

CASE STUDY 2

HEAD TO THE CLOUDS TO LIFT HOUSEHOLDS FROM POVERTY

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Country: Vietnam
Sector: Pro-poor Sustainable Tourism

CHALLENGE

Vietnam's mountainous northern provinces are among the poorest areas of the country – they include the three poorest provinces and three others that are ranked 5th, 7th and 8th poorest. These remote and often inaccessible areas are mainly populated by marginalised ethnic communities dependent upon farming with few off-farm employment opportunities. Low levels of education further conspire to create a challenging environment for poverty alleviation. Against this background, and largely due to the growing reputation of Sapa and Mai Chau as celebrated tourist destinations, these areas are emerging as wealthier districts than their neighbours.

Vietnam is one of the fastest growing tourist markets in the world. In 2007 the average annual international visitor growth was 8.7%. In the same year Vietnam's Ministry of Culture, Sports and Tourism reported that tourism generated US\$3 billion, which accounted for 3.5% of GDP and provided 1 million jobs for people directly employed in the industry. This growing sector provides opportunities for households to escape poverty through involvement and engagement in tourism services.

Over the last decade tourism has developed in key northern locations including Sapa, Mai Chau and Dien Bien while other neighbouring areas have remained off the beaten path. Sapa itself is one of Vietnam's top-five attractions, visited by over 300,000 tourists each year. With rapid growth however, the prescribed model – which channels visitors down a small number of well-trodden paths – has reached its carrying capacity and critical socio-cultural as well as environmental affects are emerging. Moreover, from an income generation perspective and compared to models elsewhere, it is becoming increasingly clear that the current tourism system benefits relatively few poor households, while the majority of benefits accrue to a small number of individuals and companies that have manoeuvred to exploit the market. Nevertheless, Lao Cai's considerable growth in tourism activity (with its trickle-down benefits) that provides direct employment for around 11% of the population has stimulated tourism interest throughout the eight north-western provinces, and it is in this context that SNV was asked to support and advise on new approaches. Approaches that could build on existing models, policies and practices to attract a greater volume of visitors and deliver more meaningful and equitable benefits across the region, and in particular to marginalised communities.

Having carefully assessed the industry's strengths and weaknesses in around Sapa and Mai Chau, for example, SNV Vietnam identified a range of opportunities to foster regional co-operation and to develop the Northern Highlands as a unified and uniquely special tourism destination.

CLIENTS

From the government side SNV Vietnam's clients for *The Northern Highlands Trail* include provincial and district level tourism departments in each of the eight provinces. These bodies are in charge of tourism planning and policy, regulation and administration, and basic infrastructure development. In addition, they also play a fundamental role in terms of approving visits to new sites and areas. Having witnessed the potential of tourism to stimulate economic growth, the eight provinces due to the leadership of Lao Cai Province and SNV are keen to cooperate with each other, and the private sector, to develop and promote pro-poor sustainable tourism initiatives throughout the region, and to link their market with destinations across neighbouring borders in Laos and China.

A second group of clients, also critical to success, are provincial and Hanoi-based tour operators. The role of tour operators in developing tourism products and new routes is fundamental – as without their endorsement and buy-in, the products

will be destined to fail. Both the government and private sector are trying to attract larger numbers of tourists to the region. However the lack of expertise and experience (often among both actors) in community engagement, collaborative planning and management, pro-poor and responsible tourism approaches, promotion and marketing, and market-oriented product development – led to requests for SNV to continue engage and advise and help facilitate the overall programme.

SNV's objective for the Northern Highlands trial is "To develop and successfully promote the north-western region as a co-ordinated, sustainable tourism destination, providing an authentic travel experience based on its dramatic natural landscape, and cultural diversity and heritage, by including disadvantaged communities in responsible tourism operations at all levels to provide substantial additional income and new employment opportunities." This objective has been articulated to help achieve two goals, to: a) ensure an increasing proportion of the total tourist-spend reaches the poor; and, b) increase the total revenue generated and captured by the eight provinces.

SNV Vietnam's work on the Northern Highlands Trail began with some preliminary meetings and discussions in 2008. The concept and approach crystallised in May 2009 with the design and approval of a formal programme of support. Three key intervention methods were employed, namely: the provision of technical advice; multi-stakeholder facilitation; and, co-operation with tour operators (to provide market based solutions for the poor). Specific interventions included the following.

