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# Implementing Sustainable Tourism in the USAID Context

Arusha, Tanzania

February 2006



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# **MODULE 3: PROJECT ASSESSMENT – IS TOURISM THE RIGHT TOOL?**





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## Objectives

**By the end of the session, participants will be able to:**

- Assess the feasibility of tourism development
- Identify corresponding intervention areas based on important issues
- Make an initial go/no go decision on tourism as a means of meeting a Strategic Objective and Intermediate Result (IR)



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## Feasibility Analysis

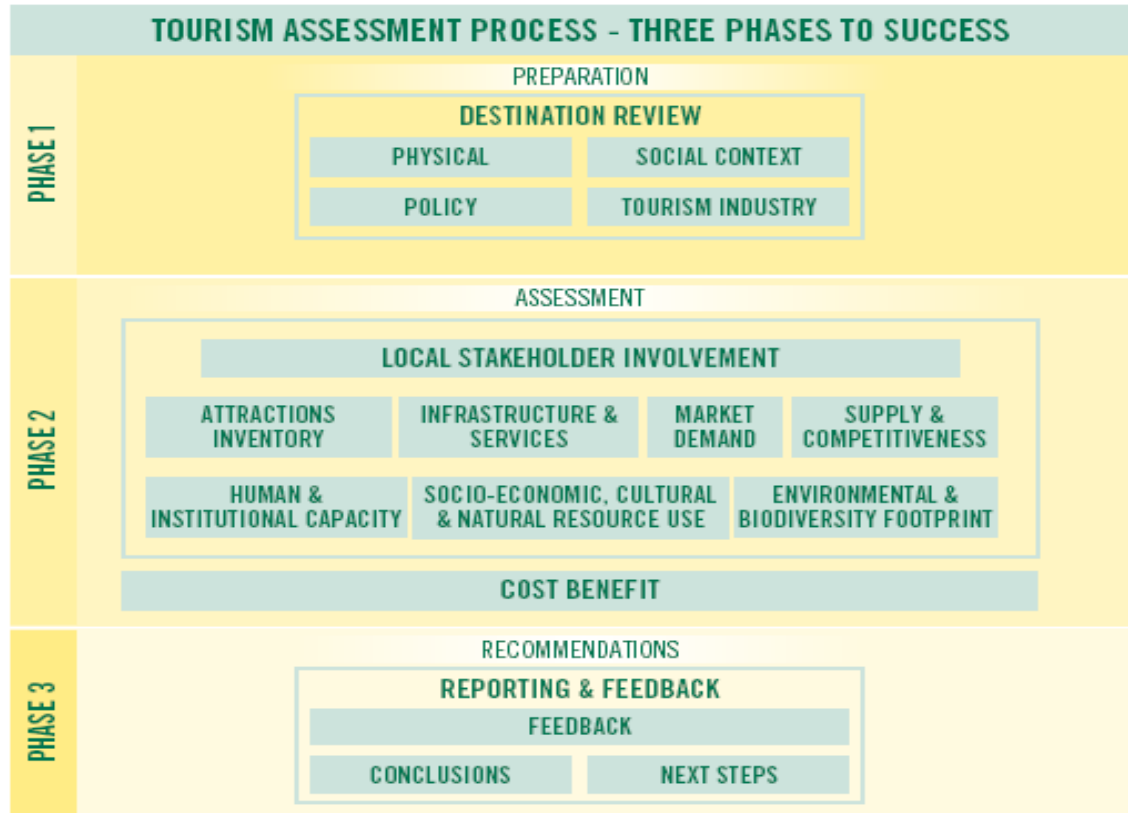
Is the intervention area:

- Economically viable?
- Technically feasible?
- Politically realistic?
- Socially acceptable?
- Ecologically viable?





# Tourism Assessment Process (TAP)



Note: USAID has added “Governance” to the list of Phase 2 Assessment topics.



