

## **Community Based Ecotourism and the Public Private Partnership: Connecting communities with the global tourism industry.**

### **Introduction**

With tourism envisioned being a potent economic force in the Lao PDR the questions arises as to how villagers can be empowered to use and access its economic potential in a participatory manner.

The rural villagers and the tourism industry are mutually dependant on one another. It is rural village life and culture and the surrounding environment which are the main attractions for the tourists. Tour operators and government tourism promotion offices hold the keys to the doors of global tourism. Tour operators are dependant on the villagers to provide an authentic cultural experience and genuine hospitality. With authenticity, meaningful personal interaction and quality service, the tour operator is able to demand a good price for the experience. Villagers, however, lack the

experience, knowledge and skills to manage and operate a tourism service business in all its aspects. Therefore, the villagers are dependant on the tour

#### **Tourism Facts**

**Tourism is the largest industry in the world in the world comprising 10% of the world economy and employing 8% of the global workforce. Tourism is a top development priority of the Lao PDR. Presently, nature and culture based tourism in the Lao PDR is estimated to account for around 46% of the total income from foreign tourists. By 2013 earnings from tourism are estimated to be around \$530 million per year.**

**(LAO PDR NTA, 2004)**

companies to provide training, guidance, marketing and to bring the tourists to them.

In this relationship between the villagers and the tour operators neither side possesses all the skills and resources to ensure a successful and sustainable operation. It requires a third party, the public sector, to facilitate a successful sustainable business partnership.

The Public-Private Partnership (PPP) offers such an opportunity for the community to access the potential of a global market while helping to minimize the negative impacts. Likewise it offers the opportunity to the tour company to invest in an authentic village based tour program without having to develop skills in community development approaches. The PPP approach creates jobs and sources of income, trains local personnel, and transfers business know-how and technology in a sustainable and participatory manner. It links and draws on the strengths of all three parties: the community, the private partner and the public sector.

Community Based Tourism is a development tool which when used properly can control the impacts of tourism while generating income, diversifying the economy, preserving culture, conserving the environment and providing educational opportunities. Thus, empowering the community to take action on village development priorities. However, community-based tourism needs to be approached in a systematic manner from studying the suitability of the community for a tour program, to ensuring that the community members have

participated in making an informed decision to take part, to monitoring and controlling the negative impacts.

### **Public-Private Partnership**

The Public-private partnership as it relates to CBT is essentially facilitating the creation of a long-term business partnership between a tour operator and a local community. The local community or communities become a local "in-bound" tour operator and the tour company an "out-bound" operator. Their business relationship is defined by a contract for the provision of a tour program

and services. The result is that they enter into a symbiotic relationship where the community is dependent on the tour company for customers and the tour company is dependent on the villagers for the tour program.

What differs in this relationship from a normal business relationship is the community has never acted in the role of tour operator and has little experience in tourism management. Similarly the tour company cannot be expected to have the expertise or the resources to initiate a participatory community development

#### **What is a Public-Private Partnership?**

**"A Public-Private Partnership (PPP) is a co-operative venture for the provision of infrastructure or services, built on the expertise of each partner that best meets clearly defined public needs, through the most appropriate allocation of resources, risks, and rewards.**

**In a public private partnership, the public sector maintains an oversight and quality assessment role while the private sector is more closely involved in actually delivery of the service or project." (GTZ Website: [www.gtz.de/ppp/english/](http://www.gtz.de/ppp/english/) )**

process nor to provide the necessary capacity building. This is where the public sector, with its experience and resources, can be a bridge between these two worlds.

Just as important in this relationship is the role of the public partner in monitoring and evaluation. The development project contributes its experience in monitoring and evaluation and helping communities solve problems. The local tourism office ensures that the tour operation meets certain standards and regulations.

It is the process of monitoring and evaluation that will lessen the impacts on the community and protect the interests of the tour company. Through this process a long term sustainable relationship can be nurtured and maintained.

### **Community Based Tourism**

CBT is not a classical tourism business which aims to maximize profits for investors. It takes a long term approach concerned with maximizing the benefits and

**"Community Based Tourism (CBT) is tourism that takes environmental, social and cultural sustainability in account. It is managed and owned by the community, for the community, with the purpose of enabling visitors to increase their awareness and learn about community and local ways of life." (REST, 1997)**

limiting the negative impacts of tourism on the community and environmental resources. CBT is a community development tool which strengthens the ability of rural communities to manage tourism resources with the participation of the local people.

