Item 7 of the Provisional Agenda

PROMOTION OF A SPECIAL SUSTAINABLE TOURISM-ELIMINATING POVERTY PROGRAMME (ST-EP) FOR THE REGION

Note by the Secretary-General

In the attached document the Secretary-General reports to the Commission on the proceedings of the regional seminar on Sustainable Tourism for the Elimination of Poverty (ST-EP) that was held in Granada, Spain from 19 to 21 September 2012, in conjunction with the special Practicum internship programme for Arab countries.
Promotion of a special sustainable tourism-eliminating poverty programme (ST-EP) for the region

1. A regional seminar on Sustainable Tourism for the Elimination of Poverty (ST-EP) was held in Granada, Spain, from 19 to 21 September 2012, in conjunction with the special Practicum internship programme for Arab countries. The seminar aimed to familiarize key tourism stakeholders from Arab Countries with the UNWTO ST-EP Initiative, raise awareness on the relation between tourism and local economic development, and identify opportunities to expand ST-EP activities in the Arab World. The seminar introduced the procedure to identify, formulate and execute ST-EP projects and raised awareness among participants that irrespective of the economic situation of a country, there are always destinations in the country where the approach of the ST-EP initiative can be applied.

2. The seminar, which spanned three days, was attended by ten officials from National and Regional Tourism Administrations or Offices of Bahrain, Egypt, Iraq, Jordan, Kuwait, Morocco, Oman, Saudi Arabia, Sudan and Yemen, as well as five representatives from the University of Kerbala, in Iraq.

3. This report summarizes the proceedings as well as the main conclusions and recommendations of the seminar.

A. Wednesday, September 19

4. The seminar commenced with a presentation of the UNWTO ST-EP Initiative (attached as Annex 1), in which a global overview was presented of the research activities, capacity building seminars and ST-EP project carried out by the ST-EP Initiative, and it was that UNWTO endeavours to gain experience and expertise through the implementation of ST-EP projects, show best practices and disseminate lessons learned. It was emphasized that successful ST-EP projects can be up-scaled or replicated in other areas, and that by sharing experiences and presenting examples of various ST-EP projects at this seminar, UNWTO intends to raise interest and build capacities to expand ST-EP activities in Arab Countries.

5. Subsequently, the first sessions of the seminar provided an introduction to the contribution of tourism to poverty reduction, the importance of national policy in supporting poverty alleviation through tourism and the destination management approach as basis for work on poverty alleviation. A first introduction was provided of the seven UNWTO ST-EP mechanisms, which provide a strategic framework for the ST-EP Initiative, describing how poorer groups of the society can gain socio-economic benefits from tourism development in a direct (through employment, the supply chain, the informal sector and SME development) and indirect (through taxes and fees, voluntary giving and infrastructure development) manner. Ample attention was paid to the importance of multi stakeholder collaboration to enhance the local economic impact from tourism, and the participants listed down key institutes and organizations in their country that play a key role in developing and promoting sustainable forms of tourism.
6. Presentations were made in an interactive manner with ample opportunity for questions and answers, and participants actively contributed by mentioning relevant examples from their countries related to the topics of the presentation. The first day ended with presentations of case studies of the existing ST-EP/MDG-Fund projects in Arab countries:

- Egypt - Mobilization of the Dahshour World Heritage Site for Community Development
- Jordan - Youth Career Initiative, Amman, Aqaba and the Dead Sea
- Yemen - Yemen Highlands: Handicrafts, heritage and employment Project, Al Mahweet

7. For each of the projects, the objectives, main activities and planned/achieved results were presented, and several participants commented on how the approach would also be relevant in destinations in their country.

B. **Thursday, September 20**

8. The second day of the seminar started with an introduction to the tourism value chain analysis methodology and a practical exercise to identify sub-chains with potential for enhancing the income that flows to the poor. The exercise was based on a value chain analysis carried out at the Kilimanjaro Mountain in Tanzania.

