TSA in every country and a publication of the results might enhance tourism's economic role on the alleviation of poverty. It also makes international statistics more comparable and allows tourism to be compared with other economic sectors which would be necessary regarding global benchmarking.

Computable general equilibrium (CGE) models also reflect tourism's potential in creating beneficial effects on the economic development of a developing country. These were designed so as to provide information on wage and price flexibility, distribution of tax revenues and other relevant policy issues in order to assess to what extent tourism expansion can have positive impacts through the losses of output in other sectors. Furthermore, they help to assess the main disadvantages of input-output models mentioned above. Yet, the field of CGE modelling is under-researched and should also gain special attention.¹²⁷

In general, *Fritz* puts a main emphasis on tourism's economic role. While environmental and socio-cultural aspects are also important, *Fritz* argues that economic factors are "the key to feasibility"¹²⁸. She believes that the attractiveness of the tourist product and the economisation of the private sector are main preconditions.¹²⁹ According to *Oliveira*, tourism offers a lot of possibilities but one of the most important is the possible creation of backward linkages in the economy and the social integration of communities¹³⁰ (whilst these linkages also eliminate Power's concern by showing that tourism can be easily combined with other activities). According to *Leclercq*, especially the training for employment as a quickly-developed linkage and the development of businesses in the sub-chains as a long-term and effective local linkage that creates export possibilities should be a prerequisite in tourism development.¹³¹

From an environmental and socio-cultural perspective, we have learned which positive effects (e.g. preservation of cultural sites) tourism can create. The above men-

¹²⁶ Cf. WTO, 2009, p. 2

¹²⁷ Cf. Huybers, 2007, p. 16

¹²⁸ Fritz, 2010, see Interview 6, Attachment 25, p. XLVIII

¹²⁹ Cf. Fritz, 2010, see Interview 6, Attachment 25, p. XLVIII

¹³⁰ Cf. Oliveira, 2010, see Interview 5, Attachment 24, pp. XLIV

¹³¹ Cf. Leclercq, 2010, see Interview 3, Attachment 22, p. XXXIX

tioned calculation of societal costs (cf. 6.4.2) might be helpful for future decisions while determining if societal/ environmental benefits of a project still amount more than costs. According to *Meyer*, the employment of women, the labour intensity, the non-existence of trade barriers, the fact that tourists come to the destination to consume the product etc.¹³² also reflect the industry's potential to reduce poverty.

Concerning the achievements regarding poverty reduction up to now, *Oliveira* mentioned that they nowadays use more appropriate techniques while conducting projects.¹³³ According to *Leclercq*, things are moving in the right way.¹³⁴ Though, he criticises governments for being corrupt and inactive. *Leclercq*: "...But yet, there has not been enough to make things happen. Regarding documents you mentioned, there are a lot of government officials who are illegally putting money into their bags rather than making anything happen. A lot of agencies and NGOs use this publicity to push their agenda but not in order to use something in a good sense [...] Organisations such as WTO very often make announcements without letting anything happen."¹³⁵ According to *Fritz*, achievements have been made but there still needs a lot to be done.¹³⁶ *Fritz*: "There is a lot of potential in the promotion of economic development, local structure and the improvement of education possibilities in developing countries. Local employment has to be built and enhanced. Furthermore, small-scale entrepreneurs have to be supported and an international cooperation has to be built between developing countries."¹³⁷ Therefore, stronger controls of governmental actions and financial assets as well as the enhancement and education of local employment are future areas for action.

Regarding sustainable tourism, *Meyer* criticises the usage of the term sustainable tourism and the overall lacking knowledge of its definition (cf. also chapter 2.1.2.). *Meyer*: "I am not sure what sustainable tourism explicitly means. I think that sustainable tourism is difficult to define. I do not like the use of the term because sustainable tourism is more than being responsible. In general, I believe that the slogan

¹³² Cf. *Meyer*, 2010, see Interview 1, Attachment 20, p. XXXIII, see also chapters 2.1.1 and 4

¹³³ Cf. *Oliveira*, 2010, see Interview 5, Attachment 24, p. XLV

¹³⁴ Cf. *Leclercq*, 2010, see Interview 3, Attachment 22, p. XXXVIII

¹³⁵ *Leclercq*, 2010, see Interview 3, Attachment 22, p. XXXVIII

¹³⁶ Cf. *Fritz*, 2010, see Interview 6, Attachment 25, p. XLVIII

¹³⁷ *Fritz*, 2010, see Interview 6, Attachment 25, p. XLVIII

needs explanation.”¹³⁸ *Frommhold* also notes that “green washing” (firms claiming to act sustainably by only implementing little projects) nowadays is a big problem and that politicians use the term sustainability in a different sense (sustainability: assertiveness).¹³⁹ Therefore, another improvement could be to reach a consensus on the meaning of sustainable development.

Considering the measurement of poverty, developing countries such as Brazil use the poverty line of US\$1 a day. According to *Oliveira*, people that have a monthly salary of US\$30, i.e. 51 Brazilian reals in a month, are poor.¹⁴⁰ But chapter 2.1 indicated that other developing countries have different poverty lines and that poverty cannot only be regarded in monetary terms (cf. essential assets and opportunities). Therefore, if possible, it is also here that a consensus on poverty's measurement should be implemented and other, non-monetary factors should be regarded.

While regarding consumer demand for sustainable travel, *Mitchell* and *Fritz* believe that demand has exceptionally increased in the last few years. Both think that especially TOs are becoming very interested in sustainable products and, according to *Mitchell*, ODI is already working with many local niche operators. Both think that people would always choose the eco-friendly alternative but it could be critical if people had to pay more. But whereas *Fritz* believes that the target group is rather a broad than a niche target group of well-off and well-educated people, *Mitchell* thinks that only niche markets will demand these holiday packages to a higher extent in the future.¹⁴¹ According to *Frommhold*, it is the travel industry's tasks to implement more sustainable travel packages and to increase consumer demand although customers might not be willing to pay a larger amount of money. In contrast to green electricity and organic products that are popular within many countries he assumes that sustainable thinking and travelling in tourism have not been established yet.¹⁴² According to *Matt Landau*, an international real-estate consultant, a chance could be the so-called recession tourism where the cost-conscious and newly unemployed, students and middle-aged but not wealthy people could provide a new market for sustainable

¹³⁸ Meyer, 2010, see Interview 1, Attachment 20, p. XXXIV

¹³⁹ Cf. *Frommhold*, 2010, see Interview 2, Attachment 22, p. XXXVI

¹⁴⁰ Cf. *Oliveira*, 2010, see Interview 5, Attachment 24, p. XLIV

¹⁴¹ Cf. *Mitchell*, 2010, see Interview 4, Attachment 23, p. XLII and *Fritz*, 2010, see Interview 6, Attachment 25, pp. XLVIII

¹⁴² Cf. *Frommhold*, 2010, see Interview 2, Attachment 21, p. XXXVI

tourism. Therefore, the recession can be of use for the tourism industry.¹⁴³ *Oliveira* believes that in developing countries such as Brazil the domestic market will be of major importance. *Oliveira*: "Actually, Brazil is a very big country and more and more people have money and want to travel [...] there is tourism demand for sustainable offers, especially in the domestic market."¹⁴⁴ Thus, opinions about target groups are very different but all questioned experts believe that demand will increase. Market research might bring clearness while determining the target group(s).

Speaking of PPT, the essence of the term meets a lot with criticism. *Meyer* and *Leclercq* criticise that SNV and ODI are classifying people by saying that they are poor. Both think that poor people might feel offended and that no one has the right to say that someone is poor.¹⁴⁵ According to *Leclercq*, another problem is that organisations such as ODI mainly work with donors/ agencies without exactly being in the destination. Likewise, he thinks that PPT sounds like propaganda and that it became a brand. He also criticises that the name was invented before its tools.¹⁴⁶

Mitchell agrees on the fact that the poor might be bothered by the term and admits that ODI hardly works in the destination with the poor. Though, to him what counts is the intention to increase the poor's possibilities. Furthermore, he recognises that tools were developed later but he thinks that the methodology and tools are always not established till the idea.¹⁴⁷ However, it might be difficult to change the term PPT as it is already embedded into many projects. What is more, credibility would be lost if the term was changed into another one such as *Inclusive Tourism*¹⁴⁸. Organisations and people should focus on the benefits PPT can have and it should be pointed out that people should not feel offended by defining the as "poor".

Last but not least, due to the fact that documentation and methodology of pro-poor actions highly differ (e.g. in Cambodia only VCA, in Northern Tanzania also VCI), it would be important to establish

¹⁴³ Cf. Davis, 2010, p. 18

¹⁴⁴ Cf. Oliveira, 2010, see Interview 5, Attachment 24, pp. XLVI

¹⁴⁵ Cf. Meyer, 2010, see Interview 1, Attachment 20, p. XXXV and Leclercq, 2010, see Interview 3, Attachment 22, p. XXXIX

¹⁴⁶ Cf. Leclercq, 2010, see Interview 3, Attachment 22, p. XXXIX

¹⁴⁷ Cf. Mitchell, 2010, see Interview 4, Attachment 23, p. XLIII

¹⁴⁸ Inclusive Tourism is an approach adapted by the ITC in the Tourism led poverty Reduction programme (TPRP) and means the creation of backward linkages while focusing on the empowerment of the community. For further explanation see Interview 3, Attachment 19, pp. XXXIX

- A general study or paper (e.g. written by ODI) that connects all pro-poor findings so as to be able to compare pro-poor actions in destinations at a glance
- A worldwide comparison and performance measurement model that is used by all organisations and developing countries. The key success criteria mentioned in this paper are just a proposal; it is self-evident that there are more/ other criteria that can be taken into consideration. Though, it is important that all destinations employ the same criteria while conducting global benchmark.

Fritz mentioned that organisations to which they provide services have established success parameters and that all evaluation has to be based on these.¹⁴⁹ *Mitchell* points out that ODI is using a similar framework in every destination, but he argues that every single tourist destination is different.¹⁵⁰ Nonetheless, it would be useful to know how destinations despite their inequalities can be compared regarding their performance. A usage of common methodology (e.g. definition of the poor against poverty profiles, calculation of pro-poor revenues among sub-chains) would be possible at least in some terms.

7 Summary and Conclusion

7.1 Summary

The paper summarises the main important aspects of PPT's role on combating poverty and represents an exemplary way to measuring and benchmarking pro-poor actions in least developed and landlocked countries.

The first and theoretical part dealt with the aspects by which PPT is surrounded and determined. The definition and explanation of the terms poverty reduction (its main important steps in history and its measurement), sustainable development (its four pillars and its main important steps in history), PPT (its goals and strategies), CBT, VCA and BLs (as approaches to PPT), the reasons for expansion of tourism in developing countries and expert opinions helped to clarify that tourism has a great potential to contribute to poverty alleviation and that several steps in history (e.g. ST - EP programme) have made way to sustainable thoughts on poverty reduction. But the elaboration on this topic has also illustrated that there are still many challenges and

¹⁴⁹ Cf. Fritz, 2010, see Interview 6, Attachment 25, p. XLIX

¹⁵⁰ Cf. Mitchell, 2010, see Interview 4, Attachment 23, p. XLIII

constraints (funding, US staff etc.) when it comes to considering pro-poor actions and that there is still a lacking consensus on definitions (e.g. sustainable tourism).

The second and practical part discussed several destination findings in the Third World where PPT was applied. The question was to find out how pro-poor actions can be measured: The comparison of exemplary quantitative and qualitative key success figures showed that there are several factors that can be globally assessed. Likewise, it became clear that organisations have made a big effort to raise the poor's economic wealth and standard of living and that certain aspects were covered in every study (e.g. the implementation of strategies focused on economic and non-economic benefits). Nevertheless, the performance measurement process shows that methodology varies a lot, that data is still lacking and that a comparison of pro-poor actions can be very difficult. It is also qualitative experts' opinions that have accentuated that there is still a lot to be done with respect to future poverty alleviation in tourism. Attachment 28 summarises what has been done so far and what needs to be done in the future.