## **Principles of Community Based Tourism**

- Recognize, support and promote community ownership of tourism
- Involve community members in the start in every aspect
- Promote community pride
- Improve quality of life
- Ensure environmental sustainability
- Preserve the unique character and culture of the local area
- Foster cross-cultural learning
- Respect cultural differences and human dignity
- Distribute benefits fairly among community members
- Contribute a fixed percentage of income to community projects

(REST, 2003)

## **Key Elements of CBT**

### **Natural and Cultural Resources**

- Natural resources are well preserved
- Local economy and modes of production depend on the sustainable use of natural resources
- Customs and culture are unique to the destination

### **Community Organizations**

- The community shares consciousness, norms and ideology
- The community has elders who hold traditional knowledge and wisdom

- The community has a sense of ownership and wants to participate in its own development

### **Management**

- The community has rules regulations for environmental, cultural, and tourism management
- A local organization or mechanism exists to manage tourism with the ability to link tourism and community development
- Benefits are fairly distributed to all
- A percentage of profits from tourism is contributed to a community fund for economic and social development of the community

### **Learning**

Tourism activities and services aim at:

- Fostering a shared learning process between hosts and guests
- Educating and building understanding of diverse cultures and ways of life
- Raising awareness of natural and cultural conservation among tourists and the local community

### **CBT as a Community Development Tool**

Community Based Tourism and community development are inherently interlinked. Tourism provides the village an alternative source of income, access to knowledge, motivation to preserve natural resources and culture. Since the income generated from CBT is at the complete disposal of the community, the community is free to use the funds according to their own development priorities. This empowers the community to truly take charge of their own development. CBT, when successful, becomes a self-sustaining business generating income for the community free from the stipulations and controls of an aid agency or government body.

**Benefits**

Ban Nalan in Luang Namtha Province, is a village to host tourists overnight on a regular basis as apart of the Nam Ha UNESCO Ecotourism Project. No tourists had visited Ban Nalan prior to the project. The village now receives economic benefit through lodging, cooking, selling food, selling handicrafts and through village volunteers escorting tourists.

Cooking and food sales are distributed by roster. All families are rostered to provide for tour groups. If the rostered family is unable to provide food or assistance, food will be bought from other villagers. It is understood that villagers put their families first and will not sell food, especially small livestock, if there will be insufficient for the family.

The lodge was initially constructed with financial assistance from the project and village labor and it now returns a small income. Cleaning and maintenance is managed by roster. Income from the lodge is used for lodge maintenance and the surplus is available for loan. Loans are generally given in cases of emergency, for example to take family members to hospital.

Villagers suggested that it would be possible to use this fund as the basis for small loans to start handicrafts or other income producing activities. A fund supported and managed by the village could have a positive impact on developing capacity in business planning and financial management. (Lyttleton & Allcock, 2002)\_At last report the village had a reserve of ~\$1,000 in the community fund.

## **Development Benefits of CBT**

### **Economic**

- Sustainable and independent source of funds for community development
- Creates employment in tourism
- Increases household income

### **Educational**

- promotes the acquisition of new job skills
- Creates new professions in the village
- Imparts and encourages use of new knowledge in the village
- Cross-fertilization of ideas with other cultures
- Fosters and promotes respect for local knowledge and skills

### **Social**

- Raises the quality of life
- Promotes community pride
- Promotes gender and age equality

- Builds capacity for community management organizations

### **Health**

- Promotes good hygiene
- Increase and diversification of food production for tourists will improve villagers nutritional status

### **Cultural**

- Encourages respect for different cultures
- Fosters cultural exchange
- Embeds development in local culture

### **Environmental**

- Promotes environmental responsibility
- Raises awareness of the need for conservation
- Promotes management of waste disposal

## **Steps to Building Community Capacity for Management of CBT**

### **1. Choose a destination**

Choosing an appropriate destination requires the collection of information which leads to an understanding of the community. A detailed study of the village context includes not only collecting data and talking to villagers, it also means collecting information about the village from organizations working there, government agencies and other villages in the area.

Some of the factors that need to be considered when selecting a destination include:

- The potential of the community
- The capacity of the community
- The market potential of CBT
- Government policy and the role of local government in supporting CBT

The study of the community should assess the following factors:

- **Distinctive Community Characteristics**

What is this community known for?

- **Natural and cultural attractions**

What is there that will attract the tourists?

- **Community Organization**

What are the various groups in the village and how well do they work together? How and strong and respected is the village leadership?

- **Internal Conflicts**

How is the village able to resolve conflict? Are there divisions in the community?

- **Production and Resources**

Do the villagers rely on natural resources found around the village?

Do they use their resources sustainably?

Do they have enough resources to support tourists?

- **Formidable Problems**

Are there situations in the village that would pose serious problems to CBT such as relocation plans, potential natural disasters, unstable political situation.