9. Subsequently, explanation was provided on how the outcome of a value chain analysis can be used to assess the destination’s potential for tourism that benefits the poor and to make strategic choices from a pro-poor perspective. The product market matrix was presented as a tool to assess if interventions should focus on promoting new or existing products, and targeting new or existing markets, and an exercise was undertaken to assess which combination of products and markets would be most appropriate to enhance benefits for local people from tourism development. The importance of paying attention to the feasibility, return on investment and future sustainability of ST-EP projects was also highlighted.

10. The approach for identifying, planning and implementing ST-EP interventions was exemplified by presentations about the activities carried out and results achieved in various ST-EP projects in other parts of the world, highlighting how the seven UNWTO ST-EP mechanisms have been integrated in the ST-EP product portfolio.

C. **Friday, September 21**

11. The third day of the seminar started with a presentation on preparing and assessing ST-EP proposals (attached as Annex 2), followed by a group exercise in which participants were asked to assess various ST-EP proposals prepared by UNWTO, based on the lessons learned during the seminar.
12. Subsequently, presentations were made on the monitoring process in ST-EP projects (attached as Annex 3), explaining the use of indicators and means of verification at output, outcome and impact level, and on how to secure funding for ST-EP activities (Annex 4), encouraging participants not only to look at the traditional donor agencies, but also to explore possibilities to approach private sector organisations and foundations for contributions to ST-EP activities. Further, a detailed explanation was provided on the management arrangements for ST-EP projects, presenting the activities undertaken during project identification, formulation, implementation and evaluation.

13. At the end of the seminar, participants were asked to provide recommendations, based on the lessons learned during the seminar, on how to expand ST-EP projects and activities in Arab Countries. Specific recommendations were made by representatives from the lower and upper middle income countries on the type of ST-EP interventions they would propose for their countries, the priority destinations to implement ST-EP projects, and possible funding sources. Particular reference was made to creating opportunities for young people to benefit from tourism development, and to deriving income for poorer groups of the society from heritage conservation and tourism. An overview of the recommendations made is presented in Annex 5.

14. In addition, representatives from higher income countries provided some examples on how the ST-EP methodology could also be applied in their countries to enhance the local economic impact from tourism, e.g. by promoting sustainable forms of tourism on Farasan Island of Saudi Arabia, by stimulating investments in tourism in communities located in destinations with an attractive natural and cultural heritage in Oman, or by trying to lobby to get tourism included in the new National Youth Strategy, which is being developed in Kuwait. Suggestions were also made to try to approach donors in the Middle East for support to ST-EP activities, such as the OPEC Fund for International Development, which has already provided grants to projects from other UN agencies, the Qatar Foundation and a new fund for SME development that the Arab Tourism Organization may establish.

D. Conclusions and recommendations

15. Participants indicated that the ST-EP approach would especially be useful in the Arab World to help create opportunities for young people to benefit from tourism development, to help derive income for poorer groups of the society from heritage conservation and tourism, and to stimulate investments in tourism in communities located in destinations with an attractive natural and cultural heritage. Participants also indicated that the Seminar encouraged them to start identifying possible ST-EP interventions in their countries, as well as to explore possibilities for obtaining donor support for these interventions.

16. It was recommended to get tourism included in national development strategies and programmes, and to actively approach governments and donors in the Arab World to obtain support for ST-EP activities.
Annex 1: Presentation of the UNWTO ST-EP Initiative

UNWTO Practicum:
Sustainable Tourism & Poverty Alleviation
Granada, 19 – 21 Sept 2012

Did you know?

- Tourism is one of the strongest drivers of world trade and prosperity:
  - It represents 5% of global GDP and over 235 million jobs (one in every twelve)
  - It is the fourth largest export sector in the world
  - In 2012, there will be one billion international tourists travelling
  - From 2015, emerging economies will receive more arrivals than advanced economies

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New destinations

- Tourism growth in the past decades characterised by the consolidation of traditional tourism destinations and a pronounced geographical expansion.

<table>
<thead>
<tr>
<th>1950</th>
<th>2011</th>
</tr>
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<tbody>
<tr>
<td>13 countries of Europe, USA and Canada accounted for over 90% of international arrivals.</td>
<td>Market share of emerging economies 47%</td>
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<tr>
<td>Many emerging and developing countries saw their international arrivals increase significantly (Northern Africa, Brazil, South Africa, China, etc.).</td>
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</tbody>
</table>

- Tourism represents the 1st or 2nd source of export earnings in 20 of the 48 LDCs.
- In some developing countries, notably small island states, tourism can account for over 25% of GDP.