7.2 Conclusion

Firstly, due to a lacking consensus on many definitions regarding tourism activities, broader, clearer and more sincere definitions have to be established because these could facilitate the collaboration of organisations and the society's comprehension in the long-run and prevent "green washing".

Secondly, if tourism's potential to reduce poverty was promoted in public (organisations such as GTZ, NGOs in the destinations, the media), consumers, communities and TOs would be sensitised for PPT at a higher level, especially with regard to the creation of reasonable pro-poor holiday packages.

Thirdly, PPT may be a more pragmatic, realistic and applicable approach to poverty alleviation than sustainable tourism, while putting "poverty at the heart of the agenda", creating long-term oriented commercial linkages and being easy to adapt.

Then, it can be concluded that CBT due to its little attention to markets, poor governance, poor distribution of financial assets, no recovery of donations etc. does not come up to pro-poor expectations whereas the VC and BL approaches do so. VCs can be developed quickly and they can measure pro-poor flows at different places. BLs

can create long-term economic wealth due to a higher attention to commerce. Though, it can be concluded that a combination of certain approaches' aspects might be helpful. The Inclusive Tourism approach initiated by ITC might be appropriate although it is questionable if a system without political and economic domination of groups will be possible in a capitalised world.

The realisation of the recommended areas for action may be quite difficult owing to different aims of TOs, organisations and governments, incomplete data, political instability and not well-developed and monetised markets in developing countries. Possibly, some of the recommendations mentioned might be a little bit too idealistic (e.g. control of government and financial assets). Though, many experts shared same opinions. Their commitment and optimism regarding the alleviation of poverty and sustainability in the future can be described as very high. Some are even looking for partnerships. For instance, *Leclercq* mentioned that the ITC is looking for a partnership with SNV.¹⁵¹ The majority of experts also highlighted the importance of education, long-term orientation (not leaving the country after finishing the project), local employment and the creation of economic linkages. All experts mentioned that sustainable tourism and travel is possible and that there will be an increasing demand of private consumers and TOs in the future. Especially the construction of sustainable hotels and resorts seems to be very popular among the experts.

Finally, the benchmarking process and the experts' opinions illustrated that PPT findings and methods often not comparable. But, as a conclusion, a global benchmarking and performance measurement model would be ideal to provide transparency, to eliminate one-sided views, to control and document pro-poor actions, to facilitate cooperation among different organisations and to achieve an optimisation. Its implementation would be the next step needed towards a sustainable future.

¹⁵¹ Cf. *Leclercq*, 2010, see Interview 3, Attachment 22, p. XL

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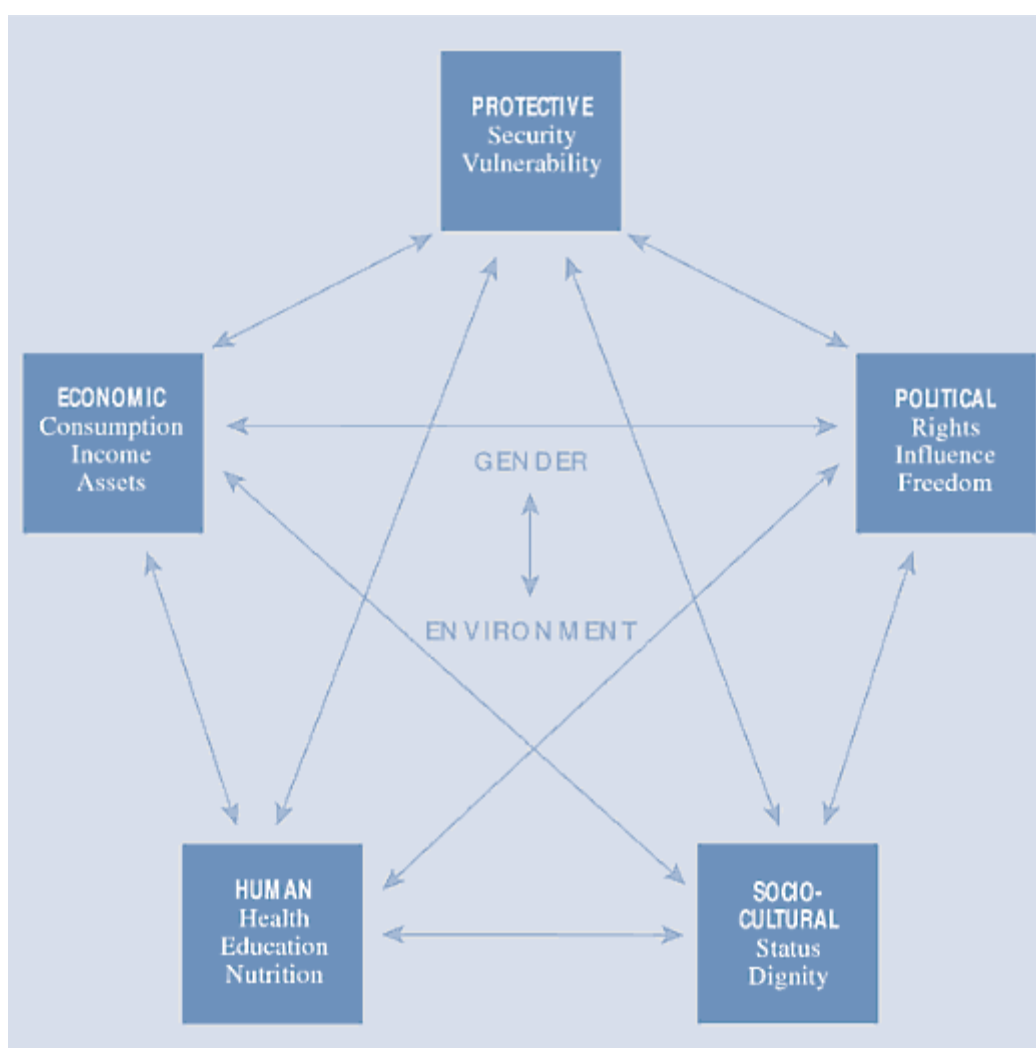
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VI Attachment

Attachment 1: Interactive dimensions of poverty and well-being	XI
Attachment 2: International Tourist Arrivals by Region (in millions)	XI
Attachment 3: Country profiles of pro-poor destinations	XIII
Attachment 4: Community-based natural resource management in Botswana	XIV
Attachment 5: Community-based tourism in the Chalalán Ecolodge, Bolivia.....	XV
Attachment 6: Value chain analysis in Siem Reap and Kratié, Cambodia	XVII
Attachment 7: Value chain analysis at Mount Kilimanjaro, Northern Tanzania.....	XIX
Attachment 8: Business linkages in Ethiopia	XXI
Attachment 9: Business linkages in Luang Prabang, Lao PDR	XXII
Attachment 10: Map of Botswana	XXIII
Attachment 11: Map of Bolivia.....	XXIII
Attachment 12: Map of Cambodia	XXIV
Attachment 13: Map of Tanzania	XXIV
Attachment 14: Map of Ethiopia	XXV
Attachment 15: Map of Lao PDR.....	XXV
Attachment 16: Questionnaire for mini exit-survey in Luang Prabang.....	XXVII
Attachment 17: Strengths and weaknesses of the project's methodology	XXIX
Attachment 18: Opportunities and threats for the poor	XXXI
Attachment 19: Possible topics of the expert interview	XXXIII
Attachment 20: Outcomes of the expert interview with Dorothea Meyer	XXXV
Attachment 21: Outcomes of the expert interview with Thomas Frommhold	XXXVII
Attachment 22: Outcomes of the expert interview with Fabrice Leclercq	XL
Attachment 23: Outcomes of the expert interview with Jonathan Mitchell	XLIV
Attachment 24: Outcomes of the expert interview with Francisco Oliveira	XLVII
Attachment 25: Outcomes of the expert interview with Barbara Fritz	L
Attachment 26: Value added for each sector	L
Attachment 27: Formula for societal costs and investment decision criteria	LI
Attachment 28: Comparison of issues tackled in destination findings	LIV



Attachment 1: Interactive dimensions of poverty and well-being

Source: OECD, 2001, p. 37

International Tourist Arrivals by Region (million)

	Base Year	Forecasts		Average annual growth rate (%)	Share (%)	
	1995	2010	2020		1995	2020
Total	565	1,006	1,561	4.1	100	100
Africa	20	47	77	5.5	3.6	5.0
Americas	109	190	282	3.9	19.3	18.1
East Asia/Pacific	81	195	397	6.5	14.4	25.4
Europe	338	527	717	3.0	59.8	45.9
Middle East	12	36	69	7.1	2.2	4.4
South Asia	4	11	19	6.2	0.7	1.2
Intraregional (a)	464	791	1,183	3.8	82.1	75.8
Long-haul (b)	101	216	378	5.4	17.9	24.2

Attachment 2: International Tourist Arrivals by Region (in millions)

Source: WTO, 2009, p. 11

Country profile	Botswana	Bolivia	Cambodia	Tanzania	Ethiopia	Lao PDR
Total area	581,730	1,089,581	181,035	947,300	1,104,300	236,800
Government	Parliamentary republic	Republic, Social Unitarian State	Constitutional monarchy	Republic	Federal republic	Communist state
Capital	Gaborone	La Paz	Phnom Penh	Dar es Salaam	Addis Ababa	Vientiane
Population	1,990,876	9,775,246	14,495,293	41,048,532	85,237,338	6,834,345
Pop. growth rate (%)	1.972	1.772	1.765	2.04	3.208	2.32
Life expectancy (years)	61.85	66.89	62.1	52.04	55.41	56.57
HIV/AIDs prevalence rate (%)	23.9	0.2	0.8	6.2	2.1	0.2
Literacy rate (%)	81.2	86.7	73.6 (2004)	69.4 (2002)	42,7	68.7
GDP (PPP in billion US\$)	24.14	45.14	27.92	57.5	75.91	14.61
GDP growth rate (%)	-12	2.8	-1.5	4.5	6.8	3
GDP/capita (\$)	12,100	4,600	1,900	1,400	900	2,100
Population below poverty line (%)	30,3 (2003)	60	35 (2004)	36 (2002)	38.7	26 (2005)
Tourist Arrivals (2008) (1000)	2,131	594	2,001	750	330	1,295
Tourist Receipts (2008) (million US\$)	551	275	1,221	1,354	374	276

Attachment 3: Country profiles of pro-poor destinations

Source: Own illustration, according to CIA.gov, 2010, UN-OHRLLS, 2008 and UNWTO, 2009, pp. 7

All data is based on 2009, unless other years are mentioned in brackets within the figure.

Whereas Botswana has to face significant environmental issues (such as overgrazing, desertification and limited fresh water resources) and is coined by the world second highest HIV/AIDS infections rates (accounting for 23.9% in 2009), the country has transformed itself from one of the poorest countries in the world to a middle-income country. Though, after a strong rise since independence in 1966, growth rates have slowed down to -5% in 2007/2008. Nevertheless, tourism has become of major importance while currently representing the 2nd earning after mining.

Therefore, several communities such as the Basarwa in the Okavango Delta have adopted a community-based approach to natural resource management, namely the Community-Based Natural Resource Management (CBNRM) approach. The main funders were the government and the United States Agency for International Development (USAID) whereas CBNRM was implemented by the Botswana Department of Wildlife and National Parks (DWNP). Also several national and international organisations, such as Thusano Lefatsheng, SNV, the International Union for the Conservation of Nature (IUCN) and the consulting firm Chemonics provided management expertise. Formalisation was made jointly under the Natural Resource Management Project (NRMP) in 1989 and operations began in 1993. Attachment 10 shows where Botswana and the Okavango Delta are located in Southern Africa.

