



Designing for Greater Impact

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Responsible Tourism Day
9 January 2008

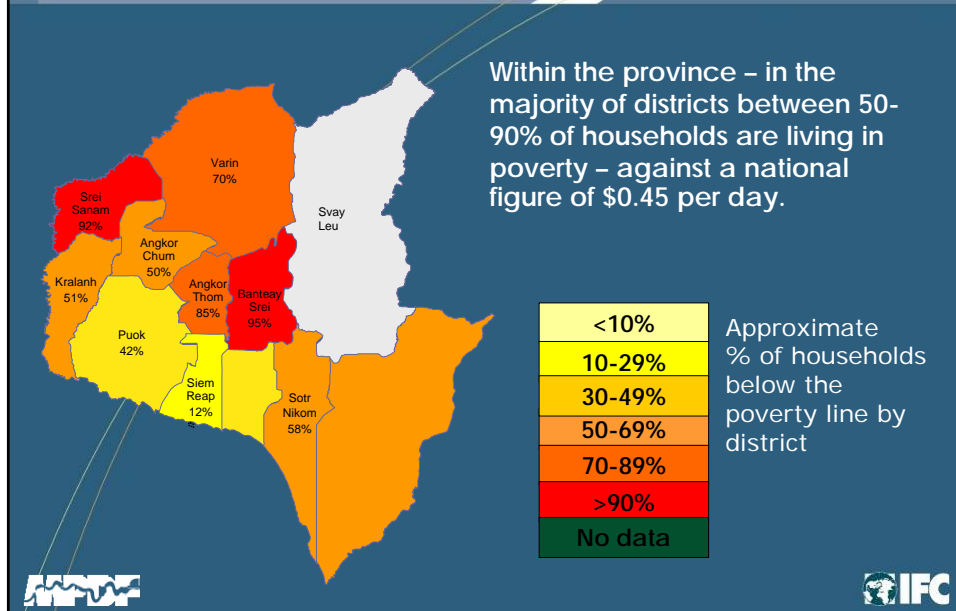


Why?

1. Scope big, high impact projects
2. Challenge: Tourism and poverty?
3. Weakness of existing studies



Siem Reap is the third poorest province in Cambodia...

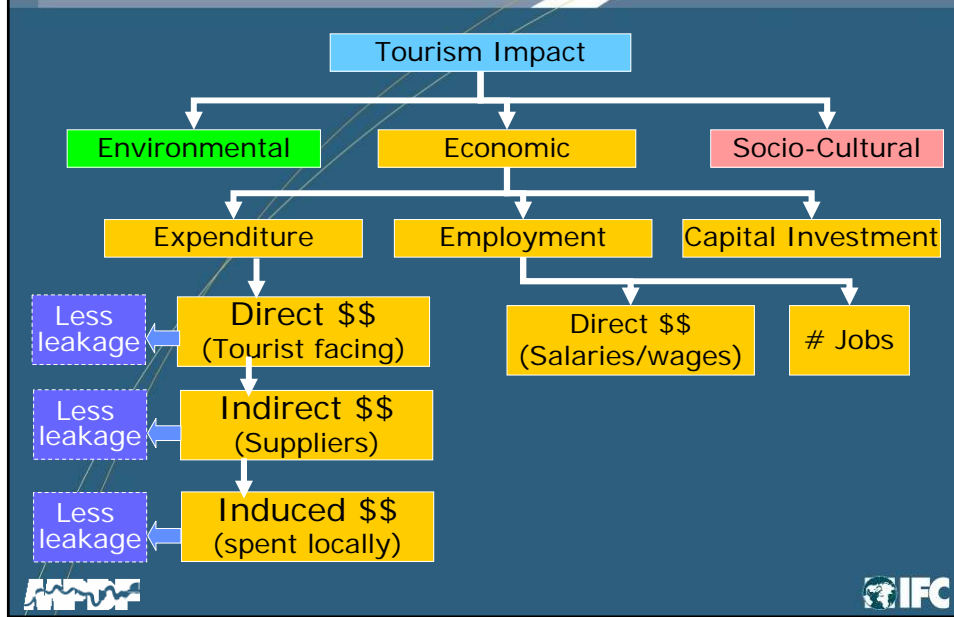


Why?