The special position of tourism in poverty alleviation

- Tourist movements towards developing countries are growing relatively fast. Many developing countries have assets of value to the tourism industry, such as landscapes, climate, biodiversity, cultural heritage, etc.
- Tourism is a labour intensive sector traditionally made up of micro and small enterprises. Many activities in tourism offer good opportunities to women, youth and disadvantaged or unskilled groups.

"Women make up a large proportion of formal hospitality and restaurant industry employees world-wide, with an average of 49%." Global Report on Women in Tourism 2010, UN Women and UNWTO.

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The special position of tourism in poverty alleviation

- Tourism is one of the most dynamic economic sectors thanks to a large and diversified supply chain. It is an activity which brings the consumers to the producers providing intangible and practical benefits.

- Tourism in developing countries is often a main source of foreign exchange earnings and one of the most viable and sustainable economic development options.

- Tourism needs to be properly managed to minimize negative impacts that may reduce the chances for poverty reduction. E.g.: fluctuations in demand, over use of basic services (water, electricity), economic leakages, etc.

ST-EP Initiative: Challenges

Tourism is one of the strongest drivers of world trade and prosperity

Poverty alleviation is one of the greatest global challenges

In spite of the potential of tourism for poverty alleviation, the poor segments of population in developing countries and LDCs do not always benefit from the economic impacts of tourism due to a high level of leakages in the tourism economy.
ST-EP Initiative: Launch

UNWTO’s commitment to the achievement of the Millenium Development Goals:

- MDG 1: Reducing extreme poverty
- MDG 3: Promoting gender equality, and
- MDG 7: Promoting environmental sustainability.

Launch ST-EP Initiative at WSSD Jo’burg 2002

Objective: Reduce poverty levels through developing and promoting sustainable forms of tourism

ST-EP Initiative: Research

◆ RESEARCH: Five reports provide evidence of the impact of tourism in reducing poverty levels, as well as recommendations on how to maximize these impacts.

◆ 7 ST-EP MECHANISMS:
Seven different ways of channelling visitor spending and associated investment into improved quality of life for people in poverty.

◆ FRAMEWORK FOR ACTION:
Priority actions for different types of public and private sector bodies: governments, NGOs, development agencies, intra-regional bodies, DMCs, tourism enterprises.
ST-EP Initiative: Strategic Framework

1. Employment of the poor in tourism enterprises
2. Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor
3. Direct sales of goods and services to visitors by the poor
4. Establishment and running of tourism enterprises by the poor
5. Tax or levy on tourism income or profits with proceeds benefiting the poor
6. Voluntary giving or support by tourism enterprises and tourists
7. Investment in infrastructure stimulated by tourism also benefiting the poor in the locality

THE 7 MECHANISMS

"Tourism and Poverty Alleviation: Recommendations for Action" UNESCO, 2004

ST-EP Initiative: Seminars

◆ SEMINARS: Since 2004, 24 training seminars organized to raise awareness and build capacities among public officials, NGOs, the private sector and communities (Participation: Over 2000 officials)

"ST-EP seminars have created more awareness and understanding of decision-makers, tourism planners, industry regulators, developers and the general community on how communities can use tourism to reduce poverty. Specifically, the knowledge acquired on the application of the UNWTO seven mechanisms is very practical and useful."

Ex-Minister of Natural Resources and Tourism of the United Republic of Tanzania, the Honourable Shamsa Selencia Mwangunga
The ST-EP Foundation

The Government of the Republic of Korea was a pioneer partner in the launching of the ST-EP Initiative, by offering an initial contribution of US$ 5 million to host and establish a ST-EP Foundation in Seoul.