The CBNRM approach follows the idea that the community manages sustainable resources responsibly, such as wildlife, marula fruit, cochineal, mopane fruit and grapple plant. Communities such as the Basarwa have been receiving knowledge about managing natural resources and the environment sustainably and a permission (mostly in form of trusts) to use wildlife and land. NGOs located in the area received training about how to empower communities and how to train personnel and conduct capacity building. The government also created community trusts and funds for tourism infrastructure and management plans.

Several policies, legislations, laws, guidelines and strategies have been passed and established since the 1970s in order to promote the conservation and use of wildlife, natural resources, national parks, collected hunting, joint ventures, tribal land and tourism. Every community that wanted to engage in these wildlife activities and that had a legal management body could meet these governmental and legal requirements.

As a positive result, the CBNRM programme has been a possibility for rural communities to diversify their economies (e.g. by offering cultural tourism in the Okavango Delta), to carry out more jobs, to gain a higher income from tourism, wildlife and veld products, to receive an increased supply of meat due to commercial wildlife activities, to gain experience in negotiating with private companies, in active resource management that protects the environment and in collective decision-making.

Despite these positive results there have been problems in the project operation and there remain challenges of the CBNRM project in the long run. Some of these are:

- Communities still lack managerial, marketing and entrepreneurship skills
- Most joint-ventures represent contract agreements instead of private sector partnerships; there is no transfer of skills between safari operators and communities
- Funds obtained (e.g. from sale of land rentals) are either kept in the bank and not re-invested or misappropriated and misused
- CBNRM concept was not fully understood by the communities
- Community trusts and funds are not-self supporting yet and reliance on outside assistance from government and international donors still exists
- NGOs have not been appropriate enough to teach communities
- Some communities (e.g. the San) are economically and politically dominated by other groups
- Poor distribution of financial remuneration and benefits in employment

Attachment 4: Community-based natural resource management in Botswana

Source: Data taken from cia.gov, 201,, Mbaiwa, 2005, pp. 95, Jones, 1999, p. 13-41, and Gujadhur, 2002, pp. 49

As one of the poorest and least developed countries in whole Latin America (60% of the population lived below the poverty line in 2009), Bolivia has to face significant constraints: There is lack of foreign investment (e.g. in mining and hydrocarbon) and the country is characterised by political instability and oppression of the nation's poor. Equally, deforestation, poor cultivation methods, loss of biodiversity and industrial pollution of water led to environmental problems. Furthermore, Bolivia's tourist attractions are not very-well known and widely untapped; the country's infrastructure remains on a poor level.

Nevertheless, a very outstanding and successful case of CBT in Bolivia is the Chalaalán Ecolodge in Madidi National Park which has been the first business run by indigenous people in Bolivia. The idea of the sustainable tourism operations came from the members of an indigenous community called San José de Uchupiamonas in 1995 that wanted to stop activities

of unplanned and unprofitable tourism. The community lives in a remote area within the Madidi National Park. Attachment 11 shows where Bolivia and the Madidi National Park are located in Central South America.

Therefore constructions of the Chalalán Ecolodge began in 1995 and the community received funds from the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB), the Conservation International (CI) and additional help from the GTZ.

Tourism operations in the ecolodge began in 1998 (400 visitors) and owing to ongoing efforts by the community members the number of visitors doubled from 1997 (700 visitors) to 2007 (1406 visitors). It has won the Virgin Holidays Responsible Tourism Award in the category of "Best in a Park or Protected Area" in 2007 and in the last five years it has gained annual revenues of US\$280,000.

Its stunning location in a wildlife area (possibility for tourists to take photographs of different species), the financial contribution from donors, the social capital (i.e. the indigenous community, its already existing experience in tourism and the fact that especially women and young returning migrants were keen on taking up work challenges and risks), partnerships between communities and tour operators, allowing local consultants to assist with marketing and capacity-building and the efforts of the government (e.g. by recognising land rights of the community or by organising events dedicated to ecotourism) can be characterised as the main key success factors of the project.

As a very positive socio-economic result the project has boosted the community's ethnic pride, has empowered the community's members to keep traditional values and stay close to their land and has promoted local economic development. Besides, living standards of 74 families (including shareholders and employees) were raised and the local economy, especially the handicraft sector, was stimulated. The model has also been adapted to many other Bolivian regions, which now benefit from it at national level. Therefore pro-poor impact with regards to poverty alleviation can be described as very high.

However, this project also comprises critical factors: It lacks desired multiplier effects, a clear government strategy, technical knowledge, adequate infrastructure, an expansion of operations and development of further companion enterprises. Equally, it is also not proven if, despite its high profitability, the project could recover the high investments made by donors.

Attachment 5: Community-based tourism in the Chalalán Ecolodge, Bolivia

Source: Data taken from cia.gov, 2010, Hayakawa, Rivero, 2009, pp. 1 and Peaty, Portillo, 2009, pp. 113, p. 119

In the past Cambodia was coined by political instabilities as regards political elections and the formation of coalitions. The country suffers from environmental issues such as lacking access to potable water, soil erosion and loss of biodiversity and habitat due to illegal logging activities. Furthermore, demographical issues, such as the lack of productive skills and education of the very young population weaken the country's economic stability. Likewise, Cambodia's economic power (e.g. the nation's GDP amounted to US\$27.92 billion in 2009) remains at a very low level in contrast to other developing countries. Nevertheless, despite the global financial crisis, the economy is largely growing - in particular the garment, oil, mining and tourism industry (approximately 2 million tourists arrived at the destination in 2008). What is more, the government tries to accelerate economic growth and development by working with donors such as the World Bank and the International Monetary Fund (IMF).

That is why a VCA was conducted by the IFC in 2007 as part of the IFC MPDF studies. It was conducted in 4 cities, namely Siem Reap, Phnom Penh, Sihanouk and Kratié. Attachment 12 shows where the cities and Cambodia are located in South East Asia. Due to the fact that Siem Reap and Kratié are the prime tourist destinations special attention will be paid to these.

The main purpose of this VCA in the diagnostic part was to quantify financial flows from tourism such as domestic earnings, tourism spending and pro-poor revenues. In addition to that, this VCA was supposed to spot priority markets in consideration of yield. In this context the advantage of this study is definitely its detailed methodology:

PPI was replaced by the term PPEI (pro-poor employment income). Whereas most studies define PPI as a combination of wages paid to the poor, SS and US plus a share of supply costs that might accumulate to craft-makers or farmers, PPEI is a narrower definition measuring only the wages for people coming from a poor background. Although Siem Reap is the primary tourist destination, the overall share of tourist expenditure reaching the poor via salaries there is the lowest compared to other regions. In Kratié, the secondary tourist destination, PPEI is the highest. In general, PPEI is only 3-7% of tourist spending on average.

Another thing is that PPEI was also differentiated by sub-chains (supply chains). Income flows of the poor in hotels in Siem Reap were aggregated in a very detailed way in PPEI per room and PPEI per enterprise. For instance, tourist expenditure in restaurants represented 12% of total spending.

Additionally, PPI was distinguished between types of tourist chain segment per trip and per day. For example it could be also concluded that a higher PPEI could be generated by group tourists than by independent travellers. The highest PPEIs could be generated by USA, China, France and UK.

Another particular strength was that the IFC considered that current PPI is not useful to show where to intervene. It constructed a kind of "what if" modelling whilst showing the number of additional tourists that would be needed to generate a higher PPI and how PPI changes if more tourists visit the destination.

Another advantage was that the challenge of defining the poor was solved in that way that in Siem Reap and Kratié poverty profiles of the poor workers were designed so as to see what percentage of people comes from a poor background and where they are located.

Nevertheless, a main problem was the availability of information on producers themselves. While data on domestic food expenditure was collected, PPI still could not be mapped due to the fact that food wholesalers were unwilling to share their information.

Strategic and special recommendations to the government on possible interventions were supposed to be made, especially when regarding interventions that might bring high development return. Unfortunately, information on these interventions and recommendations to the Cambodian government were not found.

Attachment 6: Value chain analysis in Siem Reap and Kratié, Cambodia

Source: Data taken from cia.gov, 2010, WTO, 2009, p. 7 and Ashley, Mitchell, 2008, pp. 16

Although Tanzania has a very high growth rate in contrast to other LDCs, life expectancy at birth only accounts for 52 years on average and only almost 70% of the population over 15 can read and write. Despite this economic growth the country has to face very low economic power in terms of per capita income (US\$1400). The country highly depends on agriculture (40% of GDP, 80% of exports) and only through the assistance from donors of the World Bank, IMF and bilateral donor organisations is this positive growth possible. Quite outstanding were international tourist receipts in 2008: Although only 750 million tourists arrived at the destination in 2008, receipts were very high with \$1,354 billion.

Maybe not so significant in its methodology but definitely the most pro-poor is tourism in Northern Tanzania. The study was conducted recently by SNV in 2008 and includes findings of PPT international package tourism at Mount Kilimanjaro and in Northern Safari Circuit. Mount Kilimanjaro is located inside Kilimanjaro National Park and is the highest peak in Africa. It is not the most visited National Park of all Tanzanian's National Parks but guests are used to staying longer in it than in other National Parks. As a result, earnings remain the highest. It is the most successful case of PPT regarding pro-poor expenditure and therefore special attention will be paid to this region only. Attachment 13 illustrates where the Mount Kilimanjaro National Park and Northern Tanzania located.

The main purpose of this VCA in the diagnostic part was to identify tangible flows of costs and benefits with special regard to tourist spending that reaches the region and material and economic well-being of Tanzanians. Although collecting sufficient empirical and representative data was really important the aim of this PPI mapping was not only to “trace the tourist dollar” (cf. Mitchell, Keane, Laidlaw 2009, p. 4) and diagnose pro-poor flows. It was rather important to identify where possible interventions and recommendations could be made and change the way international tourism could benefit the poor.

That is why the structure of the tour operators market and climb packages were analysed at first. Most climbing packages are sold by international tour operators in the push markets (home countries) but there is still a dozen of local long-established tourist and smaller niche operators. A typical climb package for a seven-day tour costs US\$1.205 and the journey's total expenditure amounts to US\$1.376 per tourist on average.

Then, cost components of a typical Mountain climbing holiday were traced. Most tourist expenditure is being incurred on National Park fees, with 47% of total cost (US\$649). But also payment for climbing staff as the second largest item of tourist expenditure plays an important role owing to the combination of wages from tour operators and tips from tourists.

For this reason it was analysed how average Mount Kilimanjaro payment - the wages by tour operators and tips from tourists - are distributed among staff. Due to three different groups of staff (guides, porters and cooks), it can be derived that climbing the Mount is very labour-intensive (e.g. ten climbers are supported by two guides, forty porters and two cooks). But it also reveals that the average annual financial remuneration of porters (US\$842) and cooks (US\$771) is relatively low compared to the annual income of guides (US\$1830). For instance, the Porters Assistance Project have found out that porters' wages highly vary from US\$3.50 to \$10.60 per day and there is a wide abuse of porters' working conditions.

In the next step general pro-poor expenditure was investigated. With 28% (over US\$13 million) climbing at Mount Kilimanjaro there is the highest pro-poor transfer from international tourists to people living in the destination that has been ever seen in Africa or Asia. It shows that most beneficiaries are considered to be received from the wages and tips of climbing staff (100% pro-poor) owing to the piece of evidence that all staff comes from poor backgrounds. But also cultural goods and services (50% pro-poor impact) and food and beverages (90% pro-poor impact) transfer high benefits to the poor. In contrast to that, expenditure made on transport and tour operator margins is not pro-poor at all.

