



International  
Trade  
Centre

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# ITC's Approach to Tourism Development

« ***Making Trade work for the poor*** »

Fabrice Leclercq



# International Trade Centre (ITC)

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

## Mission

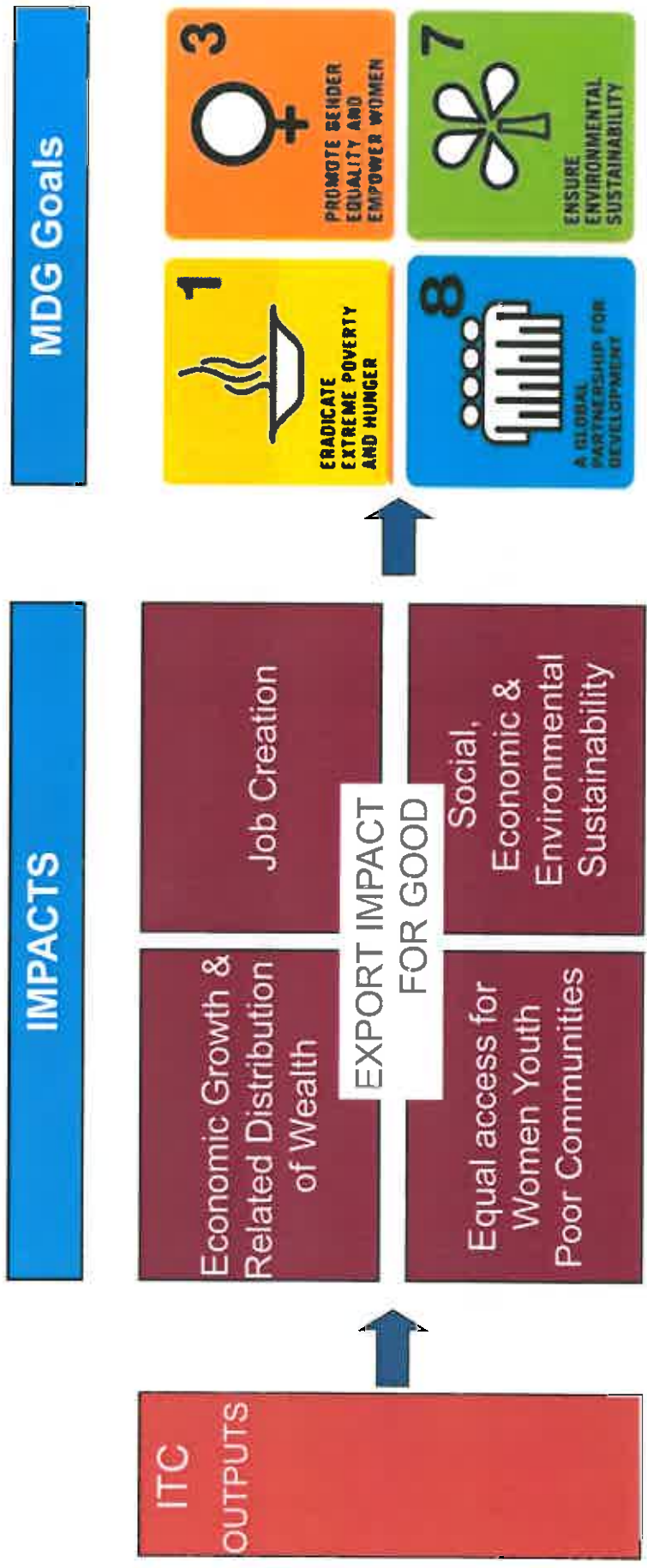
Promote the growth of small business exports from developing and transition countries by providing, with partners, sustainable and inclusive trade development solutions.