ST-EP Partners

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ST-EP Initiative: Projects

Up to June 2012, 102 ST-EP projects have been approved for implementation in 36 countries and 3 regions (West and Southern Africa and Central America)

AMERICAS (29)
Bolivia, Colombia, Ecuador, Guatemala, Honduras, Nicaragua, Peru

EUROPE (2)
Albania

ASIA (16)
Bhutan, Cambodia, China, Lao PDR, Nepal, Timor-Leste, Vietnam

MIDDLE EAST (2)
Jordan, Yemen

AFRICA (51)
Benin, Burkina Faso, Burundi, Cameroon, Ethiopia, Ghana, Guinea, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Niger, Rwanda, Senegal, South Africa, Tanzania, Zambia

ST-EP Initiative: Focus

Increasing local economic impact from tourism in selected destinations

Training of local guides, hotel employees and workers of connected sectors

Providing business and financial services to micro, small, medium and community-based tourism enterprises

Facilitating the involvement of local people in tourism development around natural and cultural heritage sites

Establishing business linkages between poor producers and tourism enterprises

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Final Considerations

- UNWTO endeavours to gain experience and expertise through the implementation of ST-EP projects, share best practices and disseminate lessons learned.
- ST-EP projects can be replicated in other areas.

This UNWTO Practicum intends to raise interest and build capacities to expand ST-EP activities in Arab States.

Thank you!

It is our joint challenge to further enhance the local socio-economic impact from tourism, ensuring that tourism will make a significant contribution to achieving the Millenium Development Goals by 2015.

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Annex 2: Presentation on preparing and assessing ST-EP proposals

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Granada, 19 – 21 Sept 2012

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#### Preparing and Assessing ST-EP Proposals

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**Format for ST-EP Proposals**

1. **Project objectives and justification**
   - Formulate SMART (Specific; Measurable; Achievable; Realistic; Time-Bound) objectives.
   - Identify the problem that the project seeks to resolve or alleviate.
   - Explain why solving this problem should be viewed as a priority.
Format for ST-EP Proposals

2. Strategy and Implementation

- Describe the strategy/concept to achieve the planned objectives.
- Justify why the planned approach is considered appropriate to successfully achieve the planned objectives.
- Describe the activities that the project will carry out and the organization/s that will coordinate the implementation of activities.

Format for ST-EP Proposals

3. Beneficiaries and ST-EP Mechanisms

- Describe the target beneficiaries of the project.
- Indicate how the project will reach the poor, explaining which of the 7 ST-EP mechanisms will be addressed.
- Indicate how many families will directly benefit from the project (through mechanisms 1-4); and how many families will indirectly benefit from the project (through mechanisms 5-7).
Format for ST-EP Proposals

4. Impacts and Measurement

- Present the expected outcomes and impacts.
- Describe the improvements in the performance of project stakeholders and/or the tourism sector, which the project expects to achieve.
- Provide an estimate (in absolute figures) of the increase in income and employment, and describe other improvements in the well being of poor people that the project expects to achieve.
- Describe which indicators and means of verification will be used to measure if the outcomes and impacts are achieved.
### Assessment of Proposals

- Please select maximum 10 criteria for assessment
- Please indicate the maximum score per criteria in such a way that the total maximum score equals 100 points

Eg: 4 criteria of 20 points each; or 3 criteria of 20 points each plus 4 criteria of 10 points each

<table>
<thead>
<tr>
<th>Criteria</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>Description</td>
<td>Points</td>
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<td>Total Score</td>
<td>100</td>
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### Potential Criteria

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<th>4</th>
<th>5</th>
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Thank you!

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Annex 3: Presentations on the monitoring process in ST-EP projects

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Management Arrangements for Executing ST-EP projects

ST-EP Project Cycle

1. Identification Mission
2. Fundraising
3. Project Launch
4. Implementation and Monitoring

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ST-EP Project Cycle

1. Identification Mission

- In response to a specific request from a Member State, UNWTO fields a ST-EP identification mission (subject to opportunities to get funding) or liaises with organizations in the country to prepare a proposal.
- Short duration (7-10 days)
- Resulting in comprehensive document:
  - identifying areas with potential for ST-EP interventions
  - outlining project proposals

ST-EP Project Cycle

2. Fundraising

- UNWTO liaises with potential donors
- NTAs to approach development agencies with presence in the country
- UNWTO signs agreement with donor regarding contributions for ST-EP projects
ST-EP Project Cycle

3. Project Launch

- Selection of Executing Agency in the field (NGO, DMO, etc) in consultation with NTA
- Participatory formulation of detailed workplan including logframe, timeframe (1-2 years) and budget (generally USD 50,000 to USD 300,000)
- Signature of agreement with Executing Agency and NTA

ST-EP Project Cycle

4. Implementation and Monitoring

- Technical and financial projects prepared quarterly by Executing Agency
- Backstopping provided by UNWTO ST-EP team
- UNWTO prepares reports to donors and UNWTO organs
- NTA participates in/ chairs quarterly Steering Committee meetings
Thank you!