After analysing where pro-poor impacts in the VC are the highest, the next step was to intervene at certain points in the VC and to boost pro-poor income. Therefore SNV made recommendations on each cost component. Whilst transport, tour operators and accommodation

have very limited pro-poor impact and are not likely to change and whilst F&B already has an excellent pro-poor result, interventions could be made at other stages:

- Cultural goods and services, with 50 % pro-poor impact can be boosted by either increasing the share of the poor from each sale (e.g. through a direct linkage between tourists and craft producers) or by increasing sales through an airport and hotel craft outlet. The second option could be more promising due to the fact that tourists spend most of the time in the mountain while having very little contact with local producers.
- Although park fees are already transferred from tourists to poor people through the TANAPA Community Initiative support Projects programme, development specialists and other stakeholders could work with TANAPA so as to ensure that the effect of community funds is maximised and that funds are spent effectively.
- Payments are made to climbing staff with over 60% of pro-poor benefits and should attract most attention. In 2008, minimum wages for guides, porters and cooks had already been increased. Nevertheless, a minimum wage initiative still should be employed owing to the fact that calculations showed that this could raise tourist expenditure from the current 28% to approximately 35%.
- The lacking economic power of porters should be increased by strengthening several associations such as the Porters and Guides Associations

Attachment 7: Value chain analysis at Mount Kilimanjaro, Northern Tanzania

Source: Data taken from cia.gov, 2010, WTO, 2009, p. 9 and Mitchell, Keane, Laidlaw, 2009, pp. 2

When it comes to talking about Ethiopia, numbers are quite stunning: Whereas the country had an economic growth of 4.5% in 2009, the GDP per capita income remained fairly low (US\$900). Also, only almost 43% of the population aged 15 and older could read and write. While being based on agriculture (45% of GDP, 85% of total employment), poor cultivation practices and frequent droughts (particularly in coffee production) have led to severe environmental problems. Ethiopia participated in the Highly Indebted Poor Countries (HIPC) initiative and debts were forgiven by the IMF in 2005.

Thus, the World Bank conducted another study in Ethiopia in 2006. Attachment 14 illustrates where the country is located in East Africa. Ethiopia is known for being primarily a cultural destination and offers historic routes as its main cultural product. It can be described as an emerging cultural destination.

Therefore, in the diagnostic part, the structure of the tourism sector was analysed. It was investigated how linkages and supply chains work and how much tourists spend when they arrive.

It has become obvious that the existing supply chain has left little room for opportunities to benefit the poor and that tourism in Ethiopia has not been harnessed for poverty reduction as a (best) possible way. Anyway, it could be concluded that most employment was generated in the formal sector (including hotels, transport, TOs) where people coming from poorer backgrounds are not involved. Another outcome was that craft sellers in Lalibela, the main Ethiopian cultural site with 90% of tourist visitors, only earned 1% of total tourist revenue.

The reason for these low benefits was evident: Out-of-pocket-spending in the local economy by tourists has been too low to be able to create high local linkages. Then, the question that needed to be answered was why tourist expenditure has been so low. Firstly, there were not many opportunities to spend money on due to the fact there is a limited number of handicrafts and sales outlets. Furthermore, it was quite difficult to change money at cultural sites and local places due to lacking credit card facilities. The products and craft that were offered had low quality, low value and were not very related to the cultural area. Another main weakness was that guiding skills and interpretation expertise are very low and that, in general, very few facilities such as information stands, banks, toilets, shops which make the tourist buy handicrafts and local products, were offered at the sites.

The World Bank then identified possibilities where to boost the economic impacts, create stronger local economic linkages and develop the Ethiopian product as well as a destination image. For instance, strategies should include the following activities:

- Improving access to handicrafts by e.g. auditing training producers
- Creating and introducing a "Made in Lalibela" kite mark
- Supporting the retail by developing a cooperative outlet and a craft market
- Strengthening local tourism enterprises by encouraging hotels to cooperate with local suppliers and handicraft sellers, working with agricultural NGOS and supporting production communities
- Supporting the informal tourism service sector by assisting guide associations, make cultural events and services available, upgrading product quality of cheaper food outlets and hotels, providing a small enterprise support programme and capacity building
- Providing skills training and support to former-beggars

A recent Briefing Paper provided by ODI in March 2009 reveals that these strategies have been successfully put into action. Local linkages in the craft and excursion supply chain were strengthened (with a transfer of 27% of tourist spending to the poor). Craft now accrues to 55% of PPI (with US\$6.9 of tourist expenditure) and excursions make up 36% of PPI (with US\$3 million of tourist expenditure). Nevertheless, business linkages in the food supply chain

with US\$7 million (13% PPI) tourist expenditure are relatively low compared to cultural linkages. The whole PPI amounts to 17% (US\$39 million) of tourist expenditure.

Attachment 8: Business linkages in Ethiopia

Source: Data taken from cia.gov. 2010, Ashley, Laumans, 2006, pp. 5 and Ashley, Mitchell, 2009, pp. 2

When it comes to speaking of Luang Prabang (LPB) and Lao PDR respectively, participation in the field of tourism remains quite extraordinary. Approximately 1,295 million tourists arrived at Lao PDR in 2008 and approximately 135,000 tourists visit Luang Prabang annually. However, tourism receipts of US\$276 million in 2008 were relatively low compared to the high amount of visitors. Despite the strict socialist and communistic regime, liberalisation of foreign investment and the creation of private enterprises led to an increase in economic activities since 1986. The population benefited very well from this political change. Reforms, investment procedures, bank credits for farmers, investments in industries etc. might improve Laos's status to graduate from the UNs list of LDCs. Nevertheless, the country still has to face significant constraints: The country has an underdeveloped infrastructure, road, telecommunications and electrical system. It is also here that a monocropping in agriculture, in particular rice cultivation, can be recognised.

In order to spot tourism's role on the economy, another linkage and VC mapping was done in Luang Prabang by ODI and SNV in 2006. LPB is known for being a primary cultural destination and offers culture, temples and the LPB's way of life as its main cultural product. Attachment 15 illustrates where Luang Prabang and Lao PDR are located in South East Asia.

In order to find ways to boost economic linkages, the Luang Prabang tourism VC and its sub-chains were explored in the diagnostic part. SNV and ODI wanted to find out how much money is being made by SS and US and in which exact parts of the chain. Furthermore, the study was supposed to map how much money is spent by tourists per day, per trip and per category and to mention opportunities for expansion in pro-poor earnings and employment.

It was investigated that the tourist expenditure amounts to around US\$6 million to SS and US. These US\$6 million represent 27% PPI of total tourism income. Compared to other Third World destinations (cf. PPI in Cambodia), this is very high.

Furthermore, it could be concluded that the F&B supply chain provides the largest income for the poor due to annual restaurants spending with around US\$3.4 million expenditure on supplies that are delivered by local producers and vendors. The second largest PPI can be generated via the handicrafts sub-chain with pro-poor earnings of around US\$1.8 million per

year. Excursions represent lower amounts of US and SS earnings (US\$600,000) and of these only \$100,000 to 200,000 accrue to local residents. The area of accommodation represents the supply chain with the highest turnover but it has lower amounts of PPI with only 6% owing to high operational costs in the field of marketing of energy (in hotels), low wage rates and a high usage of family labour (in guest houses).

Considering the spreading of SS and US, most of the poor working in LPB town are actually SS with at least some skills or capital. As a matter of fact, many poor people and rural households are involved in the F&B supply chain. The majority of SS and US are women, in particular in silk production, agriculture and craft sales. Ethnic minorities can be found in the crafts chain, particularly in production and marketing.

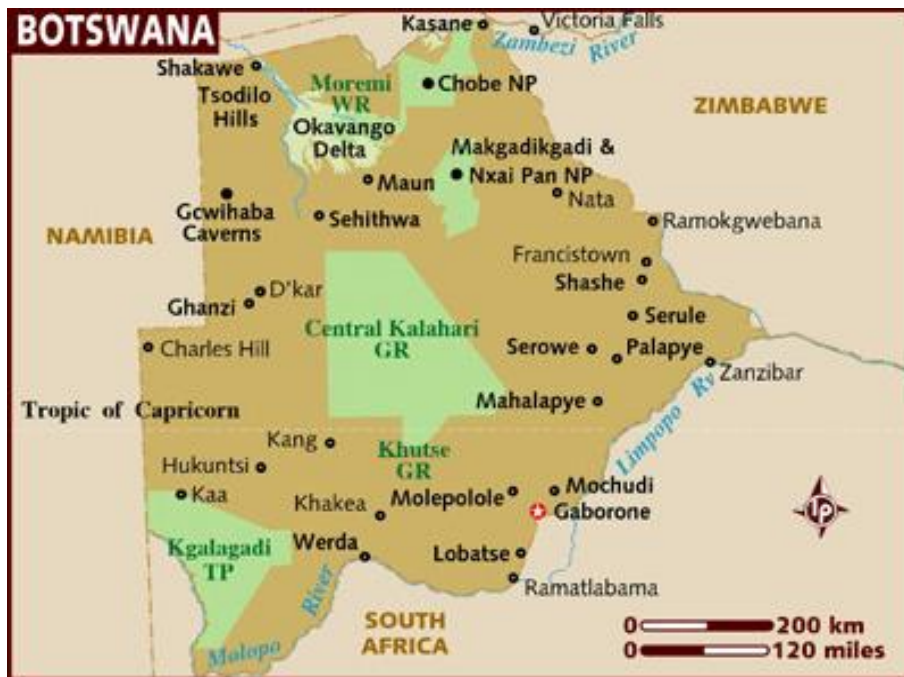
Now, it was interesting to analyse why local linkages are so high. First of all, it is the structure of the tourism economy which leaves room for strong local linkages. Compared to Ethiopia, tourist-out of pocket expenditure is also very high with tourist spending around 23US\$ (low-budget tourists) to US\$96 (high budget tourists) per day and US\$177 per trip on average. Another fact is that the handicraft sector with its famous night market and shopping possibilities is very strong. Moreover, local goods and services have a high quality and tourists spend money on meals in local restaurants which use local food. Besides, there are many locally-owned and small enterprises such as guest houses, tuk-tuks, and wooden boats. Another advantage is that the majority of travellers travel independently but that travellers on tours also use local services and eat local food. Last but not least, tourists can walk around safely even at night and are not hassled by locals.

Nevertheless, ODI and SNV still could identify possibilities to influence pro-poor flows. For instance, government could take these further actions so as to boost PPI:

- Facilitating more Lao fruit and vegetables in the F&B supply chain so as to replace imports
- Facilitating more Lao silk and cotton in the production supply chain so as to replace imports and to employ more women and ethnic minorities
- Supporting development and enhancement of rural products with special regard to the excursion sub-chain
- Find ways to capture tourist spending in villages
- Actions such as registering all guest houses and creating the shopping night market already have been put into practice

Attachment 9: Business linkages in Luang Prabang, Lao PDR

Source: Data taken from WTO, 2009, p. 7, cia.gov, 2010, Ashley, Laumans, 2006, pp. 7 and Ashley, 2006, pp. 63



Attachment 10: Map of Botswana

Source: Lonely Planet Publications a, 2008



Attachment 11: Map of Bolivia

Source: Lonely Planet Publications b, 2008



Attachment 12: Map of Cambodia

Source: Lonely Planet Publications c, 2008



Attachment 13: Map of Tanzania

Source: Lonely Planet Publications d, 2008



Attachment 14: Map of Ethiopia

Source: Lonely Planet Publications e, 2008



Attachment 15: Map of Lao PDR

Source: Lonely Planet Publications f, 2008

*Questionnaire for mini exit-survey, May 2006***QUESTIONNAIRE FOR TOURISTS IN LUANG PRABANG**

We are trying to assess the benefits of tourism for the people of Luang Prabang and make plans for the best management of future tourism here. We appreciate your time to fill this in.