1. Building a Public-Private Partnership that is Regional in Scope

Meetings, workshops and discussion papers were used to stimulate open dialogue and partnership and to set out the vision for the trail as a stand-alone brand and attraction composed of smaller destinations. This culminated in a formal agreement between the eight provinces to work together and strong private sector commitment. Considerable focus was given to existing concerns, that could affect the destination including:

- a) improving Sapa's tourism route management, addressing street vendor issues and route carrying capacity;
- b) improving the quality of current CBT products and replicating effective CBT approaches in new sites; and,
- c) an environmental education programme including the introduction of a waste management system.

A leadership-training programme with 20 representatives – 10 from each of the public and private sectors from all 8 provinces was rolled out in three discrete segments. This was designed to tap into the leadership potential of participants as well as fostering a regional approach to tackling tourism.

2. Policy Support to Remove Barriers

To alleviate pressure on existing routes and distribute benefits more widely, policy support was given to enable access to three new trekking routes and provide incentives for private sector investment and community involvement. There has also been commitment through the project by provinces to simplify the issuing of travel permits to sensitive border areas that are currently restricting tourism flows.

3. Building the Product

An impediment to growing visitor numbers, length of stay and visitor spend in many areas is poor signage and interpretation. As models for replication, instruction and assistance in interpretation techniques was provided to managers of the attraction of the historic site of Dien Bien.

In addition, in Ha Giang and Lai Chau provinces SNV has worked with the local departments to identify new tourism villages and provide training on the management of community based tourism.

4. Creating Market Demand

The starting point for any tourism product development is market knowledge, research and understanding. Interviews with tourists and tour companies helped establish visitor expectations and demand for new and improved routes and sites.

OUTCOME

Favourable feedback helped inform specific details for an overall brand for *The Northern Highlands Trail*, with provincial governments and industry also working together to develop complementary brands, under one umbrella, for each of the eight provinces.

A range of outcomes have been achieved through this multi-stakeholder approach.

First and foremost client capacity among both the public and private sectors has been strengthened, with the synergy of joint co-operation delivering additional benefits to local communities as well as tourists. Significantly, government actors have a far greater understanding of responsible and sustainable tourism issues and approaches, and are more confident to engage and discuss planning and management issues with other stakeholders. This has led to pro-poor tourism being highlighted and integrated into sector plans at the district and provincial levels. Tourism authorities are also more willing to co-operate with private sector actors and are able to handover specific challenges to develop tourism that is pro-poor, to the private sector.

In Sapa a handicraft market has been established to provide street vendors with a permanent trading site that allows them to display and present their products, as opposed to pestering and chasing tourists down the street. As a result, tourists feel more comfortable with local sellers, stay longer with the traders and spend more dollars buying souvenirs.

At a regional level, co-operation and the signing of an MOU between the provincial governments successfully led to the promotion of *The Northern Highlands Trail* as a unified destination and brand. This has led directly to the allocation of greater government resources to pro-poor and responsible tourism planning and management. The government in Lai Chau, for example, provided 80% of the funding required to convene joint planning meetings. Investments have also been made into small-scale infrastructure including access roads, clean water and better sanitation at CBT sites and destinations.



Themed logos for the branding and promotion of the Trail have also been developed through collaborative planning, with an overall logo and tag-line – linking to provincial logos and tag-lines that all symbolise adventure, nature, culture and local handicrafts.

Each logo has also been promoted through a dedicated Northern Heritage Trail brochure and upcoming website which includes a map to download that illustrates the Trail's destinations, features and attractions.

On the private sector side, new provincial policies and incentives have led to an increase in the number of tour products being offered by tour operators and increased company investment in tour-guide training, home-stay equipment and toilets as well as marketing and promotional materials. A number of companies have also sponsored environmental awareness campaigns.

IMPACT

Pro-poor and responsible tourism is not developed by chance and can rarely be left to the vagaries of market forces. Rather, it is achieved by informed, qualified and professional actors working together. Empowerment of these stakeholders is a time consuming process. Major steps have been taken in building the capacity of Provincial and District government departments in north-west Vietnam. Tour operators operating in this region are also better informed than ever before and, together, these public and private sector bodies are better able to collaboratively work and address both individual and collective needs.

To date, in Sapa alone, where the three new trekking routes have been established, some 1,153 ethnic households are providing tourism services. 71 of these households offer home-stay accommodation in five different villages.

