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# Enterprise Impact News

## Welcome to EDIAIS

The Enterprise Development Impact Assessment Information Service is a service for DFID and the wider development community. It is managed on behalf of DFID jointly by the Institute for Development Policy and Management at the University of Manchester, and Women in Sustainable Enterprise (WISE) Development Ltd.

Our aim is not only to help Enterprise Development Advisors to design and carry out impact assessments (IAs) but also to help ensure that lessons learned through IAs have an impact on policy development. We will do this by disseminating information and encouraging debate through this monthly newsletter and our web site at [www.enterprise-impact.org.uk](http://www.enterprise-impact.org.uk) We hope you will find EDIAIS useful - we welcome your comments, complaints, enquiries and suggestions. Please help us to help you to make an impact.

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# Tourism - measuring impact on the poor

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*This is a summary of a new paper on the EDIAIS web site called Methodologies for Impact Assessment (IA) of Enterprise Development (ED) Interventions in Tourism. It can be found in the Applications Guidance section of the site.*

**Before September 11th, tourism was the world's largest industry (\$3.6 trillion), employing 200 million people, accounting for one in every twelve jobs and transporting nearly 700 million international travellers every year. For developing countries, tourism is an increasingly important foreign exchange earner. Strategies to protect livelihoods in vulnerable destinations from the adverse effects on tourism of political and natural disasters were already called for before September 11th and are even more essential now.**

Measuring the impact of tourism is highly complex due to the diverse set of organisations involved. These include travel agencies, tour operators, airlines, hotels, tourist boards, national and local governments, local entrepreneurs and service providers, community based organisations and NGOs. Issues of governance, institutional development, accountability, access to information and

markets, local and national decision-making, human rights and the relationship between environmental degradation and poverty are all part of understanding the impact of tourism.

Tourism has advantages and disadvantages for pro-poor economic growth. Its advantages include its size and labour intensity, the opportunities it offers for cross-sector linkages and its potential for countries with few other competitive exports. Disadvantages include the fact that it is often driven by large-scale foreign private sector interests, involves a high level of imports, and can impact negatively on the poor in terms of displacement, lost access to resources and cultural and social disruption.

Since the late 1980s, the concept of sustainable tourism has been debated vigorously as 'mass tourism' has given way to 'alternative' forms of tourism (ecotourism, green tourism, nature

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tourism etc) whose global market segment is now approximately 30%. International development agencies have been slow to recognise the value of tourism for economic development, but some are now trying to assess how much tourism does, and could, contribute to pro-poor growth.

#### Methodologies for impact assessment

Just as tourism is complex so are the varying methodologies for assessing its impact. Levels of impact - macro, meso and micro - tend to dictate the nature of an impact assessment (IA). Older methods concentrated on macro indicators and cost benefit analysis. Newer methods have focused on environmental indicators: Environmental Impact Assessment (EIA), Environmental Auditing (EA), and a range of 'carrying capacity' methodologies. Recently, new methodologies based on the 'Sustainable Livelihoods Framework' have been used for local level IA. Meso level methodologies are still underdeveloped.

Focusing at community level, where many recent interventions are situated, we adapt the methodology from the *Handbook for Assessing the Economic and Livelihood Impacts of Wildlife Enterprise* by Caroline Ashley (ODI) and others. This methodology can be used over two or three months by a donor or NGO and is substantive enough to cover key issues but will lack the rigour of long term research.

To get an overall picture of an enterprise's long term impact and sustainability, issues are explored at three levels: the enterprise, local residents and external stakeholders. Eight key questions are asked. These cover identifying stakeholders, assessing commercial viability, identifying financial and livelihood impacts for local participants, non-participants and external stakeholders, assessing the overall development impact and (where appropriate) the contribution of the enterprise to conservation. The *Handbook* develops each question in detail, looking at its rationale and the methodology needed to answer it. Stakeholder analysis is considered in more detail below.