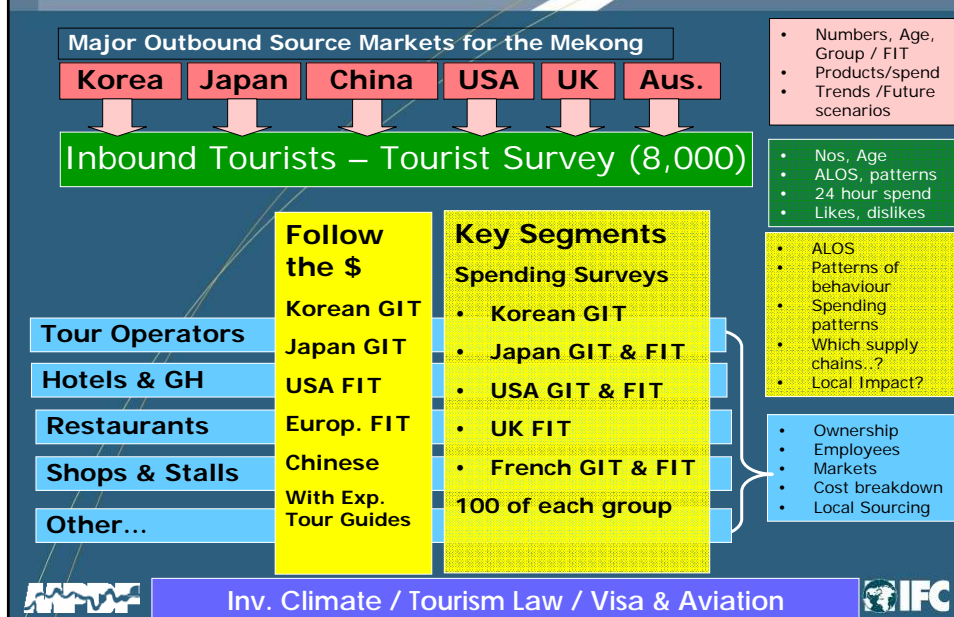
Who benefits?



Understanding Local impact



Building the BIG picture



Koreans on tour



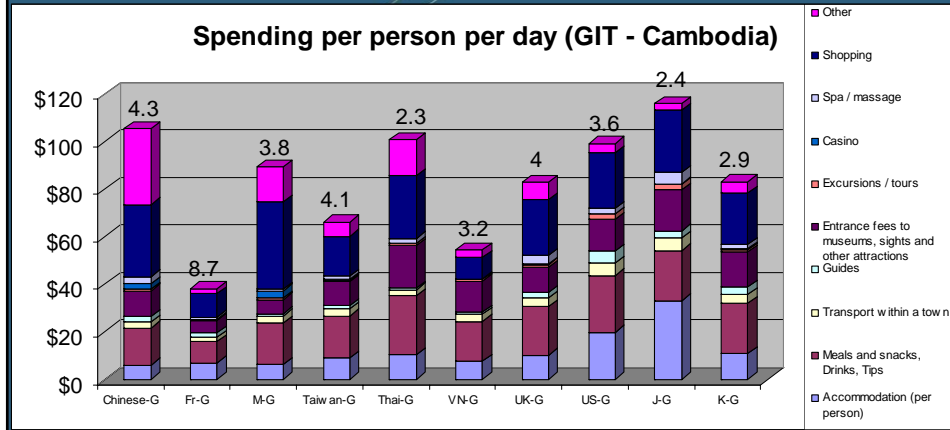
Direct impacts of tourism

Direct effect from tourist expenditures

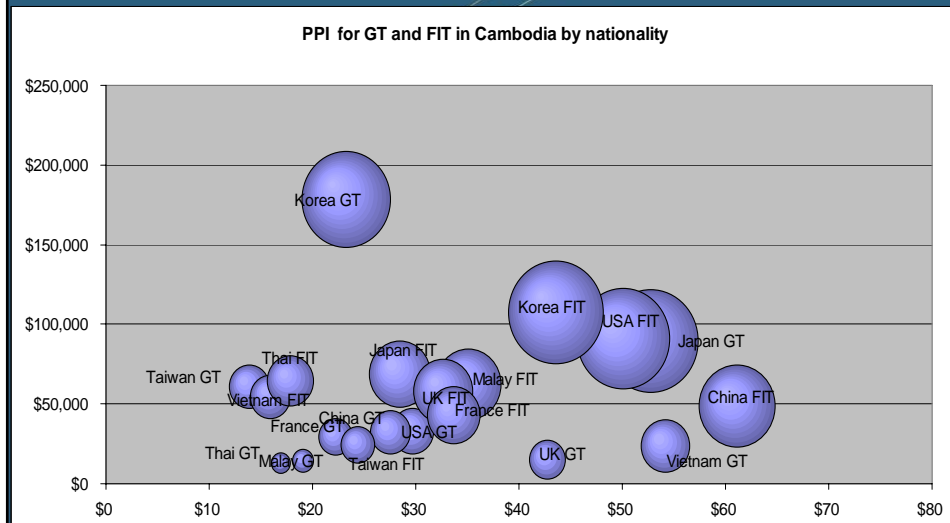
- Accommodation sector: 37%
- Souvenir shops and markets: 21%
- Tour operator: 17%
- Restaurant: 11%
- Transportation: 6%
(domestic flights and bus services are not included)
- Others: 8%



