

## CASE STUDY 22

### IDENTIFYING SCALABLE INTERVENTIONS: TOURISM VALUE CHAIN DEVELOPMENT IN MAVROVO, MACEDONIA

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<b>Sector: Tourism</b>

#### CONTEXT

Mavrovo, located in the Bistra Mountains in the eastern part of Macedonia, is a winter and summer resort area. Mavrovo National Park and lake are known locally and regionally for skiing, hiking and mountain biking. The Park and resort area are around 1 hour drive from the capital city Skopje (95km) and are easily accessible by car or bus. According to the 2002 census, the population of the four villages in the Mavrovo region totaled 349 people.

While Mavrovo is known across Macedonia and in the region as a recreational destination, it suffers from high seasonality resulting in low occupancy rates for 9 months of the year. SNV Macedonia has previously worked with the Mavrovo tourism sector including the development of a tourism action plan and technical support in the provision of tourism information and linking with other tourism information points across the country.

In 2010, in consultation with national and local stakeholders, it was agreed to conduct a value chain analysis in the Mavrovo region to identify further areas for intervention by unlocking bottlenecks inhibiting growth of the sector or developing as yet unidentified opportunities.

The adoption of the value chain analysis and development approach also aimed to assist SNV to shift its focus from governance in the tourism sector to a more private sector approach.

#### CLIENTS AND PARTNERS

As the key stakeholder in tourism development in Macedonia, the National Tourist Chamber was identified as the client for this assignment. Mavrovo region was selected for the conduct of the VCA in consultations between SNV and the Chamber recognizing the issues faced by the area as outlined above. The VCA was conducted by the Centre for Rural Development (CRD) who worked as local capacity builder. CRD conducted the VCA in cooperation with stakeholders in the Mavrovo region including Mavrovo National Park, Municipality of Rostuse and the Mavrovo Tourist Information Point.

#### INTERVENTION LOGIC AND METHOD

Under the guidance of SNV tourism advisors, CRD conducted the VCA in Mavrovo with the following approach:

- Wide consultations with all stakeholders was undertaken in order to introduce the tourism value chain concept and identify an appropriate location to pilot the methodology.
- Questionnaires tailored to the specifics of the identified region (Mavrovo) were designed for hotel accommodation, private accommodation and hotel employees.
- Questionnaires were tested with a sample target group to ensure they fit to the objective of the assignment, and are understood by the target group. Final adjustments were made to draft questionnaires.
- Secondary data relating to tourism in the Mavrovo Rostuse Region was collected and analysed.
- A list of key stakeholders (78) in the target groups was developed and individuals contacted for possible interview.
- Questionnaires were distributed to hotels, private accommodation and employees in Mavrovo. More than 40 people were directly interviewed. Additional meetings were arranged where additional information was required.
- Primary data collected through questionnaires and interviews were collected. Where necessary this included the involvement of the key stakeholders to ensure that the process maintained local ownership.

- The findings of the study was presented to all stakeholders. Participants were very active in debating the issues identified in the analysis.
- Market based solutions were designated for all identified issues
- The market based solutions were presented to key stakeholders and further tailored based on inputs from the group.
- A tourism VCA publication was developed, including all analysis, findings and recommendations.

## OUTCOME

The conduct of the VCA, first and foremost, raised awareness of a wide number of stakeholders of the VCA approach as it relates to a systemic analysis of tourism. As the first tourism related VCA conducted in Macedonia, the analysis increased the understanding of clients and partners in a systemic approach to knowing how the tourism value chain operates and identifying priority interventions to unlock bottlenecks or inhibitors to growth and long term sustainability. The conduct of the VCA also positioned CRD (the local capacity builder) and SNV as flag organisations in this approach.

The VCA identified key interventions necessary to improve the functioning of the tourism sector in Mavrovo and its contribution to the regional economy. Key interventions included the need to attract investment in the restoration of traditional houses, protect the natural and cultural resources, improve human capacities and improve cooperation between public, private and civil sectors. The analysis also found that accommodation and restaurants in the Mavrovo Rostuše Region are not well connected with suppliers, in particular with the local population who may be able to produce traditional foods. While the region is famous for its rich customs and traditions, it is difficult to find traditional cuisine on restaurant menus. The potential created by linking hotels, private accommodation and restaurants to local farmers can reduce the dependency on imported products and improve livelihoods.

## IMPACT

The conduct of the Mavrovo tourism VCA is the first step in identifying interventions aimed at addressing the challenges impacting on the sustainable growth of the tourism sector in the region. Priority interventions are identified for their potential to improve and diversify tourism product (production) and increase incomes in the tourism sector and of those supplying the tourism sector from Mavrovo or other regions across Macedonia. Priority interventions are those that will bring impact at scale.

## LESSONS LEARNED

The conduct of the VCA resulted in a range of learnings for the Mavrovo region and for the team. Aside from the findings of the VCA itself, key learnings are:

- The conduct of VCA enables the identification of bottlenecks at any or all points along the supply chain and within the contextual environment around it
- Resolution of bottlenecks can lead to unlocking opportunities along the chain
- A bottom-up, participatory approach to analysis enables learning by all participants. Participants are not only provided with the results but through participation in collection and analysis of the data they have a better understanding of the findings.
- Participation also leads to possible replication of the analysis to enable comparison and identify change over time.
- Involving local organisations as experts helps to facilitate the process, ensure expertise grows and stays locally and contributes to the sustainability of local organisations.

## SUSTAINABILITY

The VCA is the first step in the identification of scalable interventions that address the challenges faced by the Mavrovo tourism sector. The VCA was conducted by a local capacity builder organisation with active participation by key stakeholders in the Mavrovo region and nationally. This participatory approach has enabled a solid understanding of the findings of the analysis

and why particular interventions are prioritised over others. The participatory approach has also led to increased capacity in relation to the methodology and its possible replication in Mavrovo over time or in other areas across Macedonia.

**PHOTOS:**



Lake Mavrovo



Glacier Lake Lokuv



Duf water flows

**STANDARD DATA:**

Start date	June 2010	End date	January 2011
Team composition	Nehat Ramadani	Number of PPDs	55 advisory days
SNV		SNV	
LCBS	CRD Skopje	LCBs	105 Lcb days
External consultants		External consultants	
Relevant partnerships	National Chamber of Tourism in Macedonia National Park Mavrovo, Municipality of Mavrovo Rostuse, CRD (Centar for Rural Development)		
Financial resources invested	1800 Euro program costs		
Client satisfaction	This is not still done. Envisaged to be after the assignment is closed (March 2011).		
Scores on outcome			
Scores on impact			