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## Phase 1: Preparation

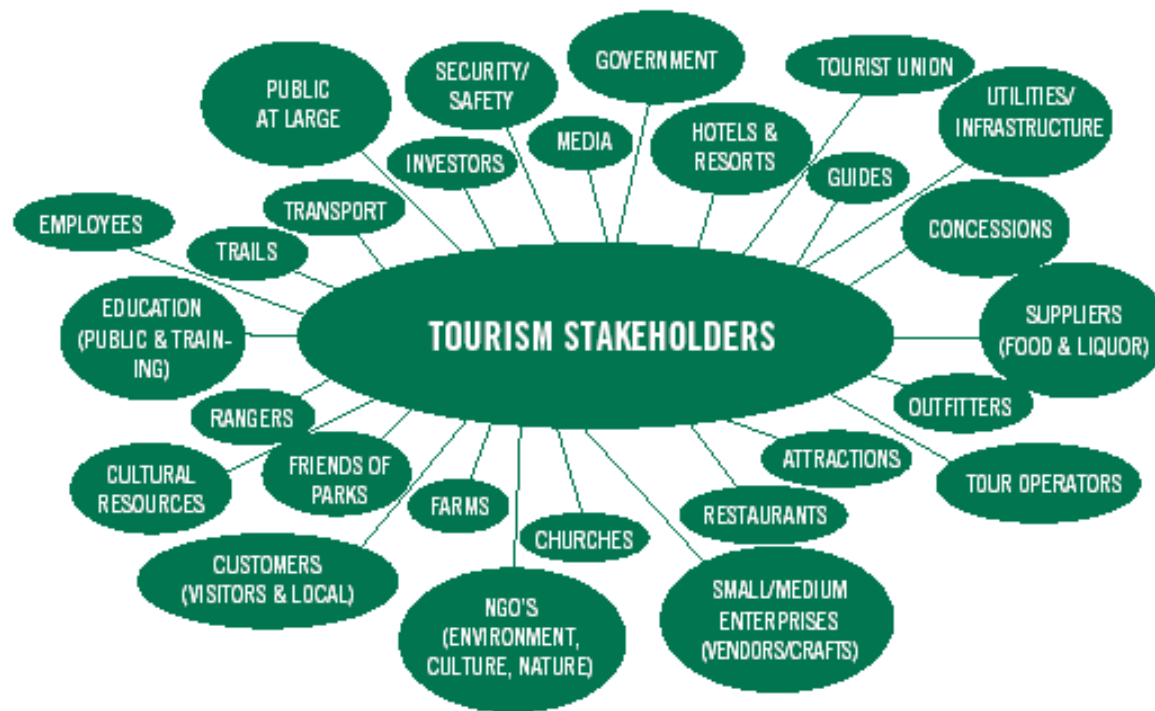
### Destination Review

- Physical – geography, environment, biodiversity, land use, etc.
- Social – population profiles, history, cultural backgrounds, etc.
- Policy – political, financial and economic climate
- Tourism industry – existing attractions, markets, facilities, trends, etc.
- Identify potential new attractions/sites.



## Phase 2: Assessment

### Tourism Stakeholders Consultation



## Phase 2: Assessment

### Stakeholder Involvement

- Public meetings
- Workshops
- Awareness materials
- Individual consultations







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## Phase 2: Assessment

### Stakeholder Issue Identification: Exercise 3-1

#### Samburu Ecolodges, Kenya

- Government
- Local community
- Tourism industry
- NGOs





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## Phase 2: Assessment - Tips

### SWOT

- Assess **Strengths** and ways to enhance them
- Assess **Weaknesses** and ways to overcome them
- Assess **Opportunities** and ways to maximize them
- Assess **Threats** and ways to minimize them



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## Phase 2: Assessment - Tips

### Topics for SWOT Analysis

- Existing and potential attractions
- Supporting infrastructure and services
- Market demand
- Overall competitiveness
- Human resource and institutional capacity
- Socio-cultural and economic considerations
- Environmental and biodiversity considerations
- Governance: institutional and legal framework



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## Phase 2: Assessment - Tips

### Integrating the Assessment Process

- Integrated or rural development plans (including transportation, energy, water/sanitation, and other major infrastructure)
- Regional natural resource management plans
- Integrated coastal zone management plans
- Economic, planning and trade strategies
- National and regional tourism strategies and plans
- Other donor agency programs

## Phase 2: Assessment - Tips



EuropeAid Co-operation Office



**DFID** Department for International Development



**ADB** Asian Development Bank  
Fighting Poverty in Asia and the Pacific



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## Phase 2: Assessment

### Topic 1 – Attractions

- Aesthetic/scenic value
- Biodiversity/rarity value
- Cultural/historical value
- Potential draw/product development
- Uses and activities
- Community participation
- Control/access





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## **Phase 2: Assessment**

### **Topic 1 – Attractions: SWOT Insights**

- How unique is the attraction (locally, nationally, regionally, globally)?
- Is the attraction fully developed?
- What audience will consider this an attraction?
- Is this a primary or secondary attraction?