#### Stakeholder analysis

Without stakeholder analysis there is a danger that projects will be assessed only for a single group of "beneficiaries". A wider analysis is needed to understand how to maximise positive outcomes while minimising negative impacts. Specific interest groups are distinguished by their level and type of involvement in the enterprise and their role in decision-making. Also, residents' stakes will vary according to gender, socio-economic status and location. Trade-offs between groups must be identified. Because it would be impossible to assess every single impact on every stakeholder, it is



Bark cloth making: Heritage Tombs Uganda Project

important to identify the main groups and their interests, identify who is in these groups and understand how they are affected and involved by the intervention. It is also important to disaggregate people according to how they benefit from an enterprise e.g. as owners or employees, non-cash benefits. Much of this information will contribute to a baseline survey for the impact assessment.

Once identified, the stakeholder groups should be used throughout the fieldwork to explore differences between groups. A stakeholder analysis might include: a hierarchy of groups in flow chart form; a table of key characteristics and interests of each group; size and membership of each group and relationships between groups especially conflicts or convergences of interest. The EDIAIS 'tool' - "Stakeholder Analysis" assists with its development of a stakeholder matrix analysing where power and influence lie in relation to achieving a project's objectives.

#### Sustainable Livelihoods

The Sustainable Livelihoods Framework offers a useful perspective on how tourism can maximise benefits for the poor. It provides tools that help widen the focus beyond job creation and income. Qualitative and participatory methods can be used to highlight positive and negative impacts of tourism on people's assets - human, physical, natural, social and financial. For example, in terms of access to natural resources, tourism might increase competition, cause access to be lost to areas reserved exclusively for tourists or lead to conflict with neighbours. Alternatively it might provide an incentive for local people to work together and lead to enhanced collective management of natural resources.

For any specific tourism initiative the potential positive and negative impacts must be identified. The overall impact will depend on the local context, whose livelihoods are studied and the design and type of tourism options chosen. The sustainable livelihoods methodology is therefore particularly useful at the design stage of the project cycle.

#### Indicators

A stakeholder process also needs to build institutional capacity that enables different groups to identify and agree indicators to measure a project's objectives, progress and impact. Reaching agreement at different levels - enterprise, community and region - for baseline data that the project will be measured against is often a major output. For example, the Heritage Trail Uganda project (Action for Conservation through Tourism) conducted a baseline survey which included a socio-economic profile, a community survey, a tourism survey and a business opportunities and constraints audit. From these, enterprise indicators and an opportunity audit, action groups and plans were developed.

Community and baseline studies were conducted by community representatives. This included gathering data on the opportunities for, and constraints to, tourist development at each of nine existing sites including numbers and types of visitors, attractions, services and facilities, transport, employment and revenue. The completed surveys were analysed at a workshop where the representatives summarised the good and bad sides of tourism. Detailed indicators were agreed, reflecting the baseline information. These included the numbers of people to be trained, micro-enterprises and jobs created, products offered, visitor numbers, prices and a sustainability index (proportion of costs covered by income and community contributions). This was to be tested one year later. We hope to post an update of this project's evaluation to see how and where techniques have worked, or not, and what alternative and new solutions have been evolved.

#### The future

For tourism to impact positively on poverty elimination and help to create sustainable livelihoods, thorough impact assessments (two to three months for a three year project) are needed to capture the wide set of benefits that tourism can bring. Since tourism intervention is a new 'tool' in the pro-poor economic growth chest, more analysis is needed to deepen understanding and improve practice. We welcome your experience in this field and look forward to a useful exchange of views and information. ■

## Recent publications on tourism and poverty



### Handbook for assessing the economic and livelihood impacts of wildlife enterprises

Ashley, C., with Elliott, J., Sikoyo, G. and Hanlon, K. African Wildlife Foundation 2001 downloadable from [www.odi.org.uk/rpeg/finalmethodology.pdf](http://www.odi.org.uk/rpeg/finalmethodology.pdf)

Extensively referred to in our lead article, this handbook is intended for use by development and conservation practitioners. The methodology is intended to provide a practical, cost-effective approach to assessing the impacts of a wildlife enterprise in terms of commercial viability, local economic, financial and livelihood impacts, impacts on other stakeholders and contribution to conservation. The methodology, which is currently being tested on six case studies from Tanzania, Uganda and Kenya, is most appropriate for those enterprises which have a mixture of profit, development and conservation objectives.