Tourism yield Cambodia – GIT



Pro-poor Impact - All Tourists



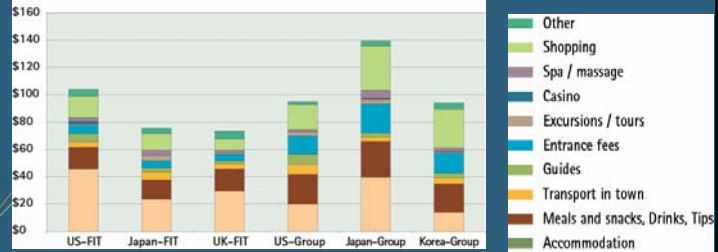
(For all trip in Cambodia - Visitor survey data)



Share of expenditure reaching the poor is low

Siem Reap

2. Tourism spend (per day) in SR by spend category



3. Tourism spend (per day) in SR broken into (1) pro-poor & local economy and (2) rest



Indirect impacts of tourism

- Indirect effects
 - Wages: US\$ 96m
 - Construction sector: US\$ TBC
 - Wholesalers F&B: US\$ 55m
 - Wholesalers Souvenir: US\$ 61m
 - Jobs from supplies? US\$ TBC
- Staff remittances

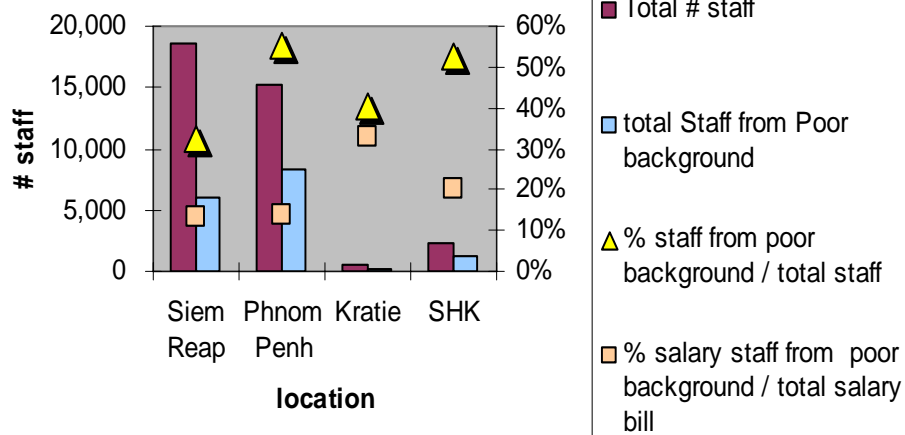
Non monetized costs/benefits

- ☐ Unpaid staff (family members):
 - ☐ 0.5% in Sihanoukville & Phnom Penh
 - ☐ 63.7% in Kratie
- ☐ Non monetized benefits (food, accommodation, medical insurance...)