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



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# Export Impact for Good



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# The Export-led Poverty Reduction Programme



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# Globalization and Poverty

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



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# Basic Concept of our Poverty Reduction Programmes

## Fundamental Belief

- Poor communities have the will and the basic capacity to offer marketable products or services

## Idea

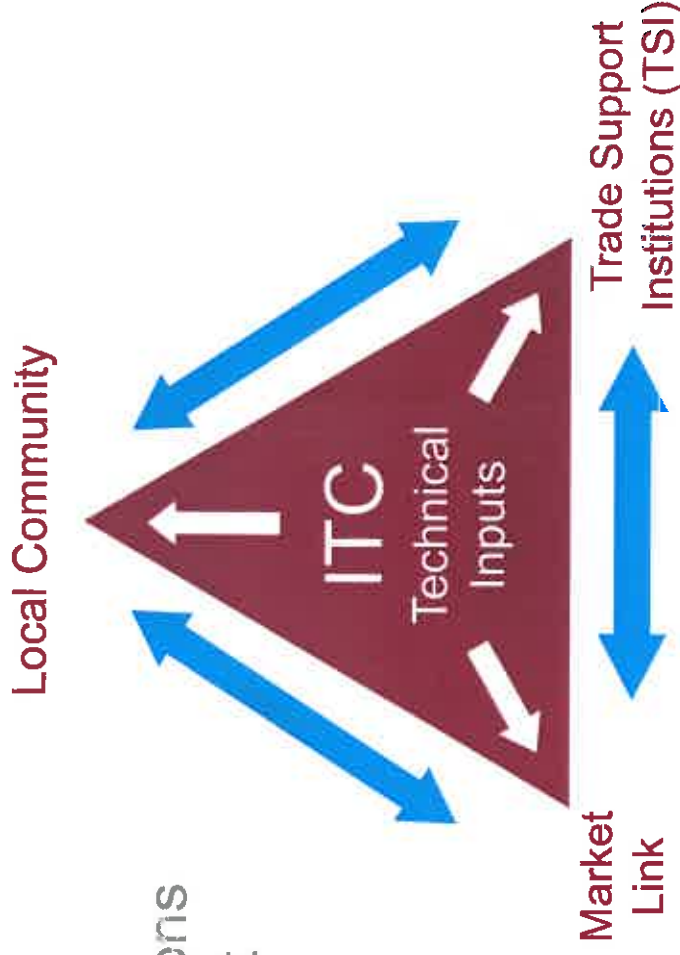
- Reducing poverty through the integration of poor communities into the value chains of national and international trade