### Tourism in Namibia: enhancing livelihood impacts

Ashley, C. Overseas Development Institute 2001

This paper uses a sustainable livelihoods framework to assess the diverse impacts of community tourism ventures in Namibia. It concludes that livelihood strategies are complex, based on multiple land uses and risk diversification, and therefore affected by tourism in many different ways. Policy implications include a recognition that the developmental impact of tourism will vary widely within and between communities and that careful planning and design, based on an understanding of local livelihoods, can greatly enhance positive impacts. While the details of livelihood enhancement are context-specific, recognising livelihood concerns as important and supporting systems to increase local decision making are appropriate everywhere.

- Enterprise Impact News is also available by e-mail, in Word and pdf formats. Contact: [info@enterprise-impact.org.uk](mailto:info@enterprise-impact.org.uk)

- To join EDIAIS's new impact assessment e-mail discussion list subscribe at: <http://lists.man.ac.uk/mailman/listinfo/enterprise-impact>



### Guidelines for community based ecotourism development

WWF International 2001 downloadable from [www.wwf.org.uk](http://www.wwf.org.uk)

Aimed at field project staff and based on experience gained through WWF projects, published literature and case studies, these guidelines identify general principles and highlight some practical considerations. They cover: considering whether ecotourism is an appropriate option; planning ecotourism with communities and other stakeholders; developing viable community-based ecotourism projects and strengthening benefits to the community and environment. WWF contacts and further sources of information are included.



### Corporate futures: consultation on good practice - social responsibility in the tourism industry

Kalisch, A. Tourism Concern 2002 - can be ordered from [www.tourismconcern.org.uk](http://www.tourismconcern.org.uk)

Corporate Futures explains why corporate social responsibility is needed in the world's largest industry - tourism. Drawing on examples of ethical business and fair trade in other industries, it outlines the route forward for tourism. Examples of good social and environmental practice already being implemented by the tourism industry are given and practical tools for tourism businesses to adopt are suggested.



### The tourism industry and poverty reduction: a business primer

Roe, D., Goodwin, H. and Ashley, C. Pro-poor tourism briefing No 2 March 2002 downloadable from [www.propoortourism.org.uk/final%20business%20brief.pdf](http://www.propoortourism.org.uk/final%20business%20brief.pdf)

This brief paper is written for tourism businesses (in both originating and destination countries) and aims to relay some of the views of the poor, and the experience of innovative "pro-poor" business practices. Its purpose is to demonstrate how much more can be done by business to harness tourism for poverty reduction. Many tourism

companies claim that poverty reduction is not their business - this paper explains why getting involved makes sense commercially. Practical suggestions for action are included.



### Pro-poor tourism: harnessing the world's largest industry for the world's poor.

Roe, D. and Urquhart, P World Summit on Sustainable Development Opinion May 2001 IIED Downloadable from [www.iied.org/pdf/wssd\\_11\\_tourism\\_long.pdf](http://www.iied.org/pdf/wssd_11_tourism_long.pdf)

Part of IIED's preparations for the World Summit on Sustainable Development, the paper argues that many of the supposed disadvantages of tourism are common to many types of economic development and that tourism's diversity and the fact that the consumer comes to the product provides considerable scope for participation and linkages. Key findings include that the poor themselves are critical to pro-poor tourism but often need to be organised at community level to participate effectively and that the "sustainable tourism" agenda should be harnessed for poverty reduction. This requires a shift in focus from environment to poverty and from Northern to Southern destinations.



### Sustainable Development of Ecotourism: A Compilation of Good Practices

World Tourism Organisation 2002

This publication has been prepared on the occasion of the International Year of Ecotourism 2002. The 55 case studies taken from 39 countries present a wide range of successful ecotourism initiatives. Each of them is presented in a systematic form, describing stakeholders involved, objectives and strategies, funding, sustainability and monitoring aspects, problems encountered and solutions found in each project, etc. The sustainability aspects are further detailed according to specific elements of ecotourism such as: conservation, community involvement, interpretation and education, as well as environmental management practices. ■

## The EDIAIS web site is now available free on CD-ROM

Ideal for presentation purposes and particularly useful in environments where Internet connections are slow or unreliable, the EDIAIS web site on CD-ROM is a valuable reference tool. It contains all the materials available on our web site at [www.enterprise-impact.org.uk](http://www.enterprise-impact.org.uk) as of March 2002 including the core text, guidance on impact assessment for microfinance, business development services, fair trade etc, case studies, toolbox items, DFID and EDD policies, back issues of this newsletter and so on. Contact Sarah Mosedale at [info@enterprise-impact.org.uk](mailto:info@enterprise-impact.org.uk) or 0161 275 2815.

