

# INCLUSIVE TOURISM BEST PRACTICE APPROACH

## THE EXAMPLE OF MYANMAR KAYAH STATE



International  
Trade  
Centre

TRADE IMPACT  
FOR GOOD



## Abstract

2017

International Trade Centre (ITC)

### **NTF III Myanmar: Inclusive Tourism focussing on Kayah State**

#### **Best Practice Approach**

Report providing insight into the processes applied during the ITC's "NTF III Myanmar: Inclusive Tourism focussing on Kayah State" project. Includes (1) background information about ITC and Inclusive Tourism project, (2) best practices and results of the project including stakeholder accounts, (3) Inclusive Tourism model and overview (4) methodology of activities undertaken during the Inclusive Tourism project, (5) replication guidelines and lessons learned. This report was written to provide insight for potential donors as well as tourism professionals who wish to replicate or learn from ITC's Inclusive Tourism project.

Descriptors: **Inclusive Tourism, Myanmar, Kayah State, Value Chain, Best Practice, Lessons Learned**

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English

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

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[www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

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## Acronyms

ASEAN	Association of the Southeast Asian Nations
CBT	Community Based Tourism
CoC	Code of Conduct
EMP	Export Marketing Plan
EXPRO	Export Promotion
FIT	Fully Independent Traveller
GIZ	Gesellschaft für Internationale Zusammenarbeit
ITB	Internationale Tourismus-Börse
ITC	International Trade Center
MoC	Ministry of Commerce
MoHT	Ministry of Hotels and Tourism
MTM	Myanmar Tourism Marketing
NES	National Export Strategy
NTF III / IV	Netherlands Trust Fund III / IV
PSC	Project Steering Committee
SME	Small and medium-sized enterprise
STI	System of Tourism Information
TcC	Trainer cum Counsellor
ToT	Trainer of Trainees
UMTA	Union of Myanmar Travel Association
UN	United Nations
UN-SCTD	United Nations Steering Committee on Tourism for Development
UNWTO	United Nations World Tourism Organization
USP	Unique Selling Point
WTO	World Trade Organization



## Section 1 Introduction

This report provides an overview of the Inclusive Tourism approach as it was developed and implemented by the International Trade Centre (ITC). The analysis is based on the example of ITC's "NTF III Myanmar Inclusive Tourism focussing on Kayah State" project. In this report, a general introduction about ITC and its approach to tourism will be provided, followed by the applied methodology including practices and activities undertaken, an overview of the lessons learned from Myanmar and replication guidelines for tourism professionals or organizations that wish to replicate this approach.

### 1.1. International Trade Centre

The International Trade Centre (ITC) is the only development agency that is fully dedicated to supporting the internationalization of SMEs. This means that the agency enables SMEs in developing and transition economies to become more competitive and connected to international markets for trade and investment, thus raising incomes and creating job opportunities, especially for women, young people, and poor communities. Established in 1964, the ITC is the joint agency of the WTO and the UN.<sup>1</sup>

### 1.2. ITC and Tourism

Tourism – a service - is one of the value chains ITC is assisting to develop. ITC sees tourism development as a means for economic growth and poverty reduction. Through its inclusive tourism approach, ITC supports stakeholders along the tourism value chain, with special emphasis on including micro and small providers of products and services that can be sold to the tourism industry or tourists (backward linkages). ITC is one of the 10 leading agencies of the United Nations (UN)-SCDT, an innovative approach to *Delivering as One for Tourism*. It is a partnership bringing together ten UN agencies committed to mainstreaming tourism in the global development agenda. The UN-SCTD supports the needs of developing countries to implement tourism for development through an integrated approach by providing guidance, monitoring progress and mobilizing necessary financial resources. In addition this, ITC has also entered into a strategic partnership with the UNWTO in order to aggregate the two organizations' resources, to share perspectives in the process of rethinking a joint approach to *Aid for Trade* in tourism, and to catalyze greater donor interest in funding tourism activities. The partnership also aims at giving tourism a high contribution to inclusive growth.

### 1.3. ITC Offering

ITC has developed and implemented tourism projects for over 10 years respectively under the *Enhanced Integrated Framework*<sup>2</sup>, *Tourism-led Poverty Reduction Programme*<sup>3</sup> and *Aid for Trade*<sup>4</sup> umbrellas. Countries in which ITC has intervened include Benin, Brazil, Colombia, El Salvador, Kyrgyzstan, Laos, Mozambique, Myanmar, Philippines, Senegal, Tajikistan and Vietnam.

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<sup>1</sup> [www.intracen.org](http://www.intracen.org)

<sup>2</sup> The EIF is a multi-donor programme, which helps LDCs play a more active role in the global trading system. URL: [https://www.wto.org/english/tratop\\_e/devel\\_e/teccop\\_e/if\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/teccop_e/if_e.htm)

<sup>3</sup> ITC initiated the EPRP in 2002 as a means towards achieving the Millennium Development Goals, specifically to contribute to reducing extreme poverty and hunger by 2015.

<sup>4</sup> The WTO-led Aid for Trade initiative encourages developing country governments and donors to recognize the role that trade can play in development. URL: [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/aid4trade\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm)

ITC's approach to tourism focuses on increasing linkages to markets, significantly expanding local product offering to potential tourists, attracting investment and creating jobs at scale. The ultimate objective is to increase tourist arrivals and to maximize the sector's contribution to sustainable development.



## Section 2 Inclusive Tourism – Best Practice Approach

This chapter will look at what distinguishes ITC's Inclusive Tourism approach from other similar projects and how this innovative approach was applied in Kayah State. Numbers and net benefits will be looked at before discussing intangible values created by the project, followed by testimonies of stakeholder beneficiaries.

### 2.1. Literature review of similar tourism concepts

Before outlining the characteristics and intrinsic advantages of Inclusive Tourism, a brief review of literature and the history of similar approaches of tourism in the context of global development will be provided.

An overarching and well-known term, that was coined as a response to the largely perceived negative effects of mass tourism in the 1980s, is **Sustainable Tourism**, which is described by the UNWTO as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities."<sup>5</sup> However, while this term is often used in academic literature, development goals, policies and theoretical frameworks, critics have claimed that the concept of sustainable tourism does not translate ideals into actions, and thus, remains often distant and irrelevant for the real world of tourism development.<sup>6</sup>

As a result, the concept of **Responsible Tourism** was developed in order to move away from Sustainable Tourism as a mere overarching, theoretical framework with little practical implications or ways of measurement. Responsible Tourism therefore is meant to imply immediate responsible action and consideration of all consequences from every tourism stakeholder including the tourists themselves. In this way, Responsible Tourism is said to be more suited for identifying economic, social and environmental problems that matter locally, while bringing together stakeholders and taking responsibility for the full scale of tourism impacts on a destination.<sup>7</sup> Furthermore, Responsible Tourism – often in contrast to Sustainable, Eco or Green Tourism that focus significantly on the environment – places people at the heart of tourism operations, claiming that it is all about "better places for people to live in and better places for people to visit."<sup>8</sup>

A concrete approach that falls under the realm of Responsible Tourism that is based on the notion of local ownership, empowerment as well as cultural and environmental preservation, is **Community Based Tourism** (CBT); hence, "tourism owned and/or managed by communities and intended to deliver wider community benefit, benefiting a wider group than those employed in the initiative."<sup>9</sup> While there are numerous successful examples of CBT projects in developing and least developed nations around the world, the overall success of CBT has not been widely monitored. The most common problems identified include (1) the creation of commercially unsustainable products that are isolated from the market and thus viable flows of tourism, (2) reliance on a collectivist approach to business management rather than an entrepreneurial one, and (3) too high expectations concerning the created financial benefits, while at the same time underestimating the long-term, expensive inputs needed for a tourism product that can only ever generate a tightly constrained benefit flow for one community. As many development and conservation organization

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<sup>5</sup> UNEP, & UNWTO. (2005). *Making Tourism More Sustainable*. Paris, p. 12

<sup>6</sup> Liu, Z. *Sustainable Tourism Development: A Critique*. Glasgow: University of Strathclyde

<sup>7</sup> Mihalic, T. (2016). Sustainable-responsible tourism discourse – Towards "responsustainable" tourism. *Journal of Cleaner Production*, 111, 461 - 470

<sup>8</sup> Esomba. S. (2012). *Global Tourism & The Environment: The Necessities for Clean Energy and Clean Transportation Usages*. Esomba. p. 30

<sup>9</sup> Goodwin, H., & Santilli, R. (2009). *Community-Based Tourism; a success?* London: gtz. p. 4

have invested in CBT projects over the last decades, it was found that donor agencies frequently consider issues such as participation, gender equality, empowerment and other socio-cultural aspects, but fail to address business plans, administration, marketing strategies, target groups and cooperation with the private sector.<sup>10</sup>

Therefore in the 1990s, the concept of **Pro-Poor Tourism** surfaced as a more impact-driven and practical tool for using tourism as a vehicle for poverty alleviation by creating net benefits for the poor; a market-led approach, that should enable more poor people to participate effectively in the product development process. It was not developed as a niche sector or a specific product, but rather as a set of strategies with the aim of enhancing links between tourism businesses and poor people to contribute to poverty alleviation. However, Pro-Poor Tourism is also said to exclusively benefit one group of people, namely those defined as “poor” (such a definition being problematic in itself), which might come at the expenses of other groups through redistribution.<sup>11</sup>

Thus, in order to instead achieve inclusive growth within and across tourism-related sectors, **Inclusive Tourism** constitutes for the latest development in tourism strategies applied by international institutions and organizations. Here, a crucial difference to Pro-Poor Tourism is that Inclusive Tourism aims for inclusive growth, and hence “to benefit people from a large proportion of a country’s labor force through productive employment and entrepreneurship. Inclusive growth is the growth that reduces the disadvantages of the poorest while benefitting everyone.”<sup>11</sup> In that sense, it is about “widening the size of the economy and not about redistributing existing resources as pro-poor growth sometimes is.”<sup>12</sup> As mentioned earlier, many CBT projects, which have often been implemented under a pro-poor growth strategy, have failed to achieve significant success due to the fact that such strategies have been focussing on single projects on a micro level rather than addressing the tourism sector on a holistic macro level. Inclusive Tourism therefore seeks to not only aim for a market-led approach to tourism, but above that to make tourism part of a country’s growth strategy as a way out of poverty. Under Inclusive Tourism, the tourism sector is seen as an integral part of a country’s strategy for further growth and diversification across sectors. Yet, even though the concept of Inclusive Tourism is well advanced and looks promising, it is a relatively new concept that requires a long-term approach and analysis. Therefore it is yet to be seen how it can change the role of tourism within global development and what will be its contribution towards poverty alleviation in the long run.<sup>11</sup>

## 2.2. What makes ITC’s Inclusive Tourism Project a Best Practice?

ITC is one of the first organizations to apply the Inclusive Tourism approach as outlined above by developing a practical framework for a fully inclusive, market-led approach that truly considers every stakeholder along the tourism value chain and contributes towards long-term sustainability. It is an innovative way to foster linkages and interactions between the different actors within and across tourism-related sectors, thus maximizing the socio-economic impact of tourism in an inclusive way. One of the approach’s main characteristics is hence the direct connection of the developed tourism product with national and international tourism markets, as well as its implementation along the line and in support of national tourism policies and governmental strategies. In this way, partnerships with and among private actors, communities, public entities and governmental institutions are strengthened, while stimulating the local economy by improving and connecting local supply chains to the tourism industry. It ensures that knowledge and ownership is

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<sup>10</sup>Ashley, C., & Mitchell, J. (2010). *Inclusive Tourism: Opportunity Study Guidelines*. Geneva: ITC.