1. Did you come to Luang Prabang
 As an independent tourist
 As part of a package arranged by a tour operator
 On business
 To visit friends and family
 Other _____

2. What is the total number of nights you have spent in Luang Prabang Province? (please tick one)

	Only a day		4 nights
	1 night		5 nights
	2 nights	Other	
	3 nights		

If any of these nights have been spent outside Luang Prabang town, please state the number of nights _____ that were spent in _____.

3. How long is your trip away from home altogether?
 _____ days/weeks/months (please delete as appropriate)
4. What was the cost per room per night of your Luang Prabang hotel or guest house
 \$ _____ per room per night.
 Or if you don't know the room cost, the name of the hotel/guest house is _____
5. Please can you estimate your expenditure while in Luang Prabang?

During your entire stay in Luang Prabang approx what have you spent:		Per day in Luang Prabang, approximately what did you spend on:	
\$	On fabrics & embroidery	\$	Meals in restaurants
\$	On other curios and souvenirs	\$	Water, beer, other drinks
\$	On local transport	\$	Accommodation
\$	On guides and excursions	\$	Other
Estimated total expenditure while in Luang Prabang			US\$

Please give the amount spent on you as an individual.
 Or if you give the amount spent as a couple, or by your group, please give details
 These expenditure figures are for my group of _____ people

6. Have you taken a trip to Kuangsi Waterfalls or Tam Ting caves?

Kuangsi waterfalls		Tham Ting caves	
	No		No
	With an informal guide		With an informal guide
	With a tour company		With a tour company
	On my own using local transport		On my own using local transport

7. What is your nationality?

Thai

Other ASEAN

Other international

Date:

Location:

Thank you!

Please return your form to the person who gave it to you.

Attachment 16: Questionnaire for mini exit-survey in Luang Prabang

Source: Ashley, 2006, pp. 69

	Strengths	Weaknesses
Botswana	<ul style="list-style-type: none"> - CBNRM approach received a lot of support and training by various organisations - Judicial actions facilitated operation and organisation of tourism and wild-life action for community in the long run 	<ul style="list-style-type: none"> - Programme was not fully understood by communities - Reliance on outside assistance still exists - Managerial and marketing skills were not properly transferred - Funds were not re-invested and used adequately
Bolivia (Chalalán Ecolodge)	<ul style="list-style-type: none"> - Community had an important role in decision-making and could work autonomously - Financial contribution from donors was high enough to conduct the project - Partnerships between TOs and communities were established successfully - Training in marketing and capacity building led to stimulation of local 	<ul style="list-style-type: none"> - Insufficient provision of technical knowledge - Lack of a clear strategy provided by the government - Lack of development of further enterprises and expansion of operations

	<p>economy</p> <ul style="list-style-type: none"> - Government was motivated to make a change 	
<p>Cambodia (Siem Reap, Kratié)</p>	<ul style="list-style-type: none"> - Poor were defined against a poverty profile, not just wage level (e.g. taxi drivers) - Pro-poor impact was estimated by tourist segment and therefore more detailed (e.g. independent travellers) - Detailed calculation of pro-poor benefits and PPI as % of turnover per sub-chain (e.g. hotels in Siem Reap: PPI per room and per enterprise) 	<ul style="list-style-type: none"> - No exploration of producers and retailers who count as poor owing to weak information on themselves (e.g. retailers in market shops) - No estimation of potential increase in pro-poor impact from example interventions - No examples of benefits from the operation for the poor (e.g. employees in souvenir shops) - No consideration of non-financial costs - Environmental sustainability is not addressed
<p>Northern Tanzania (Mount Kilimanjaro)</p>	<ul style="list-style-type: none"> - Examples of benefits for the poor (e.g. porters) - Estimation of potential increase in pro-poor impact from example interventions and recommendations to the government - Calculation of pro-poor benefits for staff payment per sub-chain (guides, porters and cooks) - Calculation of PPI as % of expenditure per sub-chain (e.g. Park fees) and pro-poor benefits (wages and tips 100% pro-poor) - Consideration of non-financial costs (such as exploitation of porters) 	<ul style="list-style-type: none"> - Definition of the poor just by wage level (PPI) - No estimation of pro-poor impact by tourist segment - No estimation of other monetary costs than PPI (e.g. exchange rates) - Environmental sustainability is not addressed
<p>Ethiopia</p>	<ul style="list-style-type: none"> - Analysis of the tourism sector's structure helped to identify possible 	<ul style="list-style-type: none"> - No examples of partnerships (e.g. between hotels and suppliers)

	<p>creation of business linkages</p> <ul style="list-style-type: none"> - Estimation of potential increase in pro-poor impact from example interventions and recommendations - Weaknesses, such as low quality products, were investigated into depth 	<ul style="list-style-type: none"> - Environmental sustainability is not addressed
Luang Prabang Lao PDR	<ul style="list-style-type: none"> - VCs, sub-chains and pro-poor benefits were explored into depth and helped to identify possible business linkages 	<ul style="list-style-type: none"> - Poor were just defined by wage level - No examples of partnerships (e.g. between restaurants and suppliers and tourism SMMEs) - Environmental sustainability is not addressed

Attachment 17: Strengths and weaknesses of the project's methodology

Source: Own illustration, data taken also from Ashley, Mitchell, 2008, p. 27

	Opportunities	Threats
Botswana	<ul style="list-style-type: none"> - Economic wealth of the poor will expand due to diversification of economy, expansion of negotiation skills and increase of autonomous and collective decision-making and permission to use wildlife - Sustainable thinking and preservation of nature will facilitate life for future generations and increase healthiness of current population 	<ul style="list-style-type: none"> - No common opportunities and collective decision-making in the future due to poor governance and oppression of communities - Poor distribution of financial remuneration and lack of skills could lead to poverty and unemployment - Reliance on outside assistance and contract agreements could lead to long-lasting economic dependency of the poor
Bolivia (Chalalán Ecolodge)	<ul style="list-style-type: none"> - Expansion of tourist arrivals leads to broader economic wealth and to increase of living standards - Sustainable thinking and preservation of nature will facilitate life for 	<ul style="list-style-type: none"> - Lack of multiplier effects and prevention of further development could lead to long-lasting poor market access

	<p>future generations and increase healthiness of current population</p> <ul style="list-style-type: none"> - Preservation of culture due to increase in ethnic pride and cultural values 	
Cambodia (Siem Reap, Kratié)	<ul style="list-style-type: none"> - If recommendations were made, opportunities for the poor could be really high owing to detailed poverty profile of the poor and detailed spot of pro-poor revenues 	<ul style="list-style-type: none"> - No further development in pro-poor working opportunities due to lack of interventions - No improvement of producer's and retailer's situation owing to weak information
Northern Tanzania (Mount Kilimanjaro)	<ul style="list-style-type: none"> - The poor's economic situation can be increased through pro-poor interventions (e.g. work with TANAPA) - Increase in tourist arrivals and receipts owing to public recognition of the destination being very pro-poor - Investments through climbing tourism can be made in infrastructure, services and faculties of the poor and an increase in the poor's living standards can be reached - Improved staff morale and service of porters, guides and cooks could lead to an enhancement satisfaction and guests would be more willing to spend money) 	<ul style="list-style-type: none"> - Interventions may not be put into action due to exclusionary procedures and policies - Poor may be restricted in their freedom of speech (e.g. porter's economic power through associations) owing to lack of collective decision-making - No employment of females that can be counted as poor
Ethiopia	<ul style="list-style-type: none"> - Economic benefits through the craft and excursion sub-chain could be boosted even more in the future - Preservation of cultural sites is beneficial for future generations - Locals could also benefit from high quality products and facilities 	<ul style="list-style-type: none"> - Low business linkages in the food supply chain may harm possible poverty reduction -Specialisation only on cultural tourism may be risky - Development of cultural events etc. may harm the environment

	- Guests could be more enthusiastic about spending money through more and distinctive products	
Luang Prabang Lao PDR	<ul style="list-style-type: none"> - Profits made through local tourist out-of pocket spending can be invested in infrastructure, etc. - Cheaper local suppliers would be more cost-saving - Linkages in the F&B and production supply chain and therefore an increase number of local businesses could enhance employment and the poor's standard of living (due the fact that imports are not needed and more women and ethnic minorities could be employed) - Flows to the poor could be boosted even more through realisation of interventions (e.g. development of rural products) 	<ul style="list-style-type: none"> - Shift to more local delivery may be costly - There may be a lack of local suppliers and products in the F&B and production supply chain

Attachment 18: Opportunities and threats for the poor*Source: Own illustration****Title of the Bachelor- Thesis:***

Pro-Poor Tourism as a means of Poverty Reduction- Benchmarking and Performance Measurement of pro-poor activities in developing countries

Topics that might be treated in the interview:Work profile:

- Description of your job

Poverty reduction:

- Achievements regarding poverty reduction up to now (e.g. Global Code of Ethics, Paris Declaration on Aid Effectiveness)

- Findings to the measurement of poverty

The role of the tourism sector:

- Tourism's role on combating poverty

Sustainable tourism:

- Most important impact of sustainable tourism (socio-cultural, environmental, economic or political?)
- Role of the government
- Most important step in history regarding sustainable tourism (e.g. Brundlandt Report, Rio Earth Summit, ST – EP program)
- Own opinion about misuse/misinterpretation of the term “sustainable tourism” and/or “sustainability”
- Criticism on tourism's contribution to sustainable development (e.g. political exploitation of the world “sustainability”, few examples of sustainable tourism in practice, high emissions due to air and long-distance travel)
- Consumer demand for sustainable forms of travel
- Trends and changes concerning sustainable tourism

Pro-Poor Tourism:

- What is PPT?
- PPT's role on addressing poverty reduction in contrary to other forms of tourism
- Résumé of the functioning of established pro poor actions
- Examples of best-/worst-practices in PPT
- Opinion about strongest and most benefiting local linkage identified in most developing countries (e.g. procurement of local people, local partnerships)
- Existence of other monetary factors that are measured in the Value Chain Analysis despite Pro-Poor Income (pro-poor income= amount of money that is being earned by poor people)
- Concerns relating to the comparison and measurement of PPT actions
- General recognition of the importance of PPT (by public, private, governmental and civil organisations)
- Appreciation of pro-poor actions by the poor
- Existence of reasonable pro-poor and sustainable holiday packages
- Quality and marketing success of pro-poor and sustainable offers

Future changes in Pro-Poor Tourism:

- Newer methods and approaches to make PPT outcomes more globally comparable, measurable and applicable
- Planned projects relating to future PPT actions and destinations where these actions might take place
- Description of trends in PPT

Personal Motivation:

- Motivation of working in the field of sustainable tourism
- Motivation of working in the field of sustainable travel
- Motivation of working in the field of PPT
- Motivation of working in developing countries
- Etc.

Comments:

- Any other comments you like to make regarding the interview

Thanks a lot for your assistance. I really appreciate your help.

Kindest regards,

Sarah Hussmann

Attachment 19: Possible topics of the expert interview

Source: Own illustration

Interview 1

1. Job description

S.H.: "Ms. Meyer, you are working for the Centre for International Tourism Research (CITouR) at Sheffield Hallam University. The website reveals that CITouR is an organisation that is *doing research, consultancy and training that makes a real difference to communities, tourists and people working in the tourism industry*. Could you describe your job a little bit more for me?"

D.M.: "Correct. I am working for the Centre for International Tourism Research (CITouR) at Sheffield Hallam University. Officially, I am working as a lecturer at Sheffield Hallam University, but I am also doing research for CITouR."

2. Tourism's role on combating poverty

S.H.: "The website of CITouR posted that they *promote tourism that people benefit from tourism development*. What do you think is tourism's role on combating poverty in contrary to other industry sectors?"