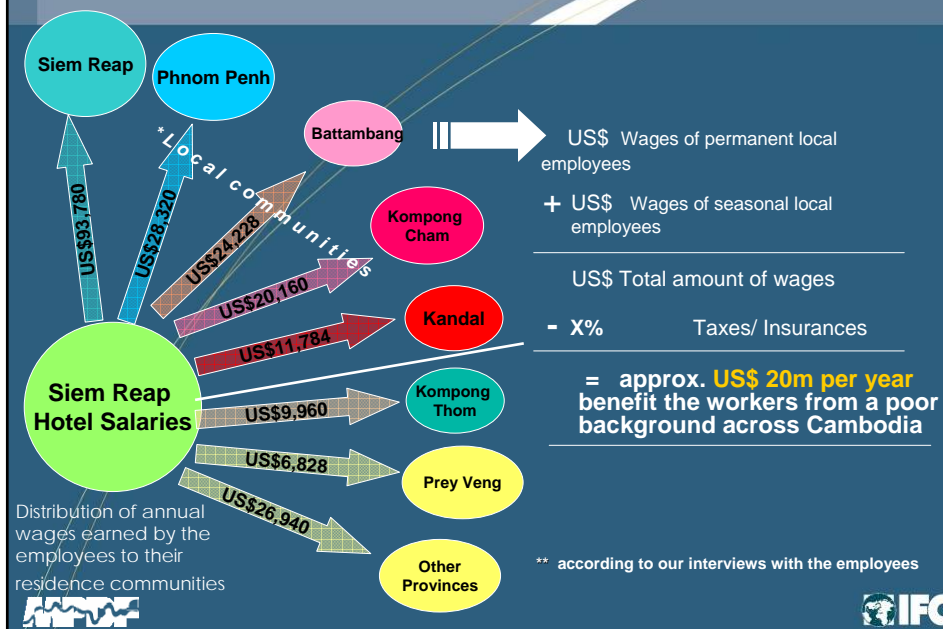


Local and Pro-poor Impact

Staff from poor background (total and salary bill)



Salary Impact Mapping: Example



Underperforming on Pro-poor impact

Destination	Visitors	Revenues in destination	Pro-Poor impact	Est. PPI %
Siem Reap	1.16m	\$300m	\$15m	5%
Gambia*	11,000	\$44m	\$7m	16%
Luang Prabang*	200,000	\$23m	\$6m	27%



Source: ODI Surveys 2006

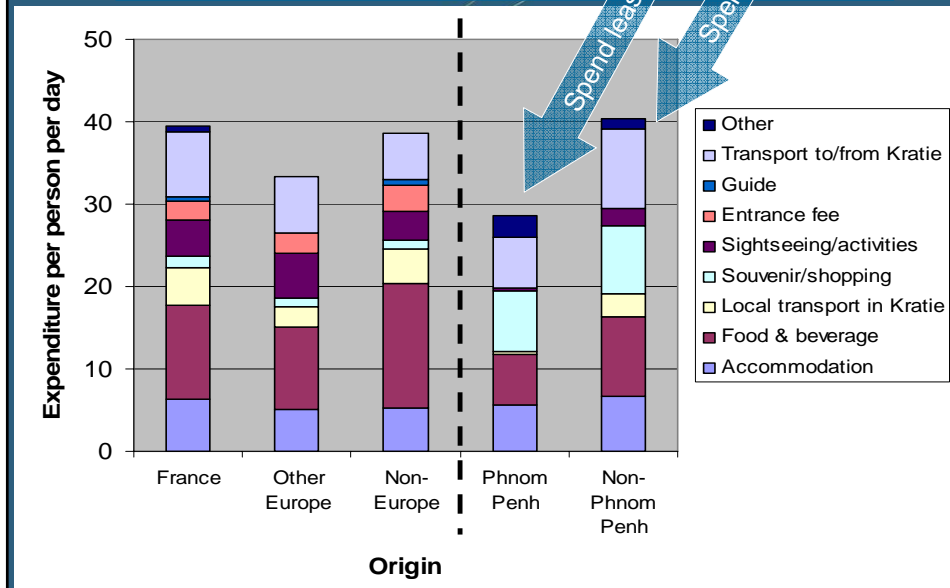


Domestic Tourism: Kratie, Summary

- 91,000 visitors (2006)
 - 88% domestic
- \$3.1m est. tourist spend
 - 75% domestic
- 619 jobs
 - 50% poor
- \$610,000 income
 - 33% poor
- \$1.2m local supplies
 - 13% poor



Kratie: Tourist Expenditure



Key conclusions

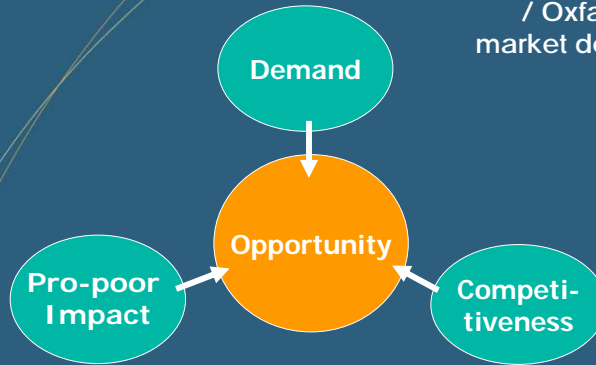
- Need multi-dimensional picture
- Major differences between economic contribution and LEI / Pro-poor income
- Destinations very different, but Siem Reap and PPH dominate (90%)
- Accommodation high PPI - limited backward linkages from F&B
- Remittances
- Clear differences between segments