<sup>11</sup>Marx, S. (2011, July). Retrieved July 25, 2017, from [www.tradeforum.org](http://www.tradeforum.org/article/Community-based--pro-poor-tourism-Two-contemporary-approaches-to-poverty-reduction-in-developing-and-least-developed-countries/): <http://www.tradeforum.org/article/Community-based--pro-poor-tourism-Two-contemporary-approaches-to-poverty-reduction-in-developing-and-least-developed-countries/>

<sup>12</sup>Bakker, M., & Messerli, H. (2015). Inclusive growth versus pro-poor growth: Implications for tourism development. *Sage*, 0 (0), 1-8.

retained by the local population, so as to perpetuate benefits earned from tourism in the future. In this way, it is a sustainable approach that considers not only economic but also environmental and social factors.

### **ITC's Inclusive Tourism project focussing on Kayah State**

In Myanmar, an Inclusive Tourism project was launched in August 2014, running three years until July 2017. The project is part of The Netherlands Trust Fund III (NTF III) programme and financed with USD 1,9 million by The Netherlands Ministry of Foreign Affairs. The project addresses the whole tourism value chain by overcoming bottlenecks at each point from product development over market linkages to destination branding, bringing all players together towards sustainable tourism. It enhances job creation and socio-economic development in Myanmar through an Inclusive Tourism approach to benefit local communities. In 2017, the project has won the *ASEAN Homestay and Community-Based Award* at the ASEAN Tourism Forum in Singapore.

Recently opened and with a diverse ethnic culture and history, Myanmar's tourism sector is constantly growing and can contribute to spur socio-economic progress through foreign exchange earnings. Myanmar attracted more than 2,9 million international visitors in 2016 according to the Ministry of Hotel and Tourism (MoHT). Beyond Myanmar's top destinations (Bagan, Mandalay, Yangon and Inle Lake), there are many authentic places to discover such as Kayah State in the east of the country, bordering Thailand. Tourism in this region holds great potential for cultural and eco-tourism. Located south of Inle Lake, it is endowed with pristine nature and cultural diversity. At the same time, it is one of Myanmar's poorest states. Therefore, if managed correctly, tourism development can generate income, create jobs and open up opportunities for the local population, many of who live in poverty.

Following this approach, ITC's assistance to develop the Inclusive Tourism project focussing on Kayah State from a trade perspective is manifested along three main outputs:

#### **Output I. Trade capacities of SMEs and local producers and service providers enhanced**

The project increases the trade competitiveness of Myanmar inbound tour operators and tourism-related suppliers of goods and services. Tour operators are improving their export marketing capacities through on-site and distant training and coaching sessions, and are assisted to create and strengthen linkages with international outbound tour operators.

Cultural tourism tours have been developed in Kayah State by training local community members, local and regional tour guides and ground-handlers in close collaboration with the local government and tour operators. The project is furthermore increasing opportunities for local craft and food producers as well as service providers (e.g. musicians), amongst others by providing capacity building activities and training in food quality assurance.

#### **Output II. Strengthening of tourism related associations in Kayah State and Yangon**

The project closely collaborates with the Union of Myanmar Travel Association (UMTA) and the Myanmar Tourism Marketing Association (MTM) for capacity building activities of member tour operators and for national marketing and branding.

At state level, the project is strengthening local tourism-related associations namely, the Kayah Hotel, the Restaurant, the Transport and the Guides associations.

The project facilitated the set-up of a Kayah Public Private Dialogue Platform (KPPDP) including all relevant stakeholders from local government over tourism associations to the private sector to discuss issues for tourism business development and include the private sector perspective.

### **Output III. Strengthening capacities on national and state level**

At national level, the project is helping partners to develop and implement a marketing and branding strategy. In collaboration with the MoHT and MTM, tourism branding guidelines were developed, and the harmonized style of the guidelines applied to the official tourism promotional material, to the national tourism website and to the design of the Myanmar stand for the International Tourism Börse (ITB) in Berlin. At the ITB, ITC showcased Myanmar and Kayah's tourism potential with successful side events including a session at the ITB Convention, stage-events and a B2B forum.

Three sets of Codes of Conducts (CoC) aimed at tourists, ethnic communities and tour operators/guides for tourism activities in ethnic areas have been prepared in close collaboration with UMTA and Kayah State tourism stakeholders and have been approved by the national Government

The MoHT and its Kayah branch benefited as well from support in tourism data collection and statistics as well as the set-up of a "Check In" mechanism to monitor and assist CBT development in the villages.

## **2.3. Numbers and Net Benefits**

Looking at the direct, measurable results that the Inclusive Tourism project has achieved, the intervention can claim a number of significant successes:

**Impact level:** According to the data gathered during the project's final survey in June 2017, the number of jobs created for the target population increased by 11%, exceeding the project's target of 10%. In Kayah State, the increase in jobs reached a significant 28%. The overall income of tourism and tourism-related enterprises increased by 70% (well above the target of 20%), and in Kayah State the increase in revenues reached an impressive 83% during the course of the project. The number of tourist arrivals to Kayah State increased by 140% between 2014 and 2016 and by an additional 40% between 2016 and 2017 reaching 33,000.

**Outcome level:** The most important result has been obtained with regards to tourist spending. Spending in Kayah State almost quadrupled from 121,833 USD spent in 2014 to 594,928 USD spent in 2016/17. There was a 77% increase in value of local products supplied to the tourism sector. The increased spending and the increased number of international tourist arrivals can be attributed to the enhanced tourism offer in Kayah State.

### **Intermediate Outcomes:**

- NTF III helped to develop 6 cultural tourism tours and 2 creative tourism activities. The new products are being promoted with inbound and outbound tour operators. During the last months of 2017, all four Kayah villages, where ITC worked, regularly welcomed tourists, earned extra income, collected community funds and recorded their income and visitors systematically. In 2017 Hta Nee La Leh received 1,009 tourists using the new community based tourism services. The CBT club earned around \$5000 USD with 10% contributions to the community fund. In Pan Pet 1,343 international tourists visited and used CBT services, earning an income of around \$8000

- 30 inbound tour operators have included the new Kayah products in their offer while being trained and coached by ITC to better reach the international market with their products, also beyond Kayah State (Export Promotion training and coaching over 3 years).
- Enabled a group of 20 (ToTs), composed of private sector, public sector and university students, to develop cultural tourism tours through development of CBT activities
- 10 regional destination brochures developed through training of MTM and MOHT staff, 6 promotional material for Kayah State (brochure, leaflet, video and Kayah Sales Manual).
- 14 staff from UMTA/MTM and individual tour operators trained as EXPRO peer coaches
- 14 connections between inbound and outbound tour operators facilitated
- Set-up and operationalization of a MoHT Info Centre/"CBT check-in" mechanism

## 2.4. A Stakeholder Perspective

Next to financial indicators, the project has generated important intangible benefits for its stakeholders. When conducting interviews with representatives of various stakeholder groups, the following findings were made:

- **Contribution to the peace process in Kayah State:** As many other regions in Myanmar, Kayah State has struggled with political instability. The project contributed to the peace process in Kayah State by enforcing cooperation between all stakeholders, including government authorities, private businesses and local ethnic communities. Facilitated by the project, the KPPDP on tourism was set up and meets regularly. The study tours to Inle Lake and Mae Hong Son province in Thailand saw the participation of government officials, businesses owners and community representatives. New cultural tourism tours are being developed through a Trainer of Trainees (ToT) approach with the active participation of youth groups coming from many different ethnic groups, members of the state government and delegates of MoHT. The shared experience helped all to understand the importance of trust and cooperation and to view their home from a holistic perspective.
- **Valuable insights and awareness of sustainability for tour operators:** Tour operators that have been benefiting from tour operator training and export coaching claim that they have gained many valuable skills and insights. Events such as international trade fairs have helped them to become more confident in presenting themselves to their international partners and clients, in that way significantly enlarging their business network. Tour operators now have a heightened awareness about the importance of sustainability, and some of them have started to work towards achieving Travelife certification<sup>13</sup>. A familiarization (FAM) trip to Kayah State has introduced them to parts of their country that have largely been unknown to them, and given them the opportunity to diversity their offer by adding the newly developed tourism destination to their portfolio.
- **Empowerment of local communities:** Local communities in Kayah State have benefited in many ways. Due to the created tourism offer, for some villages, road, water and electricity access has been approved by the government and is on its way of being built. The price, wages, location and flow of tourists is controlled by means of clear set of rules, and distributed fairly amongst directly and indirectly participating villagers. In this way, any kind of exploitation through tourism is forestalled. This also strengthens the social fabric and cohesion of the villages, which helps to rebuild and unite Kayah State after decades of conflict. Through regular training, local people's English and communication skills have improved, and pride over their natural and cultural heritage was enhanced. A bottom-up approach and decision-making taking place by the community itself led to empowerment, sense of ownership and

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<sup>13</sup> [www.travelife.info/index\\_new.php?menu=home&lang=en](http://www.travelife.info/index_new.php?menu=home&lang=en)

identification with the developed tourism product. Through the development of crafts, music and souvenirs, age-old traditional techniques are being kept alive.

In the following, an account of stakeholders that have directly benefited from ITC's Inclusive Tourism initiative can be found:

### **The Yangon Tour Operator**

"ITC is really good in spreading the news and getting people involved. Thanks to them I heard about Kayah State. Before, we had only very few guests travelling there. So through ITC I got to know Kayah State, but now we all have to take our own responsibility in order to stabilize the state." – *Myat Su, owner at Silk Road to Asia Travels & Tours.*

### **The Kayah State Community**

"By doing CBT we get extra money for the community. We intend to use the money as a community, for example if a child is talented, we sponsor education; or as emergency use, when accidents happen. Also to maintain the museum items." – *Paulo, Community Tour Guide Htay Kho*

### **The Kayah Authorities**

"Looking at Kayah State, it is obvious that tourism starts to boom. Three, four years ago, people, even domestic tourists, didn't know about Kayah. Since ITC came, we are receiving lots of tourists" - *U Lin Zaw Htut, Senior Manager MoHT Kayah State Branch*

### **The Hotel and Tourism Minister**

"Many small enterprises grew by means of the project. Therefore, we can see a huge improvement concerning the socio-economic environment for local communities. It was the main factor that we hoped to see from the project. Some people from ethnic communities were able to return to their home and make extra income from tourism instead of working abroad. The Inclusive Tourism project focussing on Kayah State will continue to serve as a best practice for future CBT implementation in Myanmar." – *Mr. Aung Phyio, Assistant Director, Tourism Promotion Department, Ministry of Hotels and Tourism*

## The Kayah State Ground-handler

9Generation is now working on a regular basis with about 20 Yangon inbound tour operators, which are sending international clients. Since October 2015, 9Generation has already welcomed 216 clients, including from well-known companies like Khiri Travel and Journey Adventure Travel. 9Generation is looking forward to welcoming more clients in 2017, with 47 confirmed tour bookings already. The company benefited from additional training by Journey Adventure Travel and Khiri Travel to help prepare their team to welcome their guests safely and successfully. Initial feedback from these companies has been excellent. Also more and more individual foreign travellers visiting Kayah state are seeking assistance from 9Generation.

According to Mr Nay Moe Aung, highlights of working with NTF III include improved understanding of cultural tourism, business linkages, tourism business management and "learning about the mutual benefits for companies and communities, for supporting villages by respecting their culture and traditions."

"ITC is assisting Kayah with job opportunities and income, providing knowledge and opening eyes for socio-economic development of the region. ITC's work is sharing benefits among all stakeholders. As a native of Kayah, I feel more responsible for the development of the state, and to continue working as a responsible, local groundhandler" emphasised Mr. Nay Moe Aung. "Before the projects started, visitors came to Kayah just for one day simply to visit and take pictures, which didn't benefit the communities. Now, the communities are able to have extra income from being involved in tourism".