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## **Phase 2: Assessment**

### **Topic 2 – Infrastructure and Services**

- Transportation infrastructure and services
- Telecommunications infrastructure and services
- Available public services (water, sanitation, waste management, energy, health, security)
- Health of surrounding areas
- General land use and availability
- Availability of fresh food and beverages
- Architectural opportunities to integrate green design





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## **Phase 2: Assessment**

### **Topic 2 – Infrastructure & Services: SWOT Insights**

- Are available services of acceptable quality, efficiency, reliability, and safety?
- What is the potential to upgrade/develop/improve efficiency?
- Where are the gaps?
- Cost?
- Impact on competitiveness?



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## Phase 2: Assessment

### Topic 3 – Market Demand

- Tourism trends + profiles
- Existing + future travel markets
- Travel motivation + behavior





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## **Phase 2: Assessment**

### **Topic 3 – Market Demand: SWOT Insights**

- Use already available local data
- Consult with local experts to determine accuracy
- Visitor surveys



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## Phase 2: Assessment



### Topic 4 – Supply & Competitiveness

- Structure, size and health of tourist facilities and services in the focus region
- Potential markets and opportunities for partnerships and collaborations



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## **Phase 2: Assessment**

### **Topic 4 – Supply & Competitiveness: SWOT Insights**

- Who are your competitors?
- How does your product compare to competitors?
- What are your (and their) competitive advantages?
- What are the gaps in competitor offerings?



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## Phase 2: Assessment

### Topic 5 – Human and Institutional Capacity

- Institutional support
- Labor supply and training needs
- Capacity of the destination to engage in tourism development





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## **Phase 2: Assessment**

### **Topic 5 – Human and Institutional Capacity: SWOT Insights**

- What knowledge and skills already exist?
- What are the gaps between existing and needed skills?
- What institutional support structures already exist?



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## Phase 2: Assessment

### Topic 6 – Socio-Cultural & Economic Considerations

- Community attitudes and expectations
- Development needs and priorities







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## **Phase 2: Assessment**

### **Topic 6 – Socio-Cultural and Economic Considerations: SWOT Insights**

- What are resident attitudes toward tourism development?
- What are the key social, economic and conservation issues?



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## **Phase 2: Assessment**

### **Topic 7 – Environmental and Biodiversity Footprint**

- Flora and fauna
- Functional ecosystems; ecological services vital to local economy
- Physical landscapes
- Identified important biodiversity areas and wildlife corridors
- Water and energy sources
- Waste management systems



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## Phase 2: Assessment

### Topic 7 – Environmental and Biodiversity Footprint: SWOT Insights

- What are the positive and negative impacts on environmental quality, natural resources and ecosystem services?
- What are the cumulative effects over time?
- Are there examples of similar developments to compare to?
- Are the impacts controllable, likely, long-term, wide-spread?



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## **Phase 2: Assessment**

### **Topic 8 – Governance: Institutional & Legal Framework**

- Capacity
- Roles
- Decision-making
- Policy
- Regulations and enforcement
- Access to resources (land tenure/property rights)



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## Phase 2: Assessment

### Topic 8 – Governance: Institutional and Legal Framework SWOT Insights

- Is there a national strategy for tourism development/master plan?
- Is tourism a priority for the country and what impact is tourism expected to achieve?
- What institutions take a lead role in supporting tourism national and/or regional level?
- Do these institutions have complementary or competing authorities?
- Are there land tenure and/or resource rights issues?