D.M.: "Yet, there is not much evidence and research as well as that data is missing. However, tourism has a great potential because it employs more women than other sectors; it is a very labour-intensive sector, it has no entry barriers, it has the advantage that tourists come to the destination and in general the tourism sector offers a lot of scope."

3. Consumer demand for sustainable forms of travel

S.H.: "*CITouR is developing marketing strategies for the tourism industry*. What do you think, how is consumer demand for sustainable forms of travel?"

D.M.: "Well, I am not sure about this question, i.e. what consumer demand looks like. I think that the industry is great in sense of having potential for these forms of travel. However, I am not sure what sustainable tourism explicitly means. I think that sustainable tourism is difficult to define. I do not like the use of the term because sustainable tourism is more than being responsible. In general, I believe that the slogan needs explanation."

4. Best industry practice

S.H.: The website says that *CITouR tries to show tourism organisations and countries best industry practice*. What do you mean by that? What is a best industry practice?"

D.M.: "Haha, good question. Actually, there is no definition but practices should be pro-poor. I have done projects in East Africa and where people did not write. Therefore, providing education and guidance was a good practice. Among the needs reasonable cost and benefits were wanted."

5. Appreciation of pro-poor actions by the poor

S.H.: "How did communities and people you cooperated with appreciate your work?"

D.M.: "I have no idea. But I think that the poor appreciate it when they see money and people coming in and recognise that people are talking to them. I also believe that I am kind of a beneficiary in this project work. Besides, while the poor are working with universities they appreciate this link."

6. Trends and changes concerning sustainable tourism

S.H.: "Could you mention any trends or changes concerning sustainable tourism or tourism in the future?"

"Well, nowadays a lot of research is done by international organisations and this is a major change. However, tourism has not been recognised as a research industry and it is rather seen as a pleasure-oriented industry although tourism impacts are really important. Hopefully this will change in the future. Nowadays, more and more donor organisations are participating and this can be described as a trend, too.

7. Motivation for working in the field of tourism

S.H.: "What is your motivation for working in the tourism research industry?"

D.M.: "I love research and I love to learn - this is my primary motivation. I think that some of the discussions are outdated, in particular in Great Britain and that now the time has come to make changes in tourism development."

8. Comments regarding the interview

S.H.: "Finally, would you like to make any comments regarding the interview?"

D.M.: "I think that tourism is a big part of economic development but unfortunately the academic link is lacking very often. The biggest problem of PPT is that people do not count how much money comes into the destination and what then happens with the money. You should always analyse costs and benefits. Furthermore, organisations such as ODI and SNV are classifying the poor. Can you do that? What might poor people think about this? People in developing countries do not want to be seen as poor. Finally, there should be a stronger focus on the roles of females in PPT and their meaning."

Attachment 20: Outcomes of the expert interview with Dorothea Meyer

Source: Own illustration, data from Meyer, 2010

Interview 2

1. Job description

S.H.: "Mr. Frommhold, you are working as a *tourism consultant for the GTZ*. What are you doing exactly? What areas/ projects are you responsible for?"

T.F.: "Actually, I am working as a self-employed tourism consultant for the GTZ and other organisations. I have been working for the GTZ for 1 ½ years now and I am mostly responsible for a tourism project in Montenegro in the area of financial flows and survey of land. Likewise, I am also in charge of trade fairs."

2. Tourism's role on combating poverty

S.H.: "The GTZ has posted on its website that *the promotion of tourism is a top priority*. Could you describe in detail what tourism's role in the alleviation of poverty looks like?"

T.F.: "First of all, tourism's role on combating highly depends on the country. In Germany, for example, there is a lot of criticism towards this topic. For instance, the GTZ and the BMZ hardly employ and support tourism projects. In the GTZ very few people work in the sector project "tourism and sustainable development". Tourism is mostly a means to achieving a superior goal such as nature protection or employment promotion.

S.H. "But why is tourism not solely used for poverty alleviation?"

T.F. "Well, I think in the last decades there have been a lot of debates that have caused this public opinion. Tourism provokes negative consequences in environmental (such as long-distance travel) and socio-cultural (such as acculturation) areas. Other organisations such as SNV think differently and are one step further when it comes to tourism's role on poverty reduction."

3. Most important step in history regarding sustainable tourism

S.H.: "What is the most important step in history regarding sustainable tourism, in your opinion or maybe from the GTZ's perspective?"

T.F.: "To me, there have been several important steps such as the Rio Earth summit in 1992. However, I think that these reports and meetings are mostly for marketing purposes. From the GTZ's perspective there is also a necessity introducing sustainable tourism reports, publications etc. such as the introduction of the fair "Reisepavillon" in 1991, the UN year of ecotourism in 2002 and the adaption of the CSR days into the ITB conference programme 2009. The BMZ is delivering money to GTZ and there is no sector that can close itself."

4. Own opinion about misuse/ misinterpretation about "sustainable tourism"/ "sustainability"

S.H.: "What do you think about the misuse of the terms sustainability/ sustainable tourism in the media?"

T.F. "Actually, there is a lot of misuse and misinterpretation. For instance, a lot of companies practice green washing, i.e. they claim to do good practice by implementing little, short-term oriented projects, although they're not really into sustainable tourism. Likewise, another problem is that politicians often use the term in sense of assertiveness."

5. Consumer demand for sustainable forms of travel

S.H.: "What does consumer demand for sustainable travel possibilities looks like?"

T.F.: "As yet, consumer demand still does not exist. I wonder why sustainable tourism has not been established yet. Green electricity is a mass phenomenon and also organic products are popular within the (German) population. On the one hand, I believe that consumers might not be willing to pay more for this kind of travel. On the other hand, this travel industry does not see its necessity. In general, sustainable tourism travel still lacks experience."

6. Résumé of the functioning of established projects

S.H.: "*The GTZ has launched 30 projects worldwide to date.* Could you describe how these projects work?"

T.F.: "As I have not been responsible for these projects and as I have been working for the GTZ for such a short period I cannot say much about it. But in general, in these projects the GTZ's main aim has always been the creation of cooperation with one local partner (NGOs, federations etc.). It was also the GTZ's intention to constantly work with more or less the same amount of money and to provide know-how instead of money. Very often PPPs (public and private partnerships) were created to gain benefits in the long-run. In these PPPs, measures are established that exceed the core business of the private partner. PPPs are funded by public funds (50%) and private funds (50%).

7. General recognition of the importance of PPT

S.H.: "How is your work acknowledged by public, private and other organisations?"

T.F.: "Well, I don't know. People might acknowledge the good cooperation in a project's operation. Aid should not take place simultaneously, i.e. organisations should act after consultation with other organisations and this is quite working."

8. Pro-Poor Tourism

S.H.: "What do you think about Pro-Poor Tourism?"

T.F.: "As for PPT, one might think directly of CBT. As yet, a stronger involvement of mass tourism has been needed. Frankly speaking, I think high amounts of money have been invested in pro-poor actions and that an implementation of tools such as cost-benefit-analysis has lasted long."

9. Comments regarding the interview

S.H.: "I think we have come to an end. Are there any other comments you like to make concerning the interview?"

T.F. "Well, if you do not mind, I like to mention the project in Montenegro. Tourism is just taking place on coastal lines although beaches have no USP and are coined by pebbles. Another thing is that they have to deal with seasonality. Though, the country inner has beautiful untouched nature and stunning mountains. In winter you could go skiing and in summer cycling. Therefore the GTZ initiated a tourism project to promote tourism in the heartland. Statistics were collected; a hundred companies, TOs, employees and guests were questioned. Guests e.g. were questioned with respect to expenditure; employees were e.g. questioned with respect to their wages or financial flows to their families. Likewise supply and food production chains were analysed for the hospitality sector."

Attachment 21: Outcomes of the expert interview with Thomas Frommhold

Source: Own illustration, data from Frommhold, 2010

Interview 3

1. Job description:

S.H.: "Mr. Leclercq, you are working as the *Senior Trade Promotion Advisor* in the *Export-led Poverty Reduction Programme* and in the *Division of Market Development* at the *International Trade Centre*. Could you describe your job a little bit more detailed?"

F.L.: "To begin with, we engage in management. We try to design an approach. We organise the elaboration of tools, we participate in workshops and conferences, we provide consultancy to realise opportunities studies, we check funding, and we keep and check accounts. My role is also to assist colleagues in their work and to get the best out of them."

2. Achievements regarding poverty reduction up to now:

S.H.: "On the ITC's website it says that you are tackling poverty through. What do you think have been the achievements regarding poverty reduction up to now in general and/or maybe affecting the ITC?"

F.L.: "A lot of things have been achieved, in particular regarding the poverty reduction process. Regarding the methodology, the ITC starts with a study analysis. Then we check the capacity of people that is going to help. We select project partners who are as committed as possible because commitment is the key to our work. We also help project partners, institutions and governments and we try to assure trust to the best possible manner. We also try to create capacity building and intervention. In general, I think that things are moving into the right direction but yet there has not been enough to make things happen. Regarding documents you mentioned, there are a lot of government officials who are illegally putting money into their bags rather than making anything happen. A lot of agencies and NGOs use this publicity to push their agenda but not in order to use something in a good sense."

3. Role of the government

S.H.: "How do you experience the role of the government and do you maybe recognise difficulties in market development?"

F.L.: "Yes, I do, if governments play a role beyond their role and if the money firstly goes to the finance ministry it is unfortunately often lost. For instance, in Brazil so much could be done but governmental actions prevent Brazil from progress. The Brazilian government is not an obstacle, but it did not help and did not facilitate things either. In contrast

to Brazil, for example, if I called the ministry of culture in Ethiopia for a meeting, actions would take place directly without any problem.”

4. Difference between Inclusive Tourism and PPT?

S.H.: “In your *Tourism-led Poverty Reduction Programme (TPRP)* you describe the term *Inclusive Tourism*, i.e. not only giving advice to poor people but also implementing field projects. Where do you see the difference between PPT and Inclusive Tourism?”

F.L.: PPT sounds to me like a somewhat political agenda. The name went further than it was planned. PPT became a brand that wanted to look good. The term was invented before the tools for it. It sounds like propaganda and superficial. The VCA is pro-poor to a 100% and also the aim to address leakages by creating linkages is totally appropriate. However, in the past, these approaches did not exist and the creation of linkages was developed later. Another problem is that these specialists speak to agencies and not to the countries themselves. Furthermore, ODI and SNV say that people are poor and in my opinion they have no right to say this. It is disrespectful when dealing with beneficiaries. In contrary to PPT, the term Inclusive Tourism indicates to be everything but all-inclusive. This means that all-inclusive can be inclusive, i.e. guests still eat, are entertained at the hotel etc. Inclusive Tourism also includes the private sector and it is a real support for communities and SMMEs. It is also creating linkages to reduce leakages.”

5. Opinion about strongest and most benefiting local linkage in most developing countries

S.H.: “On the ITC's website you are talking about *backward linkages* and *economic development*. What do you think is the most important and most benefiting local linkage you have identified in your projects?”

F.L.: I think the VCA provides an answer to this question. Although a lot of people implement feasibility studies, these are not the answer because many projects that have to be conducted would not be conducted according to feasibility studies due to a lack of financial assets. There are two kinds of most benefiting local linkages: Firstly, the training for employment is faster to establish but indefinite. Secondly, the development of businesses such as export is more effective in the long-run. This linkage applies to all sectors such as F&B, craft etc.”

6. Examples of best-/ worst practices

S.H.: “Could you describe some best and worst practices?”

F.L.: First of all, you cannot claim that something is a “best” or a “worst” practice. I would rather agree on the term “good” or “bad” practice. However, the Americans have

developed some very good practices. To me, a “good practice” is the training of local partners and institutions and making things sustainable. In general, the ITC wants to work with communities, and create equal opportunities and salaries among the poor people. A “bad or a less good practice” is a lack of continuity, meaning that projects stop if money stops. Another example for bad or less good practice is if you put any form of culture into a commercial business. As mentioned before, equal opportunities should be established. Therefore, a bad practice is an unequal distribution of benefits which creates conflicts and bargaining power.”