9Generation is committed to promoting the new tours developed. Community members in Pan Pet and Hta Nee La Leh communities have already began welcoming guests and earning additional income. Based on confirmed bookings from 9Generation alone, community members are set to receive at least \$3,000 USD additional income per village for guiding and food services, excluding the sale of handicrafts (which are not included in the tour price). The number of international tourists visiting Kayah state more than doubled between 2014 and 2016.

## The Kayah Local Expert

### Success story: The return to peace in Kayah State by author Pascal Khoo Thwe

Kayah State is unique in its status as the smallest state of Myanmar and its diversity in social and political formations. As an inadvertent result, it has always been a complicated state to rule or govern for successive governments, at least in the recent past.

The arrival of NTF III project to Kayah State is timely, in this sense, as its people are still struggling to figure out as to what is happening to their lives and communities, what to do and where they are heading to. The project gives people not only tangible benefits but also intangible, in particular, the immeasurable assurance and inspiration on the mind of the people: in a word, a sense of clearer direction.

The most important impact is overall feeling of return to normality for the communities when the local people see and engage in the activities organized by NTF III. It was initially hard for stakeholders to imagine as to how the community could return to normality after so many years of civil war, mismanagement, mistrust and chaos before NTF III carried out its step-by-step activities. The most obvious example would be the increasing cooperation between authorities, private business sectors and the local communities, after ITC organized study tours to Inle Lake and Mae Hong Son province in Thailand not long after the project was launched. The experiences shared by government officials, villagers and business owners during these tours made them understand the importance of trust and cooperation, and this in turn, led them to think wider for their state or country as a whole.

This 'normalisation' process is directly applicable to ongoing peace building efforts in Kayah and other states in Myanmar by creating an atmosphere which is non-sensational and decreasing agitating causes, helping both the army and other armed groups to have a chance to seek other opportunities in solving political problems, rather than using force and violence. They are starting to show respect to each other and listen to each other opinions seriously. The stakeholders are starting to understand the importance of inclusive consultation process and technical know-how provided by NTF III, which are more effective than material support given to them in the past. Also, NTF III helped authorities and civil servants to do their jobs more effectively and successfully, which helped them regain the trust of people that was almost non-existent in the past.



## **Section 3 The Inclusive Tourism Model**

The Inclusive Tourism Model gives an overview of ITC's main activities performed during its Inclusive Tourism project focussing on Kayah State. The activities are arranged under each component of the global tourism value chain, which takes the European tourist as a focal point and follows his journey all the way to Kayah State. In this way, the model shows the different stages and enterprises a tourist interacts with throughout his trip. Relevant forward and backward linkages (such as food suppliers and craft producers) have been included under each component. Underneath the primary tourism value chain, the tourism-related supporting institutions are shown, including national and state government as well as associations.

The model highlights how every component of the tourism value chain has been incorporated in the Inclusive Tourism project, and which specific activities have been performed to develop, create, improve or strengthen each aspect related to building up the tourism industry in Kayah State. It should be noted that this model assumes that the tourist makes use of an outbound tour operator intermediary. Fully Independent Travellers (FIT) might skip certain components of the value chain as shown on page 15.

In the following, a detailed methodology will be given based on the project's main outputs (see chapter 2.1.) as well as the performed activities as listed in the Inclusive Tourism Model.

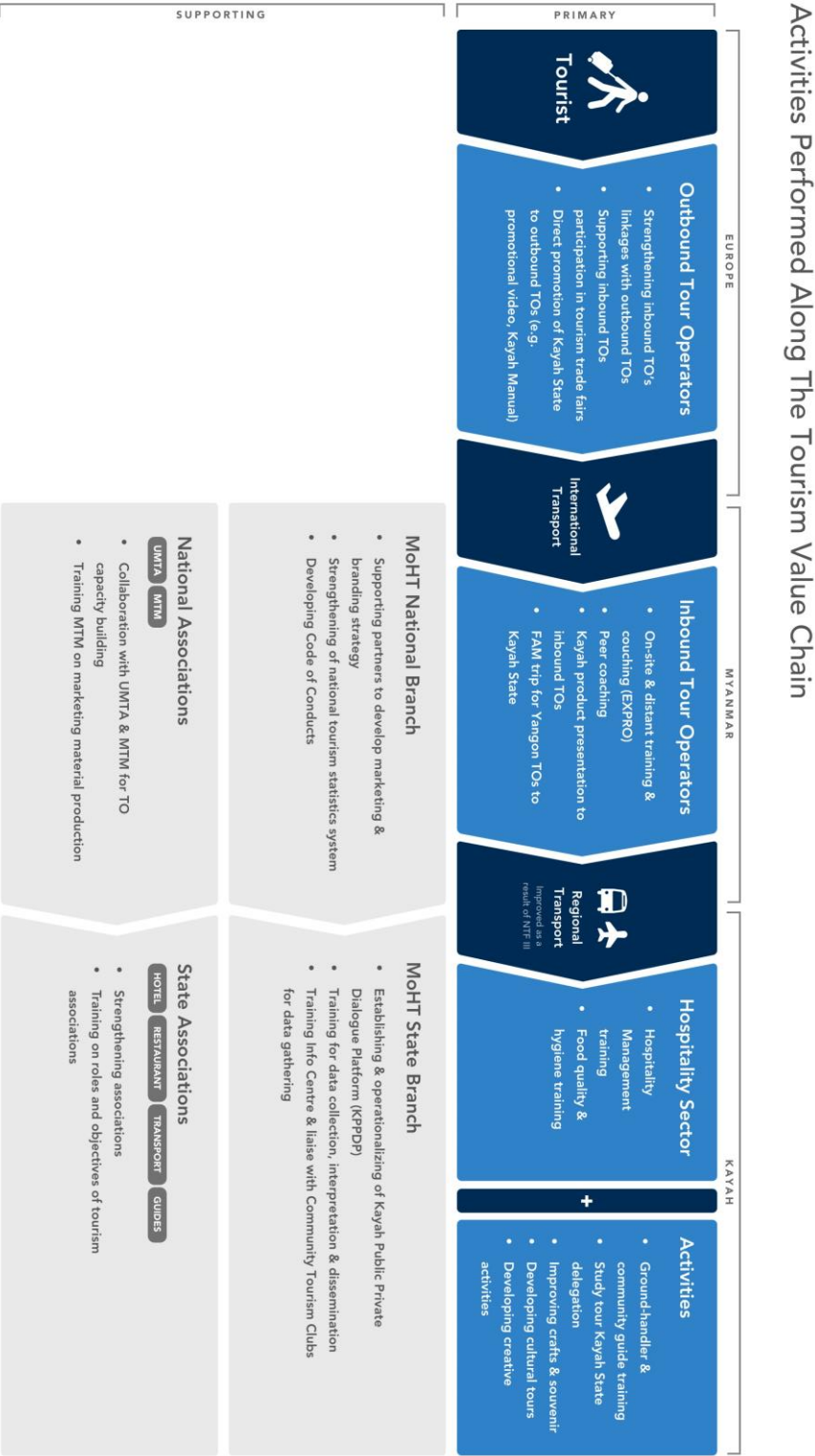


Figure 1. ITC Inclusive Tourism Model - Activities performed along the value chain

## Section 4 Methodology

In the following section, explanation will be provided with regards to the main activities performed under each output of ITC's Inclusive Tourism Project focussing on Kayah State.

Before the start of the project in June 2014, ITC provided technical assistance to the government of Myanmar in assessing seven priority export sectors under the country's National Export Strategy (NES), and came to the conclusion that the tourism sector had the highest potential for economic growth, job creation, sustainable development and socio-economic impact. The Myanmar MoC endorsed this NES, and after necessary assessment took place with ITC's help, Kayah State was chosen as a focus area due to its rich natural and cultural resources, while at the same time being one of the poorest states in Myanmar. During two missions to Yangon and Kayah State, the project manager and a team of national and international consultants gathered extensive information on tourism stakeholders and the environment in Kayah State and Myanmar, serving as the basis for the development of ITC's future interventions as outlined below.

Throughout the course of the Inclusive Tourism project, implementation was guided by a Project Steering Committee (PSC), chaired by the Ministry of Commerce (MoC) and composed of Ministry of Hotels and tourism (MoHT), the Union of Myanmar Tour Operators (UMTA), Myanmar Tourism Marketing (MTM), Kayah State authorities, and the Project Steering Group, i.e. high level representatives from CBI and ITC. The PSC provided strategic guidance for the project implementation and ensured a liaison with other development partner activities in the same sector.

### 4.1. Trade capacity of SMEs and local producers and service providers enhanced

#### 4.1.1. New local tourism product and service development

In order to place Kayah State on the tourism map, its potential for growth particularly in cultural and eco-tourism needed to be fully used by creating new tourism products and services in addition to the existing ones. Therefore, the first expected output of ITC's interventions in Kayah State was to increase the trade capacity of tourism and tourism-supply chain enterprises, community producers and services providers. In the following the performed activities will be outlined.

##### Study tours for Kayah State delegation

Initial research showed that there was a lack in knowledge and technical capacity regarding the delivery of tourism products and services in Kayah State, which meant that, at this stage, tourism stakeholders could not fulfil visitor satisfaction nor create economic benefits for the local community. Therefore, before the development of new tourism products and services could take place, it was necessary for the involved stakeholders to first experience and understand the performance standards they were expected to fulfil. This was achieved by organizing two study tours: one to Inle Lake in the neighbouring Shan State for industry associations, and one to the Mae Hong Son Province in Thailand for community leaders. Inle Lake is one of the highlights of tourism in Myanmar with a more advanced tourism offer. Mae Hong Son in Thailand has been a tourism destination for many years and showcases well managed CBT sites.

The study tours were implemented as follows:

1. Preliminary preparation visit: In order to provide a good match between the issues and challenges that participants of study tours are facing in Kayah State, and the expertise presented in the host destinations,

a preliminary preparation visit by the responsible ITC consultant to each of the two chosen destinations was organized to establish the study tour programme, shape the visits and engage in a meaningful exchange with the members.

2. Selection of participants: Individuals' demonstrated commitment to rethink and improve tourism offer in Kayah State was taken into account. Selected participants from the public and private sector were facing tourism management issues on a daily basis, yet from different perspectives. The mix of skills and experience facilitated discussions by highlighting the multifaceted aspects of tourism management and development. A total of 12 individuals coming from the government, Pan Pet and Hta Nee La Leh villages took part in the trip.

3. Design of the study tour: Trips were timed to take place during 5 days in May and August 2015 to benefit from low season prices and availability of tourism professionals. The responsible ITC expert and facilitator accompanied the tour and participants received a briefing before the start of the tour, providing them with necessary logistical and background information on the programme. A number of standard programme elements were combined to make up the content of the study trip such as practical and conceptual inputs, discussion and reflection, skill training, exchange and experience sharing as well as sightseeing. Practical input elements such as role-plays received a high level of importance, but the group of participants also held daily meetings to review findings and shared their views about applicability in Kayah State.

4. Reporting: Effective documentation during and after the trip of lessons learned, skills and knowledge obtained was important so as to contribute to the institutional learning process and make sure that key individuals that have not taken part in the study tour could also benefit.

The study tours were perceived to be a success due to the strong participation and the profound impact the tour had on Kayah community members and government representatives alike. Participants showed to be active learners and came to appreciate CBT even more after seeing its reality on the ground. It was evident that participants were more supportive of the cause after returning to Kayah State. Gained knowledge and lessons learned were largely implemented in the participant's respective realm of influence. A CBT group was established and membership increased. However, it was found that community members from Pan Pet village, who exhibit highly individualistic traits, were less willing to cooperate as a collective, and rather relied on independent operations and payment instead of trusting a CBT group president.