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## Phase 2: Assessment

### Cost-Benefit Analysis

- Measurable costs and benefits (financial and economic)
- Immeasurable but considered (socio-cultural, environmental)





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## Phase 2: Assessment

### Cost-Benefit Factors

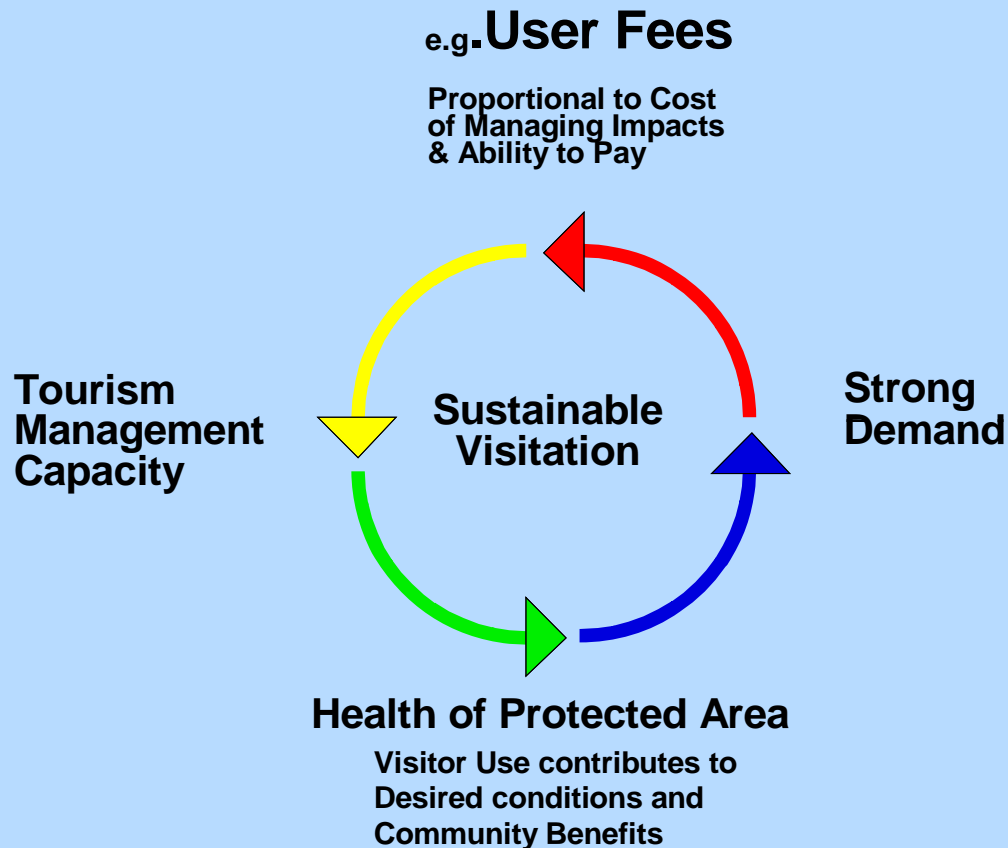
- Potential to develop attractions and activities
- Infrastructure and public service needs
- Potential market demand
- Overall potential competitiveness of the destination
- Socio-cultural impacts and opportunities
- Potential impacts on the natural environment
- General estimates of potential impacts on the local economy
- Enabling environment (policy/legal reform costs)
- Training Costs



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## Virtuous Cycle of Tourism Income Generation Mechanisms

*Positive feedback loop between tourism impacts and conservation*







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## Phase 2: Assessment

### Calculating Economic Benefits

- Tourist daily expenditures
- Local income
- Tax revenues
- Other sources of income





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## Phase 2: Assessment

### Calculating Economic Costs

- Planning
- Infrastructure and services
- Management
- Other



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## Phase 2: Assessment

### Calculating Unquantifiable Costs & Benefits

- Socio-cultural
- Environmental
- Biodiversity





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## Phase 2: Assessment

### Assessing the Overall Results

In order to recommend tourism, the net benefits should be positive...

... but this may not be a simple “yes or no” answer.



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## Phase 3: Recommendations

- Share results of the assessment and cost benefit analysis
- Obtain feedback from stakeholders
- Revise recommendations as necessary



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## Making the Go/No Go Decision: Exercise 3-2 Mozambique





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## RECAP

- The Tourism Assessment Process (TAP) is a tool to help determine feasibility of tourism for development
- SWOT analyses provide the basic framework for assessment
- A cost-benefit analysis measures the overall viability
- Stakeholder participation is a key to assessment and project success