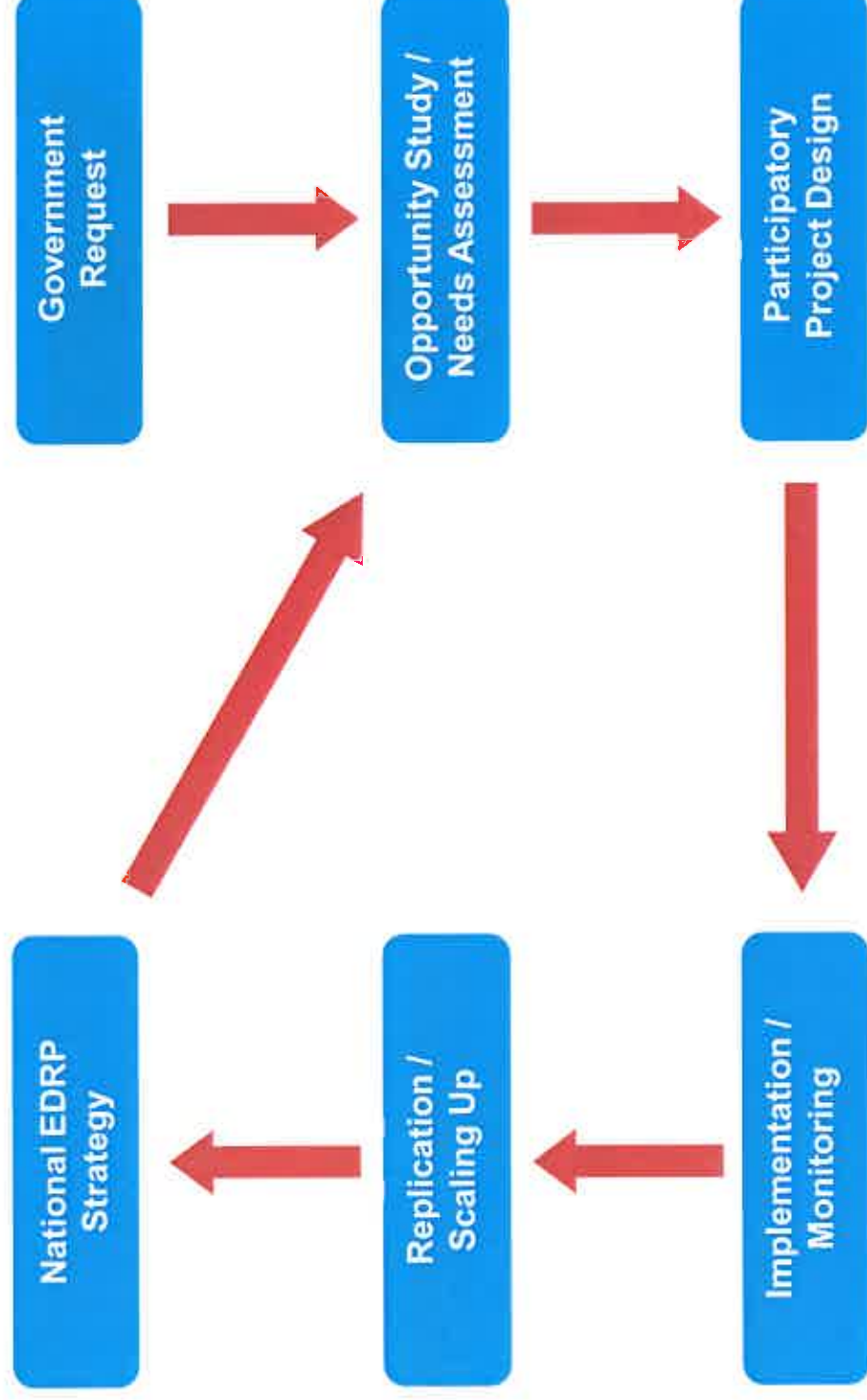


# EPRP Approach

- Addressing directly priority needs of the poor
- Bottom-up approach
- Built on existing strengths
- Cooperation with local institutions (TSIs), NGOs, and development agencies
- Long term sustainable improvement
- Scaling-up and replication to increase impact



# Implementing EPRP: Project Cycle





# Impact and Assessment

- EPRP strives for **DIRECT IMPACT** on poor communities' livelihoods
- **DIRECT IMPACT** assessed through IT-based Impact Measurement Tool (survey at the beginning of intervention, halfway and at the completion) by examining social, economic, community development and sector-specific indicators



# Impact Measurement

## WHY is it crucial?

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



# -Development through Tourism-



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# The Tourism Industry: Facts and Figures

- Fastest growing industry worldwide
- Accounted for 11% of total world exports in 2008
- Principal export for 1/3 of developing countries
- Generated 238 million jobs in 2008 (1 in every 12 jobs)



# Tourism and FDI

- Development of tourism in LDCs
  - Even before 2002 tourism receipts in LDCs exceeded US\$ 200 billion
  - Significant Increase in Investment over the past 2 decades

## However...

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



# TPRP Objectives

- TPRP is a market-led approach aiming to integrate poor local communities in LDCs in the value chain of trade through tourism
- Facilitate an increase in the income along with an improvement of the livelihoods of poor women and men through active entrepreneurial participation in tourism value chains

## Achieved by:

- Involve the poor by linking them to tourist market value chains
- Ensure tourism products and services meet international requirements
- Provide market expertise, capacity building, policy advocacy, and formal market linkages