## **Development of Cultural Tourism Tours**

After new insights were gained during the study tours, this knowledge was used for the effective development of new tourism products and activities with an impact on local revenue generation and so as to improve the attractiveness of the destination and visitor satisfaction. This was particularly necessary because at the start of NTF III, poorly serviced tourism activities lead to negative influences on the communities' behaviour such as disturbance of the social fabric and rural-urban migration. It was recognized that as long as tourism services and products were developed in a responsible and sustainable way, the increasing demand from tourists for real experiences can serve as an extensive driver of income for remote communities as well as counteract currently observed negative trends and developments.

For this reason, throughout the course of the NTF III, four new cultural community tours in selected villages (1. Pan Pet, 2. Hta Nee La Leh, 3. Htay Kho, 4. Daw Ta Ma Gyi) within 1 - 2 hours drive from the state capital Loikaw were developed. For this, two international consultants with regional knowledge of South-East Asia have been contracted to deliver along a number of outcomes: to mobilize communities in two initially developed villages, to build the capacity of local service providers, to deliver input on market needs, give

insight into cultural tourism product development and to obtain market access to Yangon tour operators. This was achieved by performing the following activities:

1. Cultural Community Tour Baseline Study: An approach was prepared and desk research was conducted, taking into account the following key criteria when short-listing a number of villages where cultural tours could potentially take place:

- Attractive, living culture
- Attractive nature
- Potential to develop interesting, hands on activities
- Infrastructure (e.g. water, roads)
- Highlights, distinctive compared to other villages
- Accessibility and distance from Loikaw (under 2 hours)
- Experience in welcoming tourists / interest by tourists in the destination
- Access to support from organizations (MoHT, NGO's)
- Good cooperation between villagers
- Sensitivity (not too politically, culturally, environmentally sensitive)

2. Build up trust: After two initial villages, Pan Pet and Hta Nee La Leh, were chosen, it was crucial to build up trust with the local communities. This made it possible to identify 8 -10 individuals to be directly involved in the tourism project in each village. A close and trusted relationship with the villagers was imperative, since it was up to the community members to show and decide on the routes and places they were willing to show to tourists.

3. Community maps: Maps showing natural and cultural sites serving as a basis for cultural tourism and trekking routes were developed. Together with the national tourism association UMTA the chosen activities were short-listed and the development of those activities with high market value prioritized, taking into account the wishes and feedback of the local community.

4. Assessment capacity gaps: This was important so as to propose respective training interventions in areas such as tourism management, site development, food hygiene and guide training.

5. Capacity building activities: Based on the assessment of capacity gaps, it was decided to conduct a study tour to Shan State for selected community members (see previous chapter), after which a subsequent training on how to establish a CBT Club and how to run cultural tours was held: account books and the keeping of financial records were introduced and fixed prices set for the different components of the cultural tours. Local guides learned how to interpret cultural highlights with the so-called 3S approach (see chapter 4.1.2.), and hygiene and food preparation training (see chapter 4.1.2.), was given to households involved in meal provision. Cultural exchange media such as language sheets and flash cards with simple English-Kayah phrases and translation were introduced to shopkeepers to use as learning tool for facilitating host-guest interaction. This simple method proved successful in order to stimulate meaningful experiences for both the community and visitors. It helped to “break the ice” between the two parties and helped to prevent the all too often seen “picture-in-exchange-for-money” interaction between villagers and tourists

6. Community infrastructure: A community fund to receive 10% of the guides' salary for community expenses was set up. In one of the villages, a Tourism Community Centre was build from natural materials and a map for tourists designed and printed, showing all the cultural and natural highlights around the village.



**Figure 2:** Pan Pet Community Tourism Map - source: [www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

7. Pilot tours: Different stakeholders from Kayah and outside the region were taken on first pilot tours. Improvement followed on a continuous basis and new activities were added including walking trails and visits to culturally outstanding people (e.g. musicians, handicraft producers).

8. Promotional activities: Input for promotional material was collected, and several brochures and posters produced and distributed at the local info centre, hotels, restaurants and tour guides (see chapter 4.2.2.). A Facebook group was created and actively updated, and a TripAdvisor page set up. One-on-one meetings with Yangon tour operators were held to understand their target market's needs and wishes concerning the new cultural tours and so as to coach them on how to effectively market CBT (see chapter 4.1.3.).

In addition to the two initially established community tours, in the third year of NTF III, two more villages, Htay Kho and Daw Ta Ma Gyi, were developed and are currently running pilot tours. These communities were selected and set up through a highly participatory and inclusive process:

9. Interviews and field study: Stakeholders were interviewed to identify a number of potential new destinations of which five villages were short-listed. A field study and survey was conducted, leading up to the final selected villages.

10. Trainer of Trainees (ToT): The main difference to the previously set up tours, was that the new villages were developed using a ToT approach. In this approach a pool of interested public and private sector individuals were trained to autonomously develop the new cultural tours (see chapter 4.1.2.). As part of this concept, a study tour for representatives from the new communities was organized to the already set up villages to see their progress and learn from their experiences.

The long-term sustainability of the community based cultural tourism tours looks promising. Loikaw tour operators and licensed tour guides were involved during every step of cultural tourism development and are



in continuous contact with CBT groups in the villages. As NTF III comes to an end, the new products have been well received among respective industry associates. More than 10 families are directly involved in providing services to tourists in both the first and second village and many more villagers benefit indirectly from tourism. Enthusiasm in the newly set up villages is high. At least 30 tour operators in Yangon are promoting the new cultural tours, assuring a reliable flow of tourist visits. Lastly, a big success of the project has been the recent approval of the government to build infrastructure to one of the villages that is least connected. This village will soon enough have proper road access to the state capital Loikaw, running water and electricity.

Difficulties were experienced when working with communities with highly individualistic traits and internal disagreements. In such villages the processes were slowed down to match the mode of working of the villagers and more time was invested to build up a cohesive team to run cultural tourism tours. External factors such as serious water shortages in some villages and difficulties with tourism entry and crossing of the nearby Thai border complicated operations at times.

### Developing creative tourism activities

ITC recognized the demand for creative tourism activities for income generation in Loikaw. Nowadays tourists are looking for active participation and connection with local people. Creative tourism activities can be one way to provide the visitors with the opportunity to learn new skills and gain a sense of achievement while sharing this experience with the local community members. The following activities were developed:

Kayah Sausage Experience: a workshop to see and learn how to produce Kayah State's signature dish. Here, it was found that especially hygiene standards needed considerable improvement. A so-called Trainer cum Counsellor (TCC) (see chapter 4.1.2.) approach was applied including workshops and hands-on coaching for the service providers to transfer relevant knowledge and skills for safe food production, storage, packaging and hygiene. The restaurant owners recognized that obtaining such knowledge has important value on the job market, which thus was an incentive for them to participate in the project. While the restaurant had no shortage of local visitors at the time the intervention started, there were no international guests visiting the restaurant. Yet, the owners expressed their enthusiasm to engage with and learn about foreign visitors. According to ITC's local Kayah expert, this brings a sense of normality to the Loikaw population after decades of isolation and conflict.



**Figure 3:** Sausage Experience - source: [www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

Weaving Centre: Tourists can learn about the process of natural dyeing and traditional weaving in one of Loikaw's oldest locally owned weaving centres. ITC assisted the local owners to learn how to fulfil tourists' expectations, to put up English signs along the dyeing path, and to create a small souvenir shop where tourists can purchase products made in the weaving centre. Benefits are equally shared to improve the learning environment and materials for young trainees from vulnerable families and to create a Trainee Start-Up Fund, supporting graduates from the centre to start their own micro-business. The Weaving Centre states that as a result of tourists visiting, investment in the weaving centre were stimulated, quality of life as well as self-esteem of trainees was raised and traditional methods of natural dyeing techniques are kept alive.

Loikaw Ethnic Museum: Upon initial examination, it was found that the content of the museum lacks interpretation and does not engage visitors personally. Therefore, improvements aimed to make Kayah State's cultural heritage accessible to all while serving as a source of income for local producers. ITC helped to enhance the museum circuit with the opening of new exhibition areas. A photography competition was held to attract regional photographers. The winning pictures were put on display in a dedicated section in the museum. In addition, signs were translated into English, and an explanatory video for the museum, showing the museum's artifacts in their traditional use in the villages was shot and is currently being developed.

#### **4.1.2. Improving local supply chain for tourism industry**

It was found that poorly serviced accommodations and tour services negatively influenced the satisfaction of visitors and hence the value of the experience shared with friends, family or online. Therefore, ITC aimed to increase the attractiveness of the destination and visitor satisfaction by especially focussing on those products and services that had most constraining weaknesses for the sustainable development of tourism in Kayah State.

##### **Hospitality Business Development and Management training for hospitality sector**

Managers of restaurants and hotels in and around Loikaw received six training sessions over the course of one year on issues such as business, human resource, financial, supply chain and sustainability management. Classes were held by the principal of the regional vocational training center Inle Heritage. Throughout the course of the project, the Inclusive Tourism project took advantage of opportunities such as those to work closely with local partners for a more effective institutional learning process and to enlarge the network on a regional level.

##### **Food Quality and Hygiene Training for Kayah State operators**

Since the beginning of the project, numerous interventions were made in the direction of food quality and safety. Producers and regulators from Kayah State hotels, restaurants, bottle water companies and officials from the ministries were brought onto the same platform and trained on various hygiene issues based on the *Codex General Principles of Hygiene*. Several approaches were used:

1. Trainer cum Counsellor (TcC): To ensure continued implementation on hygiene in the food sector, interested local young people with appropriate background were selected to train hands-on in implementing and monitoring continued food hygiene. A pool of 10 trainee TcCs was formed from a group of students to work with interested partners from the producers. The TcC approach teaches professional skills to young people building professional offer in the field of food quality, hygiene and safety advisory, hence creating advisory job opportunities in an area of high demand.
2. Training food safety: Training sessions were carried out for hotels, restaurants, sausage and wine producers, bottled water manufacturers, people working the local vegetable market and meal providers



from two of the villages providing cultural tours. The latter furthermore received separate training from local chefs from one of Loikaw's most established hotels, who offered their help to the Inclusive Tourism project.

3. Follow-up TcC: After the completion of the training units, the trainee TcCs were set up to visit the participating food producers' facilities to regularly coach implementation of hygiene that was taught during the workshops. Follow-up hygiene trainings, cleaning, pest control, waste management and disposal programmes took place at each facility, personal hygiene policies were monitored and simple formats to record due diligence for the food producers were shown. The trainee TcCs also facilitated documentation of the recipes and the modification of the present menu cards to educate the producers and customers on allergens.

The project intervention has resulted in the cleaning and maintaining of proper house keeping in the existing facilities, the design of posters for fresh market shops and restaurants as well as a booklet on hygiene. Considerable improvements have been observed in the sealing of water bottles, the packaging of sausages, storage of maturing wine, and hence better control of the fermentation process. Positive feedback has been received from tourists and visitors concerning the quality and taste of food offered in the various establishments, and especially the home-cooked meals in the villages.