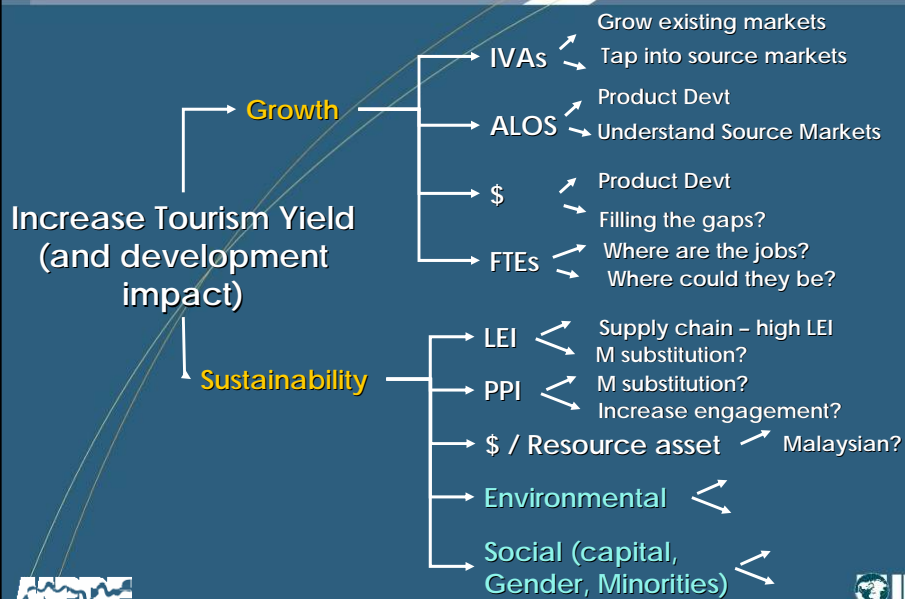
Framework for Analysing Sector Opportunity

Three Things synthesise into 'Opportunity' for scaled impact

This approach draws heavily in methodology (and team) from the IFC / Oxfam bamboo market development study...



Potential Interventions

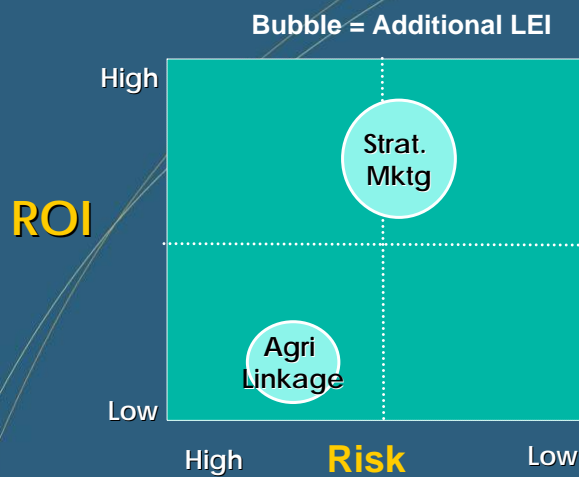


Strategic comparisons are vital for Cambodia's future

Project	Cost	Benefit	ROI	Risk	Overall
1. Campaign to tourists about how to benefit local people	\$ 200k	\$ 2 m	High	Low	High
2. "Cambodia Brand" handicrafts project	\$ 2 m	\$ 8 m	Medium	Medium	Medium
3. Target marketing campaigns to high yield, growth markets	\$ 2 m	\$ 30m	High	Low	High
4. Agricultural Linkages program	\$ 6 m	\$ 15 m	Medium	Very High	Low
5. Develop new Tourist Assets e.g. Beach resorts	\$ 20m	\$ 40 m	Medium	Medium	Medium



Return on Investment



What's new?

1. Poverty profile (still needs work)
2. Consider current demand and future
3. Strength of triangulation,
4. Country / Sector-wide impact & interventions
5. ROI by project / program



Implications for today?

- **Responsible Tourism professionals**
 - Economic Impact is a key part of sustainability
 - Bigger scale impact – more rigorous analysis (but small %)
 - Don't assume, assess and look for partners
- **Analysis**
 - Who's poor is key – remember why?
 - Good to compare key areas - keep the big picture in mind
 - Blended Indicators essential
- **Interventions**
 - Evolving ROI
 - No silver bullets!



So in summary...

Be a traveller not a tourist !



Think strategically,
...but act pragmatically



IFC Advisory Services - Mekong



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