# Tourism web sites

### [www.propoortourism.org.uk](http://www.propoortourism.org.uk)

The underlying principles of pro-poor tourism are explained and the site contains downloadable reports, policy briefings, working papers and case studies on pro-poor tourism (PPT). The conclusion drawn from the case studies is that PPT strategies can 'tilt' tourism, at the margin, to expand opportunities and benefits for the poor. Impacts on poverty at a local level are significant, although at national level they are limited so far. There is enormous variety in the focus and scale of PPT strategies, and lessons are only preliminary. Nevertheless, findings on 'good practice' emerge and these are usefully summarised on the site. There is a call for new papers on PPT and you can also subscribe online to electronic newsletters.

### [www.tourismconcern.org.uk](http://www.tourismconcern.org.uk)

Tourism Concern is a membership network set up in 1989 to bring together people concerned about tourism's impact on communities and the environment, both in the UK and worldwide. Members come from the tourism industry, NGOs, academia and the public. It operates both as an information resource and a catalyst for change, working towards a just, participatory and sustainable industry. The web site includes information on campaigns, teaching resources, the magazine *Tourism in Focus* and research reports including *Tourism as fair trade: NGO perspectives and Corporate futures - social responsibility in the tourism industry*.

### [www.uneptie.org/pc/tourism/home.htm](http://www.uneptie.org/pc/tourism/home.htm)

This is the United Nations Environment Programme Production and Consumption Unit's Tourism home page. From multilateral environmental agreements to national governments, through local authorities and regional organizations, UNEP's Tourism Programme provides support by developing principles and offering technical assistance to destination

management organizations. The site offers a definition of, and background papers on, sustainable tourism and eco-tourism including guidelines and codes of ethics. Its library contains a variety of downloadable publications on tourism and policy including the newsletter *Tourism Focus* and the special issue of UNEP's newsletter *Our Planet* which focuses on tourism.

### [www.world-tourism.org/index.htm](http://www.world-tourism.org/index.htm)

The World Tourism Organization believes that governments have a vital role to play in tourism. WTO exists to help nations throughout the world maximize the positive impacts of tourism, such as job creation, new infrastructure and foreign exchange earnings, while at the same time minimizing negative environmental or social impacts. Under sustainable development of tourism can be found details of the International Year of Eco-Tourism and the World Eco-Tourism Summit, information on WTO publications and activities relating to sustainable tourism.

### [www.wwf.org.uk](http://www.wwf.org.uk)

World Wide Fund for Nature UK's tourism programme includes: corporate responsibility; developing tools for responsible tourism such as hotel benchmarking, calculating ecological footprints and annual sustainability reporting and contributing to international policymaking and responsible tourism initiatives. Searching the site for "tourism" produces a wealth of downloadable reports, tools and policy documents including reports from WWF tourism projects in developing countries.

### [www.ecotourism.org/bus.html](http://www.ecotourism.org/bus.html)

This is the business section of the International Ecotourism Society, whose main emphasis is connecting developers and architects, tour

operators and travel agents, travel agents and tour operators with lodges, and so on. Included are business reports from members, ecotourism guidelines for nature tour operators, a directory of regional ecotourism associations, a bibliography on green hotel keeping and a statistical factsheet on ecotourism. This web site also has a researchers section containing some downloadable publications and links to further sources of information. ■

## Conference

### The World Summit on Sustainable Development

26 August - 4 September 2002,  
Johannesburg

This event will bring together tens of thousands of participants, including heads of State and Government, national delegates and leaders from NGOs, businesses and other major groups to focus the world's attention and direct action toward meeting difficult challenges, including improving people's lives and conserving our natural resources in a world that is growing in population, with ever-increasing demands for food, water, shelter, sanitation, energy, health services and economic security. For more information visit [www.johannesburgsummit.org/index.html](http://www.johannesburgsummit.org/index.html)

Enterprise Impact News was edited by Sarah Mosedale, Project Research Officer, as part of the Enterprise Development Impact Assessment Information Service (EDIAIS), which is managed jointly by the Institute for Development Policy and Management at the University of Manchester, and Women in Sustainable Enterprise (WISE) Development Ltd.

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