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Annex 4: Securing funding for ST-EP projects

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ST-EP Partners

UNWTO ST-EP Foundation
SNV
C aecid
IUCN
TSINGAO
theTravel Foundation
Banesto
Europamundo

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Donor Priorities

- Geographic
- Area of work
  - Human resources
  - Cultural heritage
  - Environment
  - Job creation
  - SME development
  - Gender

Potential Donors

1. EU Commission (DEVCO; Tanzania)
2. UN Programmes and funds (UNDAF)
3. Bilateral donors
4. National/Local foundations
5. Private Sector
6. Innovative sources (Crowdfunding)
Arab Aid

- ODA coming from Arab States almost doubles aid coming from OECD countries
- Global focus:
  - OPEC Fund for International Development
  - Saudi Fund for Development
  - Kuwait Fund for Economic Development

- Main ODA flows to Morocco, Yemen and Jordan
- Topics: Infrastructure, agriculture, health, education, social services

Possibilities to Explore

- www.otf.org
  - Public loans (Jordan $68 m; Morocco $227 m; Sudan $265 m; Yemen $265 m)
  - Grants 4% (in 2011, $6.9 million)
  - Topics: Agriculture, Health, Education, Water supply and sanitation

- www.ofid.org
  - Loans (including grant up to 50%)
  - Projects in Morocco (schools), Jordan (Energy), Sudan (Infrastructure)

- www.kuwaitfund.org
  - Loans (up to 50% of the project)
  - Grants (technical and economic financial studies)
  - Topics: Agriculture; irrigation, transport and communications; energy; industry; water and sewage; education and health.
  - Request shall be made by Governmental Authority
Thank you!

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## Annex 5: Recommendations on the way forward for ST-EP in Arab Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Egypt</th>
<th>Iraq</th>
<th>Jordan</th>
<th>Morocco</th>
<th>Sudan</th>
<th>Yemen</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of project/activity</strong></td>
<td>Eco-lodge development, and rural tourism development</td>
<td>Religious tourism and opportunities for youth</td>
<td>Heritage conservation and opportunities for youth</td>
<td>Home stays project (Kashbah) in rural areas</td>
<td>Heritage conservation and poverty alleviation through tourism</td>
<td>During a ST-EP Identification Mission in 2009, 11 project proposals were identified</td>
</tr>
<tr>
<td><strong>Destinations in the country</strong></td>
<td>Sinai (eco-lodges), and South of Egypt (rural tourism)</td>
<td>Kerbala (100 Km South West of Baghdad) and Nagaf</td>
<td>Pella archaeological site (130 km North of Amman)</td>
<td>Project at the national level</td>
<td>Begarawiyah pyramids in North Sudan (2-3 hrs from Khartoum; potential to be linked to Egyptian circuits)</td>
<td>Project in Al-Mahweet is ongoing. Proposals were also identified for Sana’a and Ibb and Raymah Governorates</td>
</tr>
<tr>
<td><strong>Possible funding sources</strong></td>
<td>Private Sector, Foundations</td>
<td>The Iraqi Government could fund projects. They need assistance and expertise to ensure proper management of the tourism sites, the creation of opportunities for youth and infrastructure development.</td>
<td>Ministry of Planning, International Donors, Private Sector</td>
<td>Government, Donors, Private Sector</td>
<td>There exists cooperation with Qatar in the preservation of archaeological sites. It would be interesting to explore if a tourism component could be included.</td>
<td>Ministry will re-assess feasibility of existing ST-EP proposals, which can be used to identify possible funding sources.</td>
</tr>
</tbody>
</table>