## 2. Complete a feasibility study with the community

The community needs to be fully involved in the process of deciding if they want to be involved in a community tourism project. The process for building consensus in the community requires that the information and data be studied together and then an action plan be formulated. All groups, the community and the public and private partners, must study the feasibility of developing CBT before making a commitment.

It is important to be open and honest about the limitations of the community to decide whether to continue or not. The decision to develop CBT must be agreed upon by all parties.

During this process the community will be stimulated to think about the reasons and motivations for developing CBT. They should be able to discuss the issues and visit communities which are already involved in CBT. The public and private partners need to assess how well different groups in the village understand CBT and agree or do not agree with its development.

The villagers need to answer questions for themselves like:

- Do you want CBT to raise income?
- Do you want CBT to preserve culture?
- Do you want CBT to conserve natural resources?

**Deleted:** In addition to the above issues the study needs to examine the village as a tourist attraction. Is it possible to connect this village with other tourist attractions, activities in other villages and the area? Are there tourists already coming to the area? What activities can the tourists do in the village? And what about accessibility? Is the village hard to get to?

- Do you want CBT to bring more knowledge and skills into the community?

Some typical development tools can be very effectively used to facilitate these processes. These include: Internal and external village mapping, occupational mapping, seasonal calendar, production trend lines among others.

### **3. Planning**

If all parties have a *consensus* to proceed with the development of CBT, next comes the planning process. In this stage the community will create an actions plan and enter in an agreement with the tour company to develop CBT. The issues that need to be considered include:

- Program for the tourists
- Services that will need to be provided
- Development of facilities and infrastructure
- Training that will need to be provided
- Carrying Capacity
- Tour program and price

The public partner will need to formulate a monitoring and evaluation plan and the associated indicators. And the private partner can begin to draft a marketing plan and strategy.

### **4. Administrative Organization**

Confusion, suspicion and conflict can arise in the village without transparent organization. It is crucial that the village sets up a clear administrative system to effectively manage CBT. The organization will focus on the following:

- Participation
- Division of roles
- Division of benefits
- Transparency
- Measures to control economic and social impacts
- Measures to control natural and cultural impacts
- Cooperation and communication with public and private partners

## 5. Preparation

Before full operation of the tour program can start the village and its partners need to acquire skills and experience in operating CBT. The infrastructure must all be designed and build and the equipment acquired and put in place.

At this stage emphasis will be placed on:

- **Training** - this will includes guiding skills, language learning, food preparation, housekeeping and simple accounting systems.
- **Preparation of Information** - this involves the educational content of the tour program, the things that the villagers will share with the tourists about themselves.
- **Infrastructure design and construction** - community lodges, trails, water systems, power systems, toilets, etc.

The villagers will need to gain experience in guiding, operating the tour program and distributing benefits. It will be necessary to bring pilot groups of tourists into the village of pilot program so that the villagers can see what works and doesn't and so that they can practice their skills, and test the administrative systems.

## 6. Monitoring and Evaluation

Monitoring and evaluation starts once the program is in full operation. It helps to identify problems, impacts and benefits as well as to ensure the sustainability of the operation. It examines the extent to which the project is meeting its objectives. It should also result in plans and efforts to compensate for weaknesses, correct problems, adjust systems and improve the program. Monitoring and evaluation is a participatory process. All stakeholders

### **What is Monitoring?**

**Monitoring is an ongoing process of checking progress by gathering and analyzing relevant data to determine whether the project is following its objectives.**

### **What is Evaluation?**

**Evaluation takes place at regular intervals to determine whether the project has achieved its objectives efficiently and effectively, and whether the project is likely to bring about sustainable outcomes.**

**( REST, 2003)**

should play a role in gathering the monitoring data, assisting in the analysis and in actions taken as a result of the final assessment and evaluation.

The aspects monitored include:

- Environmental impacts

- Economic impacts
- Cultural impacts
- Social impacts
- And the efficacy of CBT as a development tool.

Information can be gathered from the tourists, the villagers and from physical inspections of infrastructure and the environment. The tools used for monitoring can include:

- Questionnaires
- Guest books
- Photographs
- Checklists
- Trend lines
- Seasonal calendars
- Discussion and analysis
- Interviews

### **Summary**

Tourism is an activity associated with many groups and individuals coming from varied and diverse backgrounds and physical locations. If CBT is to be sustainable it is necessary to for these parties to maintain and fair and balanced relationship. But yet without the cooperation and participation of these parties, the villagers would not be able to benefit from tourism, the tour operator would

not have a high quality product to offer and the tourist would not be able to enjoy the stimulation of learning about another people and their environment.

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