### **Ground-handler and community guide training**

With the improved access to information on tourist destinations for international visitors, tourist guides face more and more challenges getting business and in fulfilling visitors' expectations. Behaviour and attitude, fluency in at least one foreign language and a complete knowledge of local context are necessary prerequisites for the satisfaction of customers. Hence, the need arose for ground-handlers and community guides in Kayah State to attain more knowledge and understanding of the quality standards, tourist expectations and responsible guiding. This was achieved through:

3S approach (Safety, Story, Service): This approach was introduced during the study tour to Shan State (see chapter 4.1.1.). During continuing training and pilot tours, the community guides had the chance to internalize this approach, especially practicing proper communication and *Story telling* on selected interpretation points, which was an aspect that needed considerable improvement.

Training of Trainers (ToT): This concept was first applied when developing the two additional villages, Htay Kho and Daw Ta Ma Gyi, after the first two had been successfully set up and running. A group of 20 committed trainees, including a wide range of public and private sector stakeholders such as local MoHT staff, Loikaw tour operators, tour guides, hotel staff, community members and students from Loikaw University were trained to autonomously develop new tours and activities in two more villages. This was done to facilitate the long-term sustainability of CBT, transferring ownership and tools of developing cultural tours to the local population. Beyond the development of the new destinations, an equally important and desirable outcome was that, after the project ends, public and private sector stakeholders in Loikaw are able to replicate the procedure of setting up cultural tourism tours in additional villages and maintain it in those villages where cultural tourism tours have been established under the project. Based on what has worked well during the past, the main steps of the ToT included:

- Systematic surveying, short-listing and selecting of new Kayah communities
- Increasing understanding of tourism and commitment through introductory workshops (e.g. what is tourism?, what is community based/cultural tourism?)
- A study tour for the communities to experience community based cultural tourism
- Community studies to identify key community resources, potentials and weaknesses
- Consultation with Yangon tour operators to short-list and prioritize potential activities, so that the

- new activities are also developed based on market demand
- Product development and training for local community guides and service providers
- Capacity building in management, bookings and community fund
- Product testing and feedback by tour operators

Other tools that the trainees were introduced to included external and internal village mapping, history timeline and the compiling of a monthly, agricultural calendar, which can help to manage time and human resources according to availability.

3-day study tour to Yangon: A delegation from the Kayah State tourism industry including Loikaw tour operators, tourist guides and community representatives visited several tourism organizations and businesses in Yangon to broaden their knowledge about Myanmar's tourism industry. The programme provided them with new insights into the tour operating business, especially how to improve marketing, and strengthened cooperation between Yangon tour operators, ground-handlers and communities. The implementation of sustainability best practices along the tourism value chain was one of the central themes of the study tour.

The successful results of the ToT approach confirmed the high value of this concept. Attendance was high and enthusiasm could especially be perceived among young student participants. Ground-handlers made commendable efforts to work with the community members, to build trust and assist during and after the trainings.

Difficulties were experienced concerning obtaining permits from authorities for entry to some villages, but constant dialogue with the local Government could ease this constraint. Furthermore, while the 3S approach (story, service and safety) helped the community guides to become more confident and secure in delivering their services to tourists, it was observed that it takes considerable time and experience improve the *Story* aspect of the training. This process is further slowed down by the fact that translation is needed from the local language into English and possibly into a third language depending on the tour group's origin. As a result, feedback from tourists showed that some of them perceived the cultural tours as lengthy and that more in-depth information should be provided in the future. However, considerable improvement has already been observed and will naturally expedite as guides collect more experience and confidence in working with tourists.

### **Craft development**

Handicraft production is a labour-intensive industry, and hence an important area of job creation in the informal sector, especially offering employment opportunities to women, ethnic minorities and raw material producers. Additional income can be gained from household-related handicraft production, since tourists spend significant amounts of money on souvenirs and other crafts. Traditional crafts and production skills can be preserved and young people trained in techniques that would otherwise get lost. The following steps were taking to improve the handicraft sector in Kayah State:

1. Demand research: It was essential to find out what visitors to Kayah State expect with regards to souvenirs and craft production. It was found that there was a low perception of the availability of locally made souvenirs, which highlighted the necessity to look for other products than those at displayed in most Loikaw souvenir shops, especially such with none-imported raw materials and low environmental impact. Generally speaking it was seen that international tourists were under-spending on local souvenirs and crafts products, which constituted as a major missed opportunity for local income generation.

2. Consultation souvenir expert: An experienced souvenir consultant initiated the identification of

opportunities and capacities for product development by looking at local know-how and existing hand-made products. Advisory services were provided to local producers including souvenir and wooden craft shops, weaving centres and craft producers in the villages that run cultural tourism tours.

3. Sample production: Producers were advised to start the production of samples, taking into account the concept of co-creating as a way to multiply product ideas. Subsequently, developed samples were displayed at a Yangon gift shop, in order to test their attractiveness to potential international clients.

4. Training: was given in quality, business management and production once feedback on attractiveness had been received. Producers received help to improve the display and presentation of created products to tourists including design of explanatory boards in a participatory way.

5. Craft competition: to encourage local souvenir and handicraft producers to work on their designs and quality of products, and to find more items that could possibly be of interest to tourists. Apart from a monetary reward for the winners, the best pieces were used to create awareness for Kayah State traditional crafts, amongst others by displaying them in the Loikaw Ethnic Museum. Possibilities for production were explored.



**Figure 4:** Craft workshops - source: [www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

#### 4.1.3. Creating export marketing capacity among selected Yangon tour operators

This component of the Inclusive Tourism project was carried out in close collaboration with CBI, which started its Export Coaching Program with 15 selected small and medium-sized Yangon tour operators under its *Sustainable Tourism Development* project in 2013. The training and coaching activities were designed to

enhance export skills, diversify the tourism products and to ensure a more sustainable supply chain with focus on successfully integrating the tour operators into the European market<sup>14</sup>. This approach was replicated and extended with a larger group of tour operators by ITC during its tour operator training and coaching activities in 2015. The same CBI experts were consulted to conduct the initiative.

### **Tour Operator Baseline Assessment**

Tour operators in Yangon identified through a tender process following a range of selection criteria, were assessed with one-to-one visits on their potential to offer their services to the European markets and to include Kayah State into their product portfolio. This was a prerequisite since the improved export marketing capacity gained by those tour operators should contribute to an enhanced market connection for Kayah State.

The baseline assessment was conducted along the following steps: Data was collected from application forms containing over 100 questions as well as from a baseline survey, both to be filled in by the 21 tour operators that were selected for the two-year coaching programme. Subsequently, one-on-one interviews were held in Yangon to collect missing information, clarify the purpose of the project for the tour operators before the official start of the EXPRO training sessions (explanation next section).

The tour operator baseline assessment helped to create clear company profiles of the participating tour operators including background, professionalism, readiness for exporting, motivations, knowledge about Kayah State and willingness to further develop tourism in the region.

### **On-site & distant training and coaching**

The on-site training started with the Export Promotion “EXPRO Marketing” Training”. Tour operators were made familiar with the creation of an Export Marketing Plan (EMP), which they had to produce with continuous on-site and distant coaching. Follow-up workshops were held, among others focussing on the following aspects:

- Website EXPRO training for website enhancement and online marketing
- EMP and Export Strategy
- Tourism marketing and branding
- Mastering Assertive Performance (MAP) training
- Human Research in tourism
- Travelife Sustainability for Tour Operators

The latter *Travelife-Sustainability for Tour Operators* workshop was of particular importance, since for the majority of participants sustainability was a relatively new concept. The Travelife sustainability scan was made available for all participants to determine where companies stood in terms of sustainability achievements. In addition, distant guidance took place via Skype, email and Facebook. Tour operators were encouraged to reach out to the experts whenever they had questions or to obtain market information and research data.

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<sup>14</sup> CBI Ministry of Foreign Affairs. (2015). *CBI's Sustainable Tourism Development project Myanmar*. The Hague.

In total 15 tour operators completed the two-year training. Six dropped out due to non-completion of the EMP, which was a prerequisite to receive long-term coaching. Throughout the process it was imperative to build up a close relationship with each of the tour operators, since in the beginning not all of them felt confident to share their company's information, and there was a lack of overall understanding of the purpose and goal of the training sessions. Over time, 15 tour operators remained that were truly committed and considerable results with them have been achieved.

### **Peer coaching**

ITC set up a Tour Operator Peer Coaching facility, to which actually 14 peer coaches actively participate. Their motivation is to give on knowledge that they have received from the ITC Export Promotion training and coaching to their peers. ITC facilitated the first peer coaching sessions, and has then slowly reduced its inputs to make the initiative self-sustainable.

To identify such potential local coaches, an application form was developed and help was requested from Myanmar's national tourism associations MTM and UMTA. Most of the coaches who applied were active managers of travel companies. Coaches' qualification and expertise was tested with a knowledge matrix. Coaches were supported with additional training materials including manuals and power points. Peer coaches provided help with completing the EMP, and gave training about other topics such as

- Myanmar Tourism Master Plan and product development
- Marketing & Services
- Online Marketing & SEO
- Building relations with outbound partners
- Human Resource Development
- Price Calculations
- Tour guiding & tour operating

The peer to peer coaching was perceived a success, since collaboration went smooth and participation was high. It was recognized that it is remarkable and unique in Myanmar that professionals still active in the industry were willing to support their peers, who at the same time are in fact their competitors in specific areas.

### **Support with participation to tourist trade fairs**

So as to enlarge the tour operators' international network, they were encouraged to participate in international travel trade fairs. Trade fairs offer an extensive platform to connect with other tourism professionals and to forge vital business connections; in the case of the Yangon tour operators in particular with international, outbound tour operators that are interested in sending European clients to Myanmar. The following activities were performed in relation to travel trade fairs:

1. Additional training sessions for those interested in participating in the WTM in London in 2016 and/or the ITB in Berlin in 2016/2017. They were taught how to conduct proper market research for the German speaking countries, do's and don't's at the fair and how to develop a product portfolio
2. ITB Training Manual about successful fair participation and a separate "Elevator Pitch" Manual were developed, which was crucial since many tour operators were struggling to present themselves and their companies in an effective manner to potential partners



3. Preparation of a product portfolio was encouraged as a marketing tool for tour operators during B2B meetings.

4. Selection of partners took place from a list with European-based outbound tour operators, travel agents and DMOs that was shared with the participants. Here, they could practice to conduct research about potential partners and make appropriate selections according to their needs.

5. Meetings at the conventions/B2B were arranged with and for the tour operators, and events held to present the newly developed Kayah State product.

6. Kayah Sales Session was held beforehand to properly instruct the tour operators to professionally sell the Kayah product to their European outbound counterparts. If tour operators wanted to sell the Kayah State product to overseas partners, they already had to include it into their portfolio before the trade fair. In the case where the international tour operator expressed the wish to adjust certain components of the programme, the inbound tour operators in cooperation with the Kayah experts could make changes to the final itinerary.

7. Stand design: Developed in close collaboration with MTM for an integrated presentation with matching promotional material (see chapter 4.2.2.).



**Figure 5:** Myanmar stand ITB Berlin - source: [www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

### **FAM trip for Yangon tour operators and press to Kayah State**

The organization of a four-day FAM trip for Yangon tour operators and press to Loikaw, state capital of Kayah State, was an important event to promote the new tourism products and services in the region and to explore joint investment opportunities with tour operators. Such a trip was perceived as necessary since past

experience showed that tour operators are not always keen to include a new, untested product into their portfolio unless they are fully convinced of its added value and success.