• Work with existing tourism destinations and supply sectors

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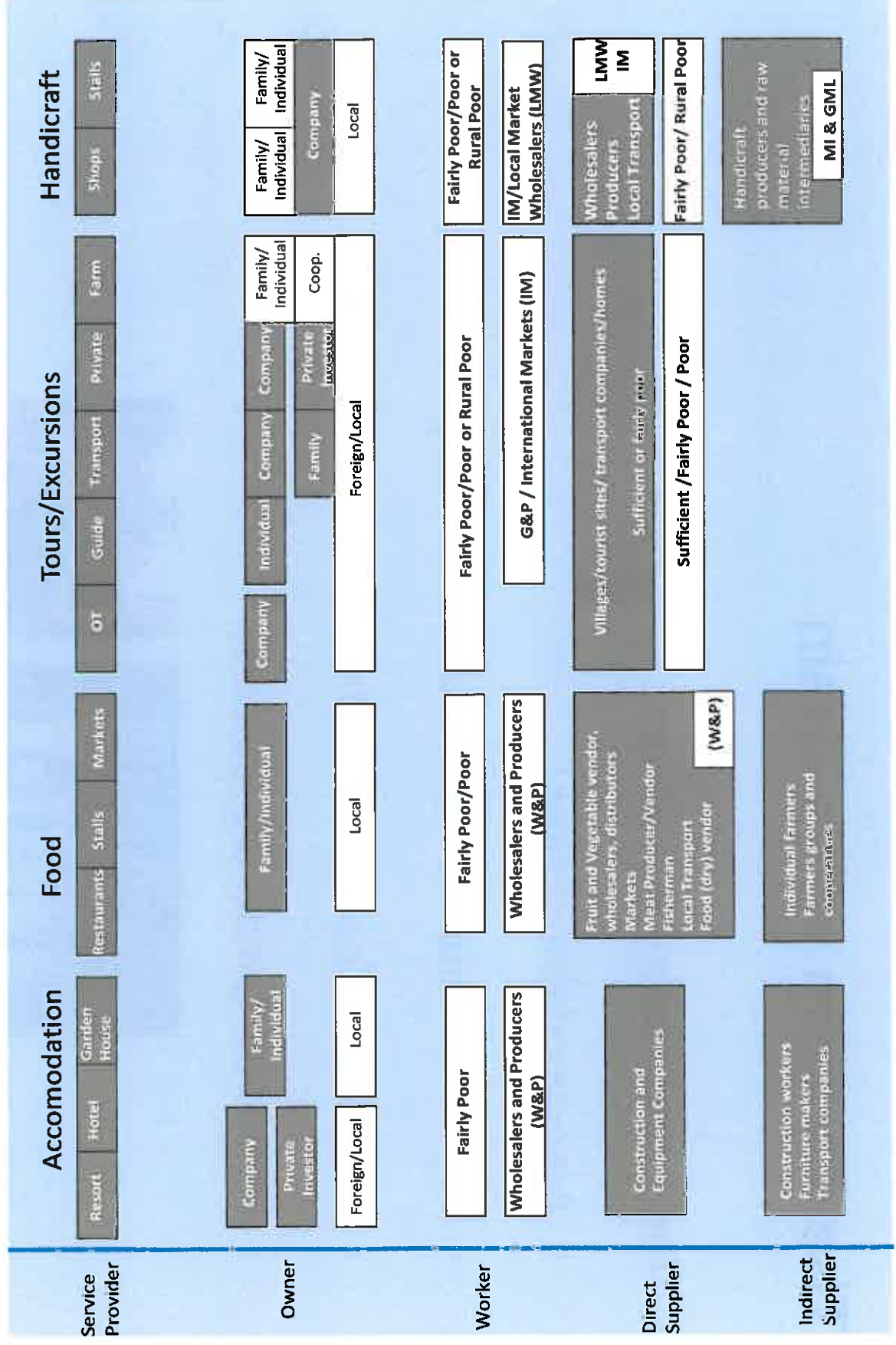


# The Tourism value chain

- The 4 main tourism sub-chains:
  - Accommodation (Hotels)
  - Food (Restaurants, intermediaries, farmers)
  - Excursions (Tour operators, transports, communities)
  - Handicraft (producers, vendors)



# The Tourism value chain



# Current Inclusive tourism projects

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



# Partnership with International Hotel Chains

- TPRP is starting to work with SIXSENSES, MARRIOTT (Brazil) & FIESTA:
  - to help them create local economic development by sourcing directly from the local businesses
  - to improve their competitive edge