7. Existence of other monetary factors that are measured in the VCA despite PPI

S.H.: “In PPT the PPI is measured. What monetary factors do you measure and how?”

F.L.: “We are measuring every impact, material, salaries, everything. Therefore we implement a baseline survey at first. This baseline survey included a questionnaire with qualitative and quantitative surveys. Then we use an assessing system and repeat the baseline survey and the assessing system two to three times over the whole project period of time.”

8. Planned projects and destinations where these actions might take place

S.H.: “You have conducted projects in countries like Rwanda, Liberia, Brazil or Mozambique. What will be other planned projects and where might these projects take place?”

F.L.: “Unfortunately, it is not possible to tell you that. We would like to assist in Jamaica, Montego Bay. We have also seen interesting projects in Brazil, Philippines and the Six Senses (resort) in India. But funding is not guaranteed and so I could not talk about it very openly.”

9. Comments regarding the interview

S.H.: “Are there any comments you like to make regarding the interview?”

F.L.: “You told me you are writing about steps in sustainable tourism and poverty reduction, such as the ST – EP programme. I think the WTO is very often making announcements without letting anything happen. What I do not understand about the ST-EP programme is that they are strictly working in CBT projects and without the involvement of the private sector. They call it sustainable but how can you create tourism in remote areas where it is so difficult to create linkages with the private sector. Though, I'd like to mention that we try to build up a partnership with SNV in the future.”

Attachment 22: Outcomes of the expert interview with Fabrice Leclercq

Source: Own illustration, data from Leclercq, 2010

Interview 4

1. Job description:

S.H.: "Mr. Mitchell, you are working at the ODI. Among other projects, you are the *Programme Leader of Protected Livelihoods and Tourism Programme*. Could you describe our job in a little bit more detailed manner?"

J.M.: "I have been working for the ODI for four years. Before that, I worked five years in the European Commission South Africa, five years with DFID as development economist for one of the South African provinces and three years for the World Bank in Lesotho. My task at ODI is to cover projects with fees, being the manager of a large group of people, to engage in protected livelihoods (agriculture). Equally, I am also responsible for contracting, management and promotion."

2. PPT's role on addressing poverty reduction in contrary to other forms of tourism

S.H.: "Literature describes PPT as a more pragmatic, applicable and long-term oriented form of tourism. Where do you see PPT's potential to reduce poverty in contrary to other forms of tourism?"

J.M.: "The advantage of PPT is that it can be everything: Ecolodges, a hotel in Turkey, an all-inclusive resort of TUI. But there always has to be a clear focus on the poor's benefit and the impact on the poor people. What can be seen as most pro-poor is tourist spending in Kilimanjaro or business tourism in Central Vietnam. The worst form of tourism we have seen is Gorilla-viewing Tourism (Rwanda). PPT is not a particular form of tourism, it is rather tourism that exists, which makes it easier to compare results, e.g. through the VC approach which compares different places."

3. CBT= pro-poor?

S.H.: "After reading all literature about PPT and CBT, I am a little bit confused. Would you describe CBT as being pro-poor? Or do you think that CBT cannot be identified as being part of PPT due to its weaknesses in financing and the fact that it is a niche product?"

J.M.: "Well, when regarding CBT, ecotourism, beach tourism etc. you cannot say if it is pro-poor or not. I have been working on a CBT project and it was very pro-poor. Nevertheless, many CBT projects just don't work. I am not really interested in tourism, because tourism is the means to objective. And the mission is to reduce poverty. The question is how much does a project cost? And how do poor people benefit? The problem about CBT projects is that they cost much more than poor receive. Then, when the fund-

ing stops, it is also the projects that stop. If you try to reduce poverty and you are just giving money to the people it is no efficient. In fact, CBT reduces poverty a lot but funding is a big problem. It might be probably possible but CBT generally does not work. I wonder why people still keep on funding CBT projects.”

4. Existence of other monetary factors that are measured in the VCA despite PPI

S.H.: “Do you measure other factors than PPI and which tools do you apply for that?”

J.M.: “The VCA is a profitability analysis of the whole chain and it is rather an economic analysis. At the moment we are also trying to measure the social side, i.e. the relations in a transaction that are covered by talking to the poor and negotiating with them. We really want to get a clear view. Furthermore, we traditionally didn't used to look much on environmental factors. Now we are also going to do this. We want to compare the economic benefits with the environmental costs. Another tool that we would like to apply to tourism is a gender analysis because that is also still missing.”

5. Appreciation of pro-poor actions by the poor

S.H.: “How do the poor appreciate your work?”

J.M.: “Honestly, I haven't got any idea what the poor people think because we mainly work with donors and we basically make policy suggestions. But, in general, I think that pro-poor recommendations and policy actions have a big impact on the people and an example is the food procurement. I think that it would be brilliant to go back to these places in the future and meet the people that have benefited. We should do that.”

6. Quality and marketing success of pro-poor offers

S.H.: “How would you describe the quality and the marketing success of pro-poor offers and holiday packages?”

J.M.: “I think that generally consumers are not interested in pro-poor outcomes. There is only a small, tiny niche of consumer interested in this kind of travel, and is gathering pace with people coming from Germany, the UK and the Netherlands or Ireland. I also feel that consumers do not want to pay more and that only some will. However, people are already travelling to developing countries. It is difficult to judge pro-poor offers. Five years ago, tour operators were not interested in this tourist product. But nowadays we work with niche operators and operators from non-niche markets. It has incredibly changed.”

7. Newer methods of and approaches to PPT

S.H.: "Are there any newer methods and approaches to make PPT outcomes more globally comparable, measurable and applicable?"

J.M.: "First of all, you have to accept that every single tourist destination is different. Though, in every project we employed a similar framework and developed an approach. Then we needed to be able to measure impacts (e.g. increasing minimum wage) which was the idea of the PPI."

8. Criticism towards PPT

S.H.: "Frankly speaking, a lot of experts I talked criticised PPT for classifying people by saying they are poor and for PPT becoming a brand, also while inventing the name before developing the tools for it. What do you think about this criticism?"

J.M.: "I think, this criticism is absolutely right. I am also bothered by the term PPT. For instance, when you go to Vietnam no one wants to be poor. Or if you go to Ethiopia, people are actually poor, but they are too proud to call themselves "poor". Caroline Ashley invented the term PPT; I started to work at ODI later. The benefit of the label of PPT is that the meaning of the term is quite explicit. I also think that the term Inclusive Tourism is appropriate; it kind of reflects the British agenda. I often speak at conferences and undertake work promoting both these alternative terms and do not see them in competition with PPT in a zero-sum-game sense. However, I think that arguing about the definition of the term is not the important issue. The intention is what is important and what counts. Our intention is to focus on people that need help and this intention is shared by people working under a number of labels. I am quite flattered by PPT becoming a brand, if this reflects the value people gave to the ideas contained in the concept. Our aim at ODI is to change public and private policy to reduce poverty – and having influential ideas is not a bad place to start if you are trying to change the world. We also have been criticised from the political Left for other issues such as promoting capitalism in these countries. I have worked over half my professional life in some of the poorest areas in Southern Africa and find this kind of often rather 1970s, lazy critique of capitalism - resonates much better amongst affluent academics in Europe than amongst resource poor communities in the South. The other criticism mentioned, e.g. that we have invented the term PPT before its tools does not make much sense. I think it is normal to firstly establish an idea and the goals and then the methodology, i.e. how we are going to get there."

9. Comments regarding the interview

S.H.: "Would you like to make comments regarding the interview or add anything?"

J.M.: "No, but I just wanted to tell you that there will be a new booklet online at the ODI's website. If you like, I could send you the link for it via email."

Attachment 23: Outcomes of the expert interview with Jonathan Mitchell

Source: Own illustration, data from Mitchell, 2010

Interview 5

1. Job description:

S.H.: "Mr. Oliveira, you are working as a *consultant for the International Trade Centre at the Coconut Coast (Costa dos Coqueiros), Bahía, Brazil* where you are currently building *sustainable resorts and hotels*. Could you describe me your job a little bit more detailed? What are you actually doing?"

F.O.: "Well, we create programmes of social responsibility, promote reunions, create connections to communities, promote community empowerment, create linkages between companies, and establish capacity training. In general, we want to establish tourism as a means of fighting against poverty and implement tourism as a basis of poverty reduction. Furthermore, and maybe of most importance, is the promotion of social integration of the communities into the tourism value chain in a poor region of Brazil where there hasn't been water, sanitation, capability and training. We also want to preserve and strengthen the local culture of Bahía because there are a lot of beautiful beaches and a lot of culture. 70% of the people have an afro origin and there is a lot of variety in the region with Spanish, French and many other cultures. We want to improve the communities' conditions; they should have a better life, education and money. At least, we want to occupy 40% of the population at the coconut coast. Therefore, we especially focus on connections, connections between businesses and hotels. We also intend to intensify the agriculture sector. We want to strengthen the local production of agricultural goods such as honey and improve methodology. Last but not least, we want to develop a sustainable country."

2. Findings to the measurement of poverty

S.H.: "There have been a lot of ways to measure poverty such as the US\$1 Dollar line or the head count ratio. How do you measure poverty in Brazil or in general? When is somebody poor in your opinion?"

F.O.: "Here in Brazil there is a definite salary, a minimum salary per month. In general, we measure the income per capita for a family of three people. This salary is in general very, very low. In fact, it is one dollar per day per person and therefore 30 dollars per

month. In Brazil, these are "*51 reais por persona al mes*", i.e. 51 Brazilian reals per person in a month. Therefore, you can see that there is a lot of poverty in our country."

3. Tourism's role on combating poverty

S.H.: "Which role does tourism play in the alleviation of poverty and where are there possibly more advantages in contrary to other industry sectors?"

F.O.: "I think, that tourism offers a lot of possibilities. It offers a lot of scope for economic activities and it can create linkages. It can be seen as an instrument for social integration and help local communities a lot. It can bring municipalities and states together. It can be a means of offering education and infrastructure. Likewise, this sector offers possibilities to help and support at an international level."

4. Role of the government

S.H.: "Some experts mentioned that tourism in Brazil would be easier if the government was more facilitating. How do you see the role of the government in general or in Brazil?"

F.O.: "I think the role of the government is very important. It has a huge responsibility. For example, it can facilitate actions, especially in infrastructure and marketing. Nevertheless, I think that also international groups have to provide help. They can offer capacity building and other activities at a higher quality. At the moment, I think there is an evolution process going on in Brazil. However, Brazil still has to face big problems in the area of public security. The country is a very political country where there is a huge amount of different interests."

5. Trends and changes concerning sustainable tourism

S.H.: "Do you recognise trends and changes concerning sustainable tourism in the future?"

F.O.: "I think that people are awakening and that there is a lot of movement. I believe that this is very important. For instance, we are creating hotels of sustainable tourism in Bahía which is a revolution. We work more well- grounded than we used to do, i.e. we have more appropriate and established techniques."

6. Résumé of functioning of established pro-poor actions

S.H. "Mr. Cassemiro from the GTZ, who gave me your contact, also mentioned the creation of hotels at Coconut Coast (Bahía) but that projects had to stop due to problems in funding. You also talked about the project in Bahía. Could you tell me how this project or maybe other projects worked? Did they work out well?"

F.O.: "Well, Costa dos Coqueiros (or Coconut Coast) is a very new destination. The projects started from 2000 to 2001 and there has been a lot of movement while working with local communities. Of course, there have been problems in the qualification and competence of locals. There haven't been any local people to work with. What is more, we had problems in water supply, sanitary, and infrastructure. But I'm glad to tell you that everything has improved."