55 participants were invited to visit the Inclusive Tourism project in Kayah State to get a first-hand impression of the reality on ground. Invitations were sent out to companies participating in the ITC and CBI coaching programme as well as additional Myanmar inbound agents and DMCs. Since interest in the trip was high, a limit of 55 participants was set, giving priority to those companies that participated in the coaching programme (detailed on p). A week before the FAM trip, consultants and experts arrived to Loikaw to prepare the local communities for the upcoming visitors and to make sure the cultural tours will run smoothly. In order to avoid big crowds in the small villages, participants were divided into two smaller groups and accompanied by a total of six ITC field staff and consultants. Participants also took part in the creative experiences developed around Loikaw (weaving center and Loikaw Ethnic Museum) and at the end of the trip, a “needs and offer” session was held in form of a discussion about pressing issues such as water and electricity shortage, lack of language skills and similar. Tour companies were invited to place an offer that could in one way or the other help to improve the Kayah State tourism industry. As a result, many participants proposed to make a financial donation and/or offer skills training and support for education. In order to monitor the satisfaction of the FAM trip, all participants filled in a feedback survey concerning the single components of the trip. The results of this survey were used to further improve the creative and cultural activities within the next months.

The FAM trip was considered a success, not only because of the overall positive feedback of the participants, but also because many of them were seeking to engage through social and environmental work in the ITC target communities. In addition, many tour operators followed up with ITC experts after the FAM trip to include the Kayah State product into their portfolio. More than 30 tour operators are currently running trips to Kayah State.

Difficulties were experienced when, shortly before the start of the FAM trip, it was observed that some community members in Pan Pet, one of the villages, started to charge an entrance fee to the villages, which was presented as a community fund but in fact only paid incentives to people collecting the entrance fee. Unforeseen issues as these consumed additional time and created mistrust among the villagers. The conflict was later on resolved with the local authorities and community committee.

#### **4.1.4. Promoting Kayah State as a tourist destination**

##### **Creation of promotional video and Sales Manual for Tour Operators for Kayah State**

During the FAM trip a promotional video for Kayah State was shot by the ITC video team that took part in the trip. The video was first screened at the ITB 2016 trade fair and at many other trade fairs and promotional events thereafter. It has been awarded with a “Nominee for the Grand Prix CIFFT” for the best tourism promotion film of the year at the *International Committee of Tourism Film Festivals* in 2017. The video can be found here: <https://www.youtube.com/watch?v=D38x2WKf4>

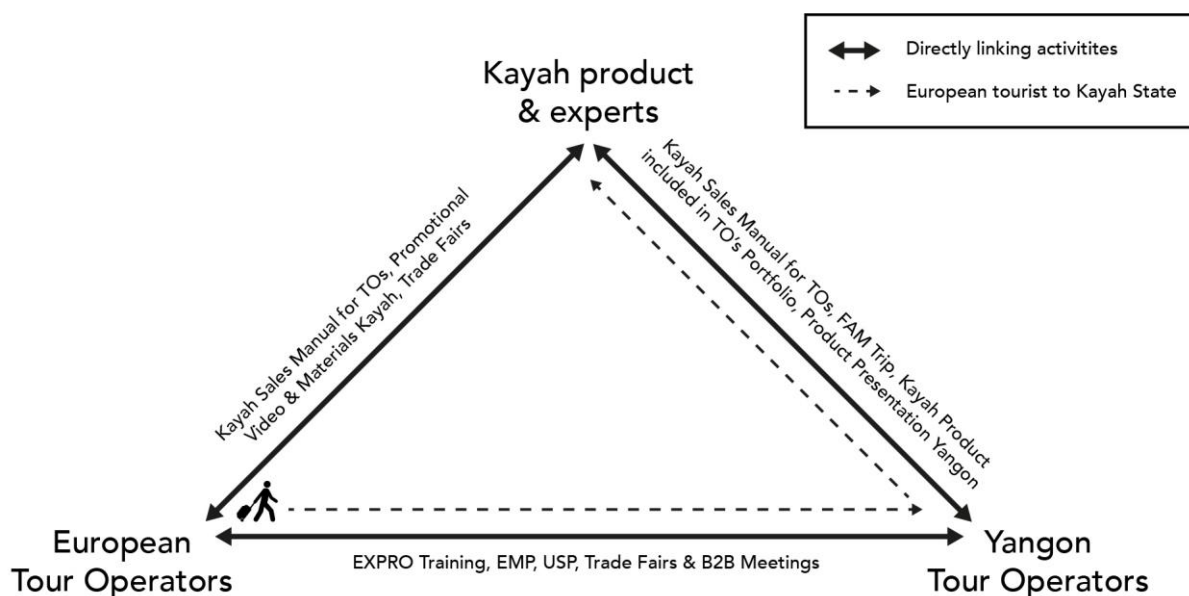
Secondly, a manual for tour operators has been created before the ITB in Berlin, providing information and contact details of service providers and activities in Kayah State for tour operators that consider offering Kayah State. This Sales Manual was sent out to respective stakeholders, and was used as a B2B resource at international trade fairs. Other promotional materials were created such as leaflets, posters and brochures (see chapter 4.2.2.).

By creating such B2B material promoting Kayah State, ITC aimed to establish a direct information link between the newly created product and international, outbound tour operators in particular. The advantage of this approach is further detailed in the next paragraph.

### Strengthening linkages with international outbound tour operators

Strengthened linkages with international outbound tour operators are a direct outcome of the previously explained components under chapter 4.1.3. *Creating export marketing capacity among selected Yangon Tour Operators*. However, on top of enhancing connections between outbound and inbound tour operators, ITC also directly informed and raised awareness about Kayah State with international outbound tour operators, using the strategic approach as explained below.

Following a “triangle approach”, European outbound tour operators (1) were linked with selected Yangon-based tour operators (2), while both being connected to the Kayah State product and experts (3). This can be seen in *Figure 6*.



**Figure 6:** Linking Kayah State to the European market

This concept was developed by the European Centre for Ecological and Agricultural Tourism (ECEAT), which had developed similar approaches over the course of 20 years, and hence successfully established direct links between development projects and the European tourism market. The unique feature of the applied model is that it complements the normal supply chain approach (in which the tourism product is brought to the outbound tour operator via its inbound counterpart) with an additional, direct link from the developed tourism product and its experts to the international, outbound tour operator. In this way the product is pushed to the market by simply informing and raising awareness. At the same time, this approach does not interfere with the tour operator's business endeavors or relations with their outbound partners. Though, this additional link is especially useful at times when the inbound tour operator is not willing or capable to promote the locally developed tourism product in a way that is most beneficial. Hence, by directly establishing an information link between outbound tour operators and local product experts, the process of bringing the tourism product to the international market is facilitated.



This theory was turned into praxis by creating a Kayah State promotional video and sales manual (see chapter 4.1.4.) as well as officially launching Kayah State as a new tourist destination at the *Internationale Tourismus-Börse* (ITB) and the *World Travel Market* (WTM) in 2016 with stage events and a dedicated conference on tourism in ethnic minority villages. Against this background, ITC organized a Kayah destination promotion event and facilitated three days of B2B meetings. Kayah State was presented to more than 20 international tour operators and members of the media through individual meetings.

ITC recognized the added value of the above-described approach and the collaboration with ECEAT, not the least because ECEAT could draw on an extensive network of trusted relationships with outbound European tour operators. While similar concepts had been implemented by ECEAT in other tourism destinations, the Inclusive Tourism project in Myanmar was the first one to operate on such large scale, according to ECEAT experts.

## **4.2. Strengthening of tourism related associations in Kayah State and Yangon**

### **4.2.1. Capacity Building state associations**

#### **Identifying and assessing capacity of existing associations**

Before the official start of the Inclusive Tourism project in Myanmar, ITC consultants and local experts conducted an opportunity study and stakeholder analysis of Kayah State to identify and assess the state associations related to tourism. At that time, associations existed for hotels, restaurants, guides and transportation. Those associations were set up only shortly before the start of NTF III on request of the central government. It was found that none of the recently established state-level associations had a clear mandate or defined objectives, and that many members were currently inactive.

#### **Strengthening local tourism-related associations**

As part of an innovative public-private partnership model, ITC helped to strengthen local tourism-related associations to facilitate a dialogue and self-sustaining operations. Functioning associations are important so as to assure that all players in the local tourism supply chain have a voice, which helps to promote and advance the tourism industry overall. Therefore, the following steps for association capacity building were taken:

1. Workshops for sector development support services were provided to association members. A strategic plan for each association was established by aligning objectives and learning from reports such as the *MoHT Tourism Master Plan 2013 – 2020* and *Republic of the Union of Myanmar Responsible Tourism Policy*. Questions such as “What are associations?” and “Who are the members and duties/activities?” were dealt with and support for the effective implementation of association activities was provided.
2. Study tour to Yangon in collaboration with Transport association was organized to broaden their knowledge about Myanmar’s tourism industry and to facilitate business linkages with Yangon tour operators (see chapter 4.1.2.)
3. Attempt to establish a night market with Restaurant association was made and a business plan was developed, as example on how to develop a joint project. However, due to internal friction within the association, this was postponed until further notice. The Municipality took over the idea and has now established the night market itself.



**Figure 7:** Association workshop at ITC office Loikaw - source: [www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

While much progress was made given the fact that associations have only been set up shortly before the start of NTF III, internal discrepancies among the associations hampered the overall effectiveness of the trainings and workshops. Knowledge provided by a short-term consultant that travelled to Kayah State every other month, could not always be retained or put into use by the associations. It was found that expertise knowledge had to be presented in a simplistic way and that more time and in-depth effort is needed to strengthen the work of the associations in the future.

#### 4.2.2. Capacity Building national associations

##### Identifying and assessing capacity of existing associations

During two missions to Myanmar, a team of national and international consultants visited two national tourism associations for assessment, but also to present the project's objectives and outcome of the situational analysis, and to allow attendees to debate and validate the findings. The first membership organization was the *Union of Myanmar Travel Association (UMTA)*, which is the principal association for organizing the private sector travel agencies, tour operators, and travel related businesses. The second association was the *Myanmar Travel Association (MTM)*, a membership organization acting as the national marketing branch and uniting tour operators, airlines and hotels. Its main functions are the dissemination of information to promote Myanmar as a tourism destination, the participation in national and international tourism events as well as cooperation with international tourism bodies. While there were many other smaller associations, MTM and UMTA were identified as the main future collaborating partners for ITC.

##### Collaboration with UMTA & MTM for capacity building activities for Tour Operators

ITC worked in close collaboration with UMTA and MTM to identify and select local coaches for the tour operator peer to peer training (see chapter 4.1.3.) UMTA and MTM were the main partners for the EXPRO training model to create a sector-wide understanding of tourism demand in Europe and how to access it. The

UMTA office located in Yangon was used to hold regular training sessions with selected Yangon tour operators.

### Training for MTM staff on production of marketing material

After developing Marketing and Branding guidelines for a national tourism marketing strategy (see chapter 4.3.2.), ITC marketing experts followed up to train staff from MTM during practical seminars. New tools and templates for proper use of the new branding guidelines were introduced and technical assistance for the maintenance of the official website given. Kayah State promotion material was produced and aligned with the developed branding guidelines and matching promotional material for the cultural tours and creative activities in the region. A map of the state capital Loikaw was designed, highlighting tourism sites and other points of interest. A concept including adds of local Hotels and Restaurants was developed and applied to make the map self-sustainable.

The fact that MTM relied on volunteer staff and little budget for operations, presented a challenge to the work in capacity building and technical support. It took sustained effort to fully integrate the newly developed branding guidelines and promotion material in MTM practices and usage. It was decided with MTM at the end of the project that they would outsource the technical preparation of M&B material, and training was provided to enable MTM to understand the guidelines and follow up with the outsourcing company.



**Figure 8:** Promotional Material Myanmar – source: [www.facebook.com/groups/Kayahinclusivetourism](https://www.facebook.com/groups/Kayahinclusivetourism)

### Collaboration with UMTA Sustainability Working Group for the development of Codes of Conduct

In order for tourism growth to follow a sustainable path, both demand and supply side actors have to adopt responsible behavior. Especially in the face of the unsustainable practices applied in highly visited tourist regions around Myanmar and the resulting loss of social fabric, the necessity arose to push for sustainable tourism practices in regions with ethnic minorities such as the one in Kayah State.