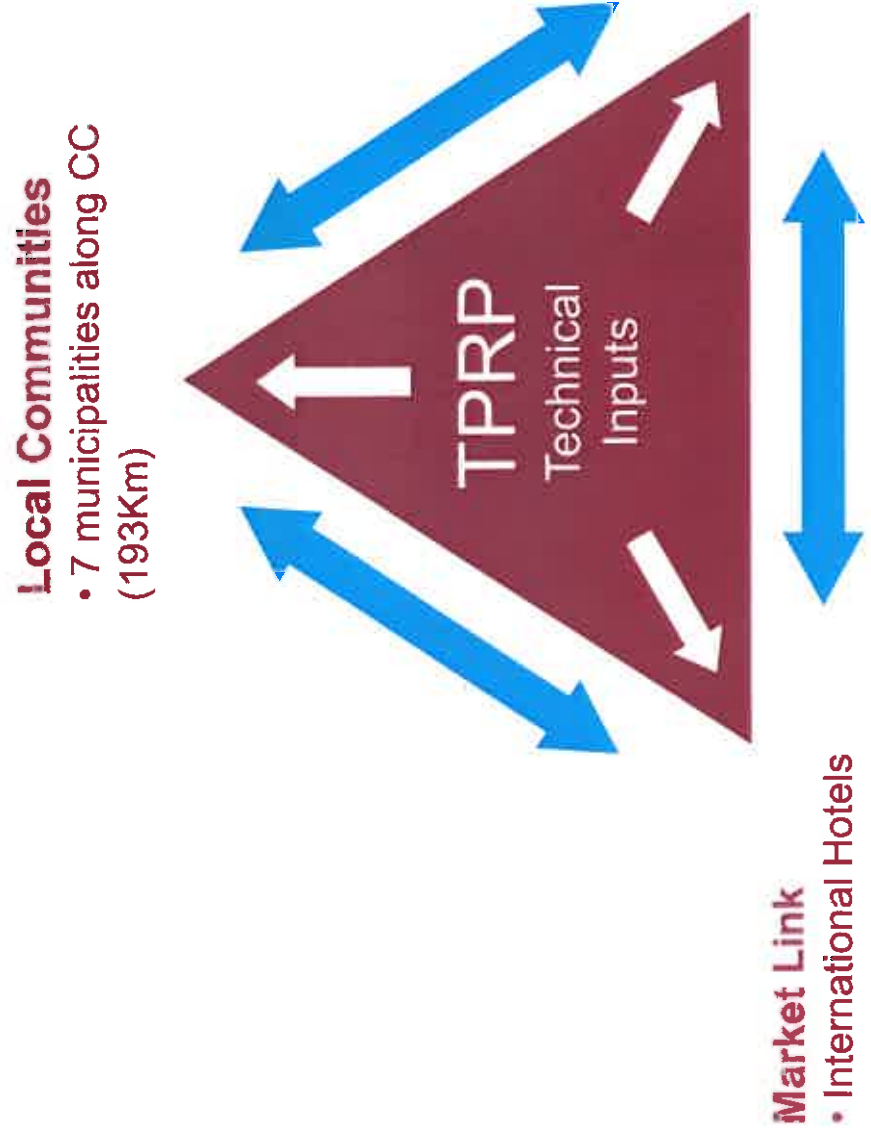
# -Case Study- TPRP in Brazil



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# Project's Triangle of Sustainability



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# Investments on the Costa dos Coqueiros

**Main Investments on the Costa dos Coqueiros**

INVESTOR	INVESTMENT VALUE (US\$)	COUNTRY OF ORIGIN
Reta Atlântico	100 million	Portugal
Iberostar	300 million	Spain
Trusam	1.30 billion	Spain
Orissio	300 million	Italy
Sol Meliá	337 million	Spain
Grupo Ace	320 million	Spain
Grupo Invisa	70 million	Spain
<b>Total Investment</b>	<b>2.7 billion</b>	



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# Investments on the Costa dos Coqueiros



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# Achievements of TPRP in Brazil

- Organic waste Recycling plant
- Increase in the production of fruits and vegetables, to be sold to hotels, restaurants, and self catering apartments
- Organization of Women's cooperative
- Skills' enhancement of women craft producers & linkages to the market
- Development Training and Advanced Leadership Courses
- Organize courses on computer science and foreign languages
- Ongoing replication in 2 other resorts en route to the rest of CC
- These results and others were facilitated by other partners funding and infrastructure development.



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# Impact on the Poor

## New jobs

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

## New markets

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

## Higher salaries

- 3 to 10-fold increase in artisan income



# Thank You!

Website: [www.intracen.org/poverty-reduction](http://www.intracen.org/poverty-reduction)

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