S.H.: "But would you describe the hotels as sustainable? And do you think that there is tourism demand?"

F.O.: "Yes, of course. The hotels and the project respectively are very sustainable. When we initiated beach tourism at Bahía we had a real focus on that. And indeed, there is a lot of demand. We have built five big resorts and these have a very good occupation. Actually, Brazil is a very big country and more and more people have money and they want to travel. We try to attract Brazilians, i.e. we try to attract in particular "*el mercado interno*", the internal (domestic) tourism market."

7. Existence of sustainable holiday packages and consumer demand

S.H.: "What do you think about offers related to sustainable or eco tourism? Do you think that there is tourism demand?"

F.O.: "Yes, indeed. A lot of companies have been established and these companies receive a lot of investment. I think that there is tourism demand, especially in the domestic market as I mentioned before. I think that we work very well and united together and the results are very positive. E.g. in Cancun in Mexico there are still more tourists but there is opportunity to change it in the future."

8. Planned projects and destinations where these actions might take place

S.H.: "What are your planned projects in the future and where will these projects may take place?"

F.O.: "We want to finish the project in the northeast of Brazil, at Bahía. Likewise, we would like to implement projects at *Rio Grande de Norte*. At the moment, we are cooperating with Spain and Portugal to implement projects. In particular, we are searching for social projects and we like to achieve more positive result, especially when working with communities."

9. Motivation of working in the field of tourism consultancy?

S.H.: "What is your general motivation of working in the field of tourism consultancy?"

F.O.: "Of course, earning a living and protect my family are two reasons. But more important is to be able to work with people, to make innovations, to be able to help poor people, to make contributions. It is more a personal motivation. I want to implement tourism models."

10. Comments regarding the interview

S.H. "Are there any other comments you like to make regarding the interview? Would you like to add anything?"

F.O.: "I like to thank Fausto (Casseiro) who is a very good colleague of mine and also Fabrice Leclercq, who is doing a great job at the ITC in Geneva."

Attachment 24: Outcomes of the expert interview with Francisco Oliveira

Source: Own illustration, data from Oliveira, 2010

Interview 6

1. Job description

S.H.: "Ms. Fritz, you are working as the *Head of Department Sustainable tourism for the AGE Consultants* in Munich which is a *consulting company for development policy and international cooperation*. Could you tell me a little bit more about your job? What do you actually do?"

B.F.: "Well, we have been working in the area of consulting and international development cooperation for 20 years now. We provide services to international and donor organisations such as GTZ, European Union, KfW banking group, World Bank, development banks, Welthungerhilfe (German Agro Action) and NGOs."

S.H.: "Oh, OK, because that was another question of mine, i.e. mentioning the companies you offer your services. It is nice that you already answered this question."

B.F.: "Oh, sorry. And, yes, these are the organisations. Besides, we also work in other areas than tourism; the three other main areas are health, rural development and good governance. Sustainable tourism development, negotiations with organisations, announcements, and project coordination in the project's operation can be described as my main work area."

2. Achievements regarding poverty reduction up to now

S.H. "How do you see the most important achievements regarding poverty reduction up to now?"

B.F.: "I think a part has been achieved, but there is still a long way to go. There is a lot of potential in the promotion of economic development, local structure and the improvement of education possibilities in developing countries. Local employment has to be built and enhanced. Furthermore, small-scale entrepreneurs have to be supported and an international cooperation has to be built between developing countries."

3. Tourism's role on combating poverty

S.H.: "What do you think is tourism's role on combating poverty, maybe in contrary to other industry sectors?"

B.F.: "Tourism has a direct link to economic development. It creates jobs and is very labour intensive. It also leads to the employment of locals. Besides, tourism is one of the strongest and fastest growing economic sectors of the world, especially in developing countries."

4. Most important impact of sustainable tourism

S.H.: "Literature is sometimes contradictory regarding the impacts of sustainable tourism. Some assume that a specialisation on environmental aspect is most important, others tend to think that only the economic dimension can achieve long-term benefits. What, in your opinion, is the most important impact, if that can be said at all?"

B.F.: "I think that you have to consider economic factors and criteria at first, i.e. the private sector. These are the key to feasibility. The tourism product has to be attractive first of all. But I also believe that the tourism product has to be designed sustainably. Therefore, I think that the socio-cultural and ecological dimensions are at one level. Nevertheless, very often, economic aspects are lacking and projects fail. These economic criteria have to be market-driven and attractive. This is like a basic principle."

5. Consumer demand for sustainable forms of travel

S.H.: "What do you think about the consumer demand for sustainable travel and tourism?"

B.F.: "Right now we have a big project in Egypt that deals with sustainable hotel management and other sustainable topics. I think demand has increased exceptionally in the last two years. Especially tour operators have a mass demand for sustainable tourism in the tourism industry. If the mass tourism client had to decide between ecologically-friendly and non-ecologically-friendly offers at the same price, he would always choose the eco-friendly alternative. But that client does not want to pay more. Nevertheless, there is an increasing demand, there is a new target group which in fact is not only a

marginal group. It is rather a broad target group. These clients are well-educated and well-off."

6. Explanation of services you offer and main usage

S.H.: "Your website revealed that you are offering professional service and know-how, among other things technical consulting, feasibility services, policy and strategy development, etc.. Which services are mainly demanded by clients and have a major significance?"

B.F.: "Concept and brand development are the main services demanded by our clients. They mainly demand touristic products with sustainable components and they want us to develop a brand from it."

7. Evaluation of projects

S.H.: "How do you evaluate projects? Which indicators do you employ?"

B.F.: "We don't evaluate the projects by using own indicators. The project success depends very much on the parameters of the organisations. These indicators are very tight and we are oriented to them. It is measured what has been achieved and to which extent."

8. Trends and changes in your work

S.H.: "What would you describe as future changes regarding your work or in general sustainable tourism or international development cooperation?"

B.F.: "I think the private sector will be strongly economised. For instance, we had three projects where a good development can be seen. A lot of people are involved, for example, the government, the society, NGOS will be working together very closely. I think, the economy will be part of the projects and will be involved in projects. As we got to know from the value chain analysis, a lot of actors and stakeholders will be involved contributing to a nation's economy."

9. Motivation of working in the field of sustainable tourism and consultancy

S.H.: "What is your motivation of working in the field of sustainable tourism and consultancy?"

B.F.: "I am totally convinced of what I am doing. There is both a logical principle and an ethical component. It is logical because tourism and the tourist product respectively offer natural resources and authenticity. From an ethical point of view, it was engaged in it in my studies. I love this work and I do it with enthusiasm. It is fun."

10. Comments regarding the interview

S.H.: "Do you like to make any comments concerning the interview? Would you like to add anything?"

B.F.: "No, but I would be very pleased, if you could send me your work after finishing it."

Attachment 25: Outcomes of the expert interview with Barbara Fritz

Source: Own illustration, data from Fritz, 2010

Formula	Calculation	Explanation
Cost-benefit ratio for each sector	$\frac{\sum_i^t \left[\frac{\sum_1^n y_i + Co \left(\frac{(W - SW)}{W} \right)}{(1 + r)^1} \right]}{x_i k_i + \sum_1^n x_j k_j}$ $\frac{\sum_1^n y_i + Co \left(\frac{(W - SW)}{W} \right)}{(1 + r)^1} : \text{total benefits}$ $x_i k_i + \sum_1^n x_j k_j : \text{costs of capital required for the creation of capital}$	<p>i: one international sector</p> <p>y: all other international sectors</p> <p>W: actual wage</p> <p>SW: shadow wage</p> <p>W-SW/W: extra income accruing to the poor; total net benefit</p> <p>Co: increase in present income</p> <p>t: life of capital invested in the sector i</p> <p>r: discount factor</p>

Attachment 26: Value added for each sector

Source: Own Illustration, according to Sadler, Archer, 1975, pp. 188

Formula	Calculation	Explanation
NPV (Net present value)	$\sum_{t=1}^n \frac{B_t + P_t - K_t - S_t}{(1 + i)^t} - IO$	<p>Bt: Total benefits in year t</p> <p>Pt: Total societal/spillover benefits in year t</p> <p>Kt: Other project costs in year t</p>

		<p>St: Total societal/spillover costs in year t</p> <p>i: cost of capital or discount rate</p> <p>IO: initial outlay</p>
IRR (International rate of return)	$\sum_{t=1}^n \frac{B_t + P_t - K_t - S_t}{1 + IRR} - IO = 0$	IRR: International rate of return
Discussion for tourism projects in developing countries	<p>Bt: All revenues can be accrued from sales of tickets, user fees or passes</p> <p>Pt: Indirect benefits that can be accrued from commercial services and benefits that are developed as a consequence of the project</p> <p>Kt: Costs such as cost over-runs for the project, paid bribes during the project or additional capital costs in the future</p> <p>St: Costs for additional law enforcement, environment, welfare and are usually unplanned indirect costs</p> <p>IO: Costs for development and construction of the project</p> <p>Project operation: NPV > 0</p> <p>Project operation: IRR > country's cost of capital</p>	

Attachment 27: Formula for societal costs and investment decision criteria

Source: Own illustration, according to Brown, Kwansa, 1999, pp. 199

	Botswana	Bolivia	Cambodia	Northern Tanzania	Ethiopia	Luang Prabang (Laos)
Calculation of pro-poor income	In part	In part	√	√	√	√
Calculation of pro-poor benefits (\$ per sub-chain)			√	√	√	√
Comparison of sub-			√	√	√	√

chains (in terms of annual PPI and % of turnover)						
Calculation of tourist expenditure per trip, per day, per category			√	√	In part	√
Implementation of strategies and example interventions focused on economic benefits	√	√		√	√	√
Definition of poor against a poverty profile			√			
Estimation of pro-poor impact by tourist segment			√	In part		
Usage of value chain approach and market linkages			√	√	√	√
Consideration of dynamic effects, not just pro-poor flows			In part			
Creation of whole input-output and CGE models						
Implementation of strategies and example interventions focused on non-financial livelihood benefits	√	√		√	√	√
Implementation of strategies and example interventions focused on participation, process, partnerships	√	√		√	√	√
Reasonable transformation of all strategies	In part	In part		√	√	√

Consideration of environmental/ societal costs			!	!	!	!
Consideration of environmental/ community empowerment	✓	✓				
Commercialisation of offer (by TOs etc.)	✓	✓		✓		✓
Implementation of governmental website that promotes tourism reasonably	✓		✓	✓	In part	✓
Marketing of pro-poor/ sustainable offer	In part	✓				
Analysis of destination image	In part				In part	In part
Application of strategic tools						
Public/ societal recognition of tourism's role on combating poverty	✓	In part	✓	✓	✓	✓
Control of the government and financial assets						
Reasonable measurement of poverty and usage of definitions						
Analysis of consumer travel demand						
Analysis of gender			!	!	!	!
Creation of a global performance measurement model and application of same key suc-						

cess criteria						
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√ indicates that it has been done, "in part" means that the issues have been addressed but not comprehensively. A blank cell means that it has not been addressed, or very little, or if literature does not reveal if issues have been addressed. ! means that organisations are planning to employ these aspects

Attachment 28: Comparison of issues tackled in destination findings

Source: Own illustration, idea of illustration taken from Ashley, Mitchell, 2008, p. 27

Declaration

I confirm that this thesis (16499 words) is solely my own work and that it has not been previously submitted for assessment as a whole or in part, nor published. All material which is quoted is accurately indicated as such, and I have acknowledged all sources employed fully and accurately.

I am completely aware that failure to comply with these requirements is a breach of rules and will result in resubmission, loss of marks, failure and/or disciplinary action.

Dortmund, 26 April 2010

(Sarah Hussmann)