In order to assure sustainable tourism behavior from the beginning, ITC worked with its partners to create sets of Code of Conducts (CoC) respectively for visitors, tourism professionals and local communities. This was done in close collaboration with CBI's parallel tourism project component on sustainability standards. Joint workshops were held for UMTA in the framework of its *Sustainability Working Group* in which the proposed CoCs were presented and discussed. Subsequently, collective agreements from all sides were drawn up as a basis for the development of CoC. CoCs have been officially approved by MoHT in a launching event under NTF III, under a second phase (NTF IV), these manuals will be introduced during capacity

building sessions with industry associations, communities and government officials and translated into appealing posters and brochures to raise awareness for responsible tourism development.

## **4.3. Strengthening capacities of state and national government**

### **4.3.1. Assisting MoHT state branch**

#### **Facilitate establishment and operationalization of the Kayah Public Private Dialogue Platform**

The MoHT state branch was opened shortly before the start of the Inclusive Tourism initiative. The branch follows the policies of the MoHT national branch and is fulfilling tasks such as organizing licenses for tourism associations, the construction of hotels as well as providing tourism stakeholders with support on how to comply with hotel standards and other policies. The MoHT state branch is facilitating tourism planning and the implementation of destination-level projects and activities.

However, given the lack of tourism experience by public and private actors in Kayah State, MoHT received support from ITC to strengthen its ability to mainstream tourism planning into local governance structures. ITC trained local MoHT staff in engaging in public-private partnerships including support of new tourism and tourism-related associations (see chapter 4.2.1.) to support local SMEs and to help enterprises and community producers in linking their products to the tourism market. In order to assure proper communication between the public and private sector, the KPPDP was set up to hold meetings every other month. Such meetings are attended by representatives of the MoHT and MoC, all local associations, the Kayah tourist police and representatives of ITC, with the objective to facilitate dialogue and maintain good relations, to give updates on tourism activities in the region, discuss priorities and gather information on tourism development.

#### **Training for data collection, interpretation and dissemination of tourism arrivals in Kayah State**

When assessing local and national tourism associations and government branches, it became clear that there was a general lack of reliable data and statistics about tourism in Kayah State. Such information, however, is imperative for effective decision making in the public and private sector.

Therefore, ITC, jointly with the UNWTO, provided training in data collection, interpretation and dissemination on tourist arrival, trends, spending patterns and expectations for MoHT state and national level. This enabled the MoHT to produce valid and reliable tourism information (such as annual statistical reports), which contribute to an enhanced strategic decision-making process. The joint ITC-UNWTO workshops on System of Tourism Statistics held in Myanmar's capital Naypyitaw and in Loikaw laid the foundation for a more sophisticated system of tourism statistics in the country. Statistics can moreover be shared with the private sector and other stakeholders, in this way further improving the Kayah State tourism sector.

### Training for MoHT Info Centre and liaise with Community Tourism Clubs

To assure sustainability and help coordinating between the communities, ground-handlers and guides, ITC worked with the MoHT state branch to develop a new Loikaw Tourism Information Centre. Training for several MoHT staff members was provided on how to inform tourists and present the new cultural tourism tours. In this way, the information center, located at Loikaw airport, not only provides info to tourists but also ensures that more ground-handlers and guides use local CBT services. Moreover, MoHT staff was given the responsibility to directly visit the CBT villages, meet with the local coordinators of the Community Tourism Clubs, collect data on the numbers of the visiting tourists, income of community members from tourism and similar. This mechanism called “Check In” backstops CBT communities and gathers data to facilitate monitoring and planning of further developments.

It was seen that the MoHT state government is committed to improve services for the local population, which was successfully facilitated with the set up of the Loikaw info center and liaising with the Community Tourism Clubs.

**Figure 9:** Loikaw Airport Tourism Info Centre – source: [www.facebook.com/groups/Kayahinclusivetourism](http://www.facebook.com/groups/Kayahinclusivetourism)



### 4.3.2. Assisting MoHT national branch

#### Strengthening of national tourism statistics

The MoHT together with the MoC are the main counterparts for any export-oriented tourism project in Myanmar. MoHT is the government's designated agency tasked with guiding the development of the tourism sector and coordinating activities among other ministries and associations. The ministry is responsible for the systematic development of the tourism industry including the vetting of investments in the accommodation and tour services subsectors, and sets out requirements for tourism enterprise registration and classification. The ministry also coordinates with relevant government departments for licensing fee settings, duties and taxes related to the hotel and tourism industry.

#### Support partners to develop and implement a marketing and branding strategy

Marketing and Branding guidelines were developed by a Yangon-based marketing and branding agency including templates for promotional material, brochures, posters, website and trade fair stand design. Further training seminars for MoHT officials and MTM staff were held for better understanding on how to develop marketing and branding guidelines and vision, and how to produce and continually update national marketing and branding.

#### Three Sets Code of Conducts for tourists, communities and tour operators

In order for tourism growth to follow a sustainable path, both demand and supply side actors in Myanmar have to adopt responsible behavior. Unsustainable tourism practices, especially in regions visited by high



numbers of tourists such as Bagan, have already taken their toll on the social fabric and environment in Myanmar.

This is why ITC saw the necessity to facilitate the release of three sets of Code of Conducts (CoC) respectively for visitors, tourism professionals and local communities, in collaboration with the MoHT and UMTA *Sustainability Working Group* (see chapter 4.2.2.).

**1. CoC for visitors:** Such a tool already existed for visitors in form of a comic brochure with “DOs and DON'Ts for Tourists”, organized by the MoHT and the *Hanns Seidel Foundation* in 2012. However ITC found that environmental and ethnic community visit issues were not specifically mentioned in there. This was brought to the attention of the MoHT and a revised version has been developed with the assistance of Tourism Transparency A specific CoC for visiting ethnic communities will follow under NTF IV, aimed at the more and more common FIT.

**2. CoC for Tourism Professionals:** Practical tools and guidelines did not yet exist for tourism professionals. Therefore, the government's responsible tourism policy needed to be translated into practical terms and activities for local actors to change unsustainable practices. At national level, this was done by creating CoCs for tour operators along the following steps:

- Literature review on CoC worldwide and summary of most applicable points in Myanmar
- Draft version of the CoC for tour operators created in close collaboration with CBI and Travelife certification system for Tour Operators
- Presentation of draft to UMTA, Myanmar and Kayah tour operators
- Collective agreement of stakeholders and finalization of the CoC (see chapter 4.2.2.)

The final CoC manual included guidelines on environmental sustainability, socio-cultural values, economic aspects as well as related internal management best practices.

**3. CoC for local communities:** It was found that for local communities the traditional CoC approach was not applicable, since behavioral changes in remote areas are unlikely to come without deeper appropriation of concepts by its users. Therefore, after creating the CoC, focus will be given to the most suitable and effective distribution method. ITC experts proposed to convey the message by means of short and entertaining visuals/audios that could be channeled via community radios, religious ceremonies or cartoons. Community tourism committees can also play a vital role in familiarizing the local population with the new standards. Eventually, such CoC for communities can facilitate the use of tourism as a catalyst for the protection of biodiversity and to meet the needs of the community such as better access to water or to counteract illegal activities.

## Section 5 Replication Guidelines and Lessons Learned

This section of the report is especially aimed at institutions, professionals and experts that seek to replicate or learn from the Inclusive Tourism approach as it was implemented by ITC in Myanmar. It will briefly be outlined what kind of environment is best suited for the Inclusive Tourism approach, which prerequisites need to be given for the approach to be successful and which components need to be prioritized. In addition, since the Inclusive Tourism project focussing on Kayah State is considered an important case study and stakeholders such as the Myanmar MoHT have expressed their wish to disseminate knowledge from this intervention, this chapter will outline several concrete examples of valuable lessons learned, especially focussing on challenges and pitfalls that occurred during the implementation of NTF III.

### 5.1. When is the Inclusive Tourism approach best suited?

While Inclusive Tourism accounts for on of the newest approaches used by international institutions and organizations to fight poverty and inequality, not every environment is suited to yield desirable results. Although Inclusive Tourism is still in its infancy and large-scale analysis and evaluation has yet to take place in upcoming decades, several general claims can be made about the environment and preconditions that need to exist for Inclusive Tourism to be successful:

#### Sufficient time and resources

Since Inclusive Tourism in its essence is a large-scale endeavour, given the fact that it ought to be inclusive of a broad array of stakeholders, sufficient time and financial resources need to be at hand. In the case of the Inclusive Tourism project in Kayah State, it can be concluded that four years and the allocated funding of USD 1,9 million have achieved much, however that it is not enough to make the tourism sector in Kayah State self-sufficient. It will hence require more time and financial investment in the upcoming four years under NTF IV so as to adequately strengthen and support the local and national tourism industry. Such a costly, long-term commitment should be considered with due diligence before planning to invest in Inclusive Tourism.

Lastly, it should also be mentioned that prioritization according to preconditioned budget can be a critical factor for success. While it is important to allocate more or less the same amount of budget to product development and product marketing, strengthening local and national institutions can be a component of subordinate importance. As a general indication, the financial resources may be split as the following:

	%
Product development	40
Product marketing & trade promotion	40
Institution strengthening	20

Here it should be kept in mind, that if the overall budget is significantly lower than the one spend on the ITC project focussing on Kayah State, components such as institution strengthening might be left out entirely in favour of other more important aspects, like product development and market linkages. This may especially be the case in countries that already have strong institutional structures in place.

However, if not enough time and resources are available, other approaches to tourism might be more suitable and yield better results than Inclusive Tourism. A smaller yet successfully implemented project that may serve as an example, is the so-called Community Involved Tourism Project in the Pa-O Region in Myanmar, which has received the TO DO! Award from the Institution for Tourism and Development in 2017. This project has multiple overlaps with ITC's Inclusive Tourism approach on a product development and marketing level, but operates on a smaller scale and with less financial resources available.<sup>15</sup>

### **Strong institutions and governance**

External factors and conditions in any chosen destination or country should be favourable for the development of Inclusive Tourism, which hence need careful analysis before the start of the project. As mentioned above, strong governance institutions, structures and a "level political playing field that facilitates the full participation of those less well off"<sup>16</sup> significantly contribute to the success of Inclusive Tourism. Weakness in structural governance was also found to restrict opportunities for inclusive growth, since a lack of governmental involvement usually excludes small business owners while favouring large tourism businesses and elite networks with close ties to government officials and institutions. Such evidence is furthermore backed up by literature; in reference to tourism development in Vietnam, "government indifference and corruption, lack of involvement of locals in planning and the fact that most promoters of tourism tend to be large non-local concerns"<sup>17</sup> constituted for additional challenges to Inclusive Tourism in the region.

In the case of Myanmar – a country that only recently opened its doors to tourism - the collaboration with the MoHT, MoC as well as local associations has contributed to the strengthening and shaping of the tourism sector towards greater sustainability. Hence, transparent governance and strategic policy-making towards Inclusive Tourism at a regional and national level of a destination, at best embedded in an inclusive growth strategy, are highly beneficial for the success of any such project. However, to a limited extend and only with the support of respective governmental partners, Inclusive Tourism can also contribute to the strengthening of institutional structures, in that way creating a more favourable environment for Inclusive Tourism to evolve.