Meanwhile 60% of local tour guides are women from ethnic communities and the Ta Phin market has been developed to deliver benefits to handicraft producers, who are primarily women from ethnic communities. Put another way, thousands of households are benefiting from higher and more diversified incomes, while uncounted others benefit from improved small infrastructure, waste management systems and sanitation.

As it continues to develop, *The Northern Highlands Trail* will make a significant and measurable contribution to economic development in seven additional provinces that rank as the poorest in Vietnam. The initiative will improve sanitation and living conditions for an estimated 20,000 people residing in rural communities. It will generate new and direct incomes for 3,000 households, and indirect incomes for a further 10,000 households. Some 2,500 additional jobs are expected to be created for individuals from these poorest of communities.

Viewed in this way, it can be seen that both the public and private sectors, and other actors, are collectively better focused on pro-poor and responsible tourism.

LESSONS LEARNED

A number of policy and programme intervention lessons are illustrated and learned, or at least reinforced, through SNV's engagement in *The Northern Highlands Trail*. It is clear, for example, that open and co-operative dialogue among and between a range of actors is a prerequisite for pro-poor and responsible tourism planning and management. SNV's work on *The Northern Highlands Trail* also demonstrates that some form of formal or informal platform between the government and private sector is required to facilitate and direct that dialogue – not least to create a vision for all stakeholders to work towards. Through this process each party has been able to grow their appreciation and understanding of the roles and responsibilities of other actors, as well as the opportunities and challenges facing the industry. This is far from being a simple or straight-forward process. Rather it can be likened to understanding that a series of (sometimes unwieldy or irregular) links make up a complex and dynamic market chain.

As the above lessons have been learned and absorbed by the actors involved it has been immensely encouraging to see Lao Cai Province in particular becoming a local champion and leading the charge for the development of *The Northern Highlands Trail*. It is their understanding and experience that, with guidance and support from SNV, has rallied and captured the support of the other seven provinces to develop a new eye-catching and brandable market product for the poor and marginalised provinces of northern Vietnam. Through this process each of the eight provinces have a sound grasp of the benefits and limitations of Sapa's initial experiences – and, more importantly, they understand the strength and synergy to be gained by their working together in numbers to develop and promote *The Northern Highlands Trail*.

Lastly, the willingness of the government sector to work with the private sector and jointly brand the northern provinces – for their mutual benefit – suggests a lesson being increasingly learned by tourism departments, and indeed throughout the public sector in Vietnam, is that tourism activity is essentially a market-oriented activity. In the case of Vietnam this is a genuine step forward. In this particular intervention, however, it can also be seen that a pro-poor and more responsible form of tourism required not only government and private sector collaboration but also donor/development agency inputs. And, it might be argued, that it is against this background that each stakeholder is learning that the true demand for responsible tourism stems from: a) discerning tourists demanding high quality best practice approaches; and, b) an international demand for more sustainable forms of tourism that are pro-poor and, as far as is possible, alleviate poverty.

TESTIMONIALS

SNV's efforts to support and develop the Northern Highlands Trail continue to be recognised by a growing audience. A particularly welcome observation was made by Mr Hoang Thu Huyen, Head of Lao Cai's Tourism Section of the Department of Culture, Sport and Tourism, who notes:

"SNV has played an important role in providing consultancy services for Lao Cai in the implementation of pro-poor sustainable tourism by tapping into their global expertise and applying it within North Vietnam."

**STANDARD
DATA**

With SNV's assistance, Lao Cai Province has achieved practical results and benefits for local people and gradually raised awareness among local communities of the economic opportunities that tourism can bring.

SNV and Lao Cai have also co-ordinated in training local people and raising the awareness of communities for the need to protect our natural and cultural assets. SNV has not only been assisting Lao Cai Province but also provided other Northwest provinces with the opportunity to capitalise on their tourism potential by being part of a bigger regional product. This regional approach has helped us to share the lessons learnt and also have the critical mass to attract visits from within Vietnam and abroad."

- The Start and end date of contract: 2009-2015
- Consistence of team: Numbers of SNV-staff, LCBs and external consultants
- SNV-staff: Phil Harman; Cao Dai Hung; Nguyen Van Thang, Pham Thi Duyen Anh
- LCBs and external consultants: TRC Nguyen Duc Hoa Cuong, Le Tuan Anh
- Number of PP-days already invested (150 staff/250 LCB/26 external consultant)
- Relevant partnerships IPADE, AECID as funding partners
- Financial resources invested US\$190,000