### **Suitable socio-cultural environment**

Replicating the Inclusive Tourism approach elsewhere and under different environmental circumstances might require the adjustment and re-evaluation of some components and practices within the outlined methodology. Looking at the socio-cultural environment, in the case of Myanmar - a destination that has experienced conflict and isolation from the international community for over five decades - it was necessary to adjust and significantly simplify some of the developed default processes in order to fit the Myanmar context. While it was observed that a united community and a solid socio-cultural fabric on a local level were benefitting the development of tourism products, Inclusive Tourism can also make a significant contribution in environments that have been ridden by internal conflicts in the past. This has not only become evident in Kayah State, but also when looking at another case study; the development of Inclusive Tourism in Dullstroom, South Africa, where the tourism industry largely carried the legacy of apartheid, led to "greater

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<sup>15</sup> Warth, H. (2017). Award Rationale: Community Involved Tourism Pa-O Region in Myanmar. Institute for Tourism and Development.

<sup>16</sup> Hampton, M., Jeyacheya, J., & Hong Long, P. (2017). Can Tourism Promote Inclusive Growth? Supply Chains, Ownership and Employment in Ha Long Bay, Vietnam. *The Journal of Development Studies*. p.5

<sup>17</sup> Sunkil, W., Butler, R. and Airey, D. (2010) Implications of political change on national park operations: doi moi and tourism to Vietnam's national parks. *Journal of Ecotourism*, 9, 201-218. p. 206



participation of marginalized communities in tourism production, [...] in particular of black women.”<sup>18</sup>

Conclusively, Inclusive Tourism can be a powerful vehicle to extend social and economic benefits beyond a narrow and exclusive group of profiteers, as well as promote collaboration and a more positive, interconnected environment. Therefore, in order to find out whether Inclusive Tourism can make a real impact, external circumstances such as the ones mentioned above should be kept in mind, and, if necessary, processes adjusted with due diligence.

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<sup>18</sup> Butler, G., & Rogerson, C. (2016). Inclusive local tourism development in South Africa: Evidence from Dullstroom. *Local Economy*, 31 (1-2), 264-281. p. 277

## 5.2. Lessons Learned: Setting up Kayah community-based cultural tours and activities

**Rationale:** It was observed that villages exhibiting a **strong unity** among its members were better fit to set up cultural tourism tours than villages that exhibited rather individualistic traits. Concerning the latter, at the beginning of the development, some villagers were not cooperative and refused to show potential tourism trekking routes. Once trust was gained and the tours were up and running, multiple requests were made by different villagers to adjust the trekking routes or change components of the tourism product such as charging an entrance fee to the village and similar.

**Guideline:** Working with communities demands a lot of **flexibility and patience**, since nevertheless it is important to let the community own the decision-making process through a **bottom-up approach**. Therefore, the way of working should be slowed down to suit the villagers' mode of working. **Starting at a household level**, i.e. going from house to house to personally meet community members, discuss and share ideas without pushing villagers to attend meetings, has helped to gain trust and convey a better understanding of the purpose of the cultural tours and tourism in general. At all times, it was crucial to work together with **regional experts**. In the case of Kayah, consultants from bordering Thailand were hired as well as a local expert, who grew up in the region, but spent part of his life in the UK. In that sense, the experts were qualified to understand both European and Myanmar's cultural contexts and were hence able to liaise with the both the community and foreigners.

**Rationale:** Jealousy amongst members of a community is a frequent occurrence in CBT and was also observed in Kayah State. Once the first tourism activities took place in the Kayah communities and villagers saw their neighbours benefiting from tourism, **jealousy** was raised among some of them. This was especially true for villagers who in the past had set up small souvenir shops to benefit from FITs who came to visit the villages on an irregular basis. They felt that the Inclusive Tourism project would take away their business by only allowing tour groups in the community, which hence created a clash between the old and new tourism practices and its stakeholders.

**Guideline:** Jealousy amongst villagers can be turned into **competition spirit** by employing an **"open door policy"**, meaning that new households that decide to take part in the tourism project can be included into the programme on a rolling basis. This was facilitated by creating a local Tourism Community Club that could absorb such requests, and by holding regular trainings in the villages where everybody was welcome to join. Also, the above-mentioned household level approach has helped to create a sense of **inclusion and integrity**. The experts furthermore took time to especially talk to the older generation of tourism workers who felt left out by the benefits of the newly established tours, and explained to them how they could be part of the Inclusive Tourism project.

**Rationale:** It was reported by tourists to their organizing tour operators that local and community guides in Kayah State were sometimes perceived as rather **"stiff and awkward"** in the presents of new tour groups. Other feedback from tourists found components of the trip such as the **cultural tours as lengthy** and "too slow". This is partly due to the fact that at times there are as many as three guides present, who have to translate to one another (a community that only speaks the local ethnic language, a local guide from the ground-handler who translates into English, and the tour group leader from the inbound tour operators who speaks the tourist group's native language). This takes up a lot of time, in addition to which **information presented by**

**the local tour guide often lacked interpretation** and hence didn't satisfy the tourist's need for understanding and insight into the local culture.

*Guideline:* Tour operators who send tour groups to Kayah State have found solutions for “**breaking the ice**” between the local tour guide and the tourists by incorporating a small **get-together over drinks at the beginning of each trip** into their programme. Guides are furthermore briefed in advance of the specific needs and wants of the tourists, so that they could pay attention to the groups' dynamic, special wishes and demands. This has helped significantly to make the tour guides **at ease and more confident** around the group. In the communities, villagers have received **cultural exchange media**, i.e. flash cards and language sheets, which enabled them to initiate simple conversations with the tourists, making both sides visibly feel more appreciated and at ease. Lastly, training was provided specifically focussing on the *Story* aspect of the 3S approach (see chapter 4.1.2.) to improve the quality of information provided along cultural highlights and interpretation points. However, it should also be noted that such improvement naturally develops as tour guides collect more experience and confidence, and should hence be given sufficient time and patience.

### 5.3. Lessons Learned: Building export capacity for Yangon tour operators

*Rationale:* When working with the Yangon tour operators, it was found that especially their **communication skills needed improvement**. At the beginning of the training, Myanmar tour operators were not able to market themselves in a clear and direct way or present their USP to international partners and clients. Furthermore, some tour operators **were reluctant to provide company internal information** such as turnover and other financial details in the scope of the training.

*Guideline:* Experience showed that training is most effective when **prioritizing quality over quantity**. In that sense, a maximum of 25 tour operators was selected for the two-year training. Nevertheless, the **process had to be slowed down** in order to make sure that knowledge was retained. It was highly important to **build up a trusted relationship** with the tour operators. Instead of email, long-distance coaching and conversations between the coach and tour operators frequently took place via personal Facebook accounts. It should be noted that a **significant amount of investment** for every tour operator is needed so as to prepare them sufficiently for the international tourism industry. It should also be noted that experience shows that real growth is usually only observed during the third year of training before tour operators become self-reliant in the fourth.

*Rationale:* Although a strong effort was made to attract tourism educational institutes to the EXPRO training and possibly follow-up coach programme, it appeared extremely difficult to do so. As the tourism industry in Myanmar is still in its infancy, **no retired, experienced tourism professionals to provide impartial coaching were found**, as it would be the case in countries with a more mature tourism industry.

*Guideline:* Instead of retired tourism professionals, most coaches who applied were still active managers of travel companies, which hence provided **peer-to-peer coaching** for fellow tourism professionals. Here it should be noted that it is remarkable that these peer coaches were willing to share their knowledge and skills with competitors. When asked about their reasons, they indicated that there is a general sense of **solidarity and willingness to work together** towards the common goal of developing and building up the country after decades of isolation. ITC consultants involved in the training note that this approach might not work in other cultural settings, and that selection of suitable trainers should therefore take place with due diligence.

***Rationale:*** Throughout the tour operator export training, events such as trade fairs were attended so as to push the Kayah product onto to the European tourism market via the inbound Yangon tour operators. However, this proved rather difficult, since outbound, international **tour operators didn't understand the selling of a "package"** comprising of an inbound tour operator in combination with a CBT product. Often outbound tour operators were interested in the Kayah product but already had another Myanmar inbound partner they worked with; or they were interested in working with the inbound, but CBT didn't fit into their portfolio. This lead to some confusion and missed opportunities on both sides.

***Guideline:*** Instead of promoting the combination of inbound tour operator and the Kayah product, the approach was changed to **firstly create an inventory of the Yangon tour operators' supply chain**. Several of them already had connections to European partners. Therefore, at travel trade fairs, meetings were organized with outbound European tour operators and their inbound Myanmar counterparts to explore options to include Kayah State in their product portfolio, hence to start the process of **pushing the Kayah product into this already existing partnership**. This has proven a much more effective method than the one applied previously.

***Rationale:*** During the on-site coaching workshops and training sessions, it frequently occurred that tour operators sent different staff members to every training session. As a result, these staff members **struggled to understand the content of the training** sessions since one lesson would draw on knowledge discussed in the preceding ones.

***Guideline:*** Apart from advising the tour operators to send one dedicated worker - preferably the owner or manager - to the training sessions, it is also an option (given sufficient budget) to send the group of selected tour operators **abroad to conduct a one-week intensive training**, as was done by CBI in The Hague. In this way it is assured that trainings are attended and knowledge is retained by one person. Another technique that helps participants to recap on the learned content is **frequent reporting and homework** that needs to be handed in to the coach on set deadlines.

***Rationale:*** Export capacity training for Yangon tour operators started during the second year of NTF III, thus was only running for two out of three years of the initiative. This is why at the end of the programme tour operators still requested support and guidance in some areas, indicating that **two years of training were not enough** time to reach a long-term self-sustaining level for the participants.

***Guideline:*** It is recommended to give **equal amount of priority to destination marketing and destination development**, and hence, to include the tour operator export capacity component from the very beginning. This obviously is a matter of budget, which is why ITC and CBI made the decision to fully integrate their operations under NTF IV, in this way assuring that equal priority is given to both parts of the initiative.

***Note:*** NTF IV plans to develop a second state in Myanmar as part of the Inclusive Tourism project. After developing the first CBT destination, adding any additional states to the portfolio will require significantly less investment of time and budget, since the already existing pool of tour operators and peer coaches can be utilized to push the newly developed destination onto the market.

## 5.4. Strengthening associations and governmental institutions

**Rationale:** When working with the established Kayah tourism associations, non-responsiveness due to **internal tensions** was observed. After the decision of the Restaurant Association to not implement a night market for which a business plan had already been developed, it was decided to momentarily retrieve technical support.

**Guideline:** This issue was tackled by strengthening, monitoring and following up with the associations through the NTF III local office and staff members. Even though training was suspended, work and communication was kept up on different levels, and an “**open door**” **policy** was adopted. This meant that ITC did not push further but indicated their willingness to re-engage in case interest and commitment from the association’s side was express.

**Rationale:** Part of the investment in technical support for national associations did not have high return, given the association’s shortage in budget, time and labour force. **Taught skills could not be retained** within the organization, which is partly due to external factors such as the highly volatile and fast-changing business environment in Myanmar after its recent opening. Qualified labour force is in high demand, and employees are thus prone to change their profession as new opportunities arise. Most work in associations was done on a voluntary basis with hardly any budget allocated by the government and a **conflict of interest** existed since public sector staff had holdings in private sector tourism businesses.

**Guidelines:** It should be noted that in general there is a higher chance of failure when investing in institutions, since the leverage that can be asserted on such institutional level by development organizations is comparatively low. Therefore, if the overall institutional environment is unfavourable, investments should be placed with due diligence. **Giving incentives and taking small steps** has helped to better control the process and to find out along the way up to which point investments are still effective. In the case where an institution could not provide the necessary human resources or capacities needed for effective retainment of skills, investments should be reduced to a minimum.

