



VIETNAM



CHAPTER

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Initiative I

Community-Based Poverty Reduction Tourism Program

I.0 GENERAL INFORMATION

Official Name of “Best Practice” Initiative	Community-Based Poverty Reduction Tourism Program
Name of Contributor/ Organization	Viet Nam National Administration of Tourism (VNAT)
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Year the Initiative Was Started & Completed	2003 - 2006
Location of Best Practice Project	Kim Bong Carpenter Village is located in Cam Kim Commune, Hoi An Town, Quang Nam Province.

2.0 KEY SUMMARY

- 2.1 Approximately 4 billion people live on less than US\$2 a day, half of whom subsist on less than US\$1 a day. Ten years ago, 58% of the population was still living under the poverty line. Since then, Vietnam has been working with many international agencies and NGOs, adopting various measures and tools to eradicate poverty. Today, Vietnam is a success story and is regarded as a ‘poverty elevation champion’ among developing countries. It has reduced the poverty rate by almost two thirds in 10 years.
- 2.2 Tourism is already recognized as a powerful tool for generating revenue and employment particularly in rural areas and is one of the most effective tools for developing economies to combat poverty. In 2002, VNAT raised an idea of developing a pro-poor community-based tourism initiative with the International Trade Centre (ITC), the technical cooperation agency of the United



Nations Conference on Trade and Development (UNCTAD) and World Trade Organization (WTO).

- 2.3 VNAT was interested in one of ITC's programs, the 'Export-led Poverty Reduction Program', which has been successful in other countries and they wanted to incorporate and/or replicate a poverty reduction program into a tourism initiative and developed it as a community-driven, sustainable tourism product. It is their belief and conviction that disadvantaged women and men are capable of developing themselves and their communities through activities related to sustainable tourism, thereby improving their livelihoods and become a model for local and national authorities.
- 2.4 It was implemented in 2004 in Kim Bong village in Hoi An, a World Heritage site. Like Hoi An, Kim Bong Village also has a rich cultural and natural heritage, where tourists to the village, made trips to its famed traditional carpentry workshops and the scenic riverside landscape. However, its tourism industry did not grow and sales of its products remained low as it was not able to capitalize on the 'spillover effect' from Hoi An's booming tourism industry due to poor marketing, presentation, packaging and product design and development.
- 2.5 The approach is to package an existing tourism attraction in the area by combining it with a few other products to enhance its overall attractiveness. The proposed initiatives were implemented to address and correct this situation.



3.0 THE OBJECTIVES

- 3.1 Reduce poverty, raise income, generate employment and improve the livelihood of 84 households with about 400 people;
- 3.2 Develop and diversify the cultural/heritage tourism products and promote the village tourism industry;
- 3.3 Increase the number of visitors and their length of stay in the booming tourism town of Hoi An, and to capitalize on those who want to extend their visit to Kim Bong.

4.0 THE MODEL

- 4.1 Essentially, this is an Export-led Poverty Reduction Program to reduce poverty through the generation of employment and higher income for the disadvantaged community of Kim Bong Village in Hoi An. It involves a number of stages:

4.1.1 Stage 1: Opportunity Study

- An extensive analysis of local cultural attractions and tourist markets and a community-based tourism (CBT) strategy was designed with local multi stake holders' participation in collaboration with the Hoi An tourism authorities;
- Three (3) sites were proposed for the CBT initiative and Kim Bong was selected due to its proximity to Hoi An, a world heritage tourists destination site which can provide a ready market for the product;
- A needs analysis was done to determine
 - a) Communities who are capable of producing marketable products;
 - b) Committed national trade support institutions; and
 - c) National buyers and/or exporters.

4.1.2 Stage 2: Putting It All Together

- A socio-economic diagnosis and a survey on the structure and demands of tourists coming to Kim Bong Village/Hoi An, and an analysis on the product portfolio;
- Partnership between ITC's EPRP team, VNAT, the Quang Nam Tourism Department, the Hoi An Commerce and Tourism Department and the local People's Committees culminated in a joint agreement on a project action plan in mid 2004;

- The stakeholders came together to meet and agree on the project document, the defined responsibilities and the formal operational arrangements required for the implementation of the project;
- The CBT cooperative was set up, with a tourism information centre and showroom in Kim Bong. Capacity building workshops and targeted consultancy were also delivered to strengthen the tourism cooperative and local tourism department.



Refer to Appendix 4 On Roles Of Stakeholders.

4.1.3 Stage 3: Development

- Developing and promoting the Tourism Trail for visitors and the carpentry craft tradition as the two main attractions in Kim Bong Village. Skills training was given to cooperative members and marketing outlets with local tour operators and hotels.

Refer to Appendix 5 On The Implementation Stages In The Community-Based Poverty Reduction Tourism Program.

5.0 THE IMPACT

5.1 These results were recorded:

- The tourism product has been upgraded and new attractions were added; for example, the Village Walks and Bicycle Trail;
- The Visitor Centre now serves as a focal point for incoming tours;
- On-the-job training for local community has now enabled more than 30 villagers to join the local tourism cooperative and participate in the project;
- Market linkages have been established with 5 tour operators and 2 hotels in Hoi An;
- The local and provincial tourism authorities have now included Kim Bong in the Quang Nam Festival promotions;
- The additional revenue for the tourism cooperative generated from entrance fees and different walks and trails is estimated to be around US\$ 16,000 in the first year. Part of this income is distributed through a Community Fund



that benefits all 400 inhabitants of Kim Bong. In addition, the new sustainable tourism flows also trigger more sales of local products and generate new employment opportunities for guides and hospitality service providers in the village.

- 5.2 Currently, the benefits are only the tip of the iceberg. Full potentials and benefits have not been tapped from the initiative; for example, the further generation of revenue from the membership of the Kim Bong Tourist Service Cooperative. Additionally, what is also not fully tapped is the 'spillover and trickle down' effect from the ongoing tourism boom in Hoi An; for example, from the value chain of hotel resorts there.

6.0 LESSONS LEARNED

- 6.1 One of the primary lessons drawn from the CBT project in Kim Bong is that local communities and their leaders must be the main players for any project to be successful and sustainable. Local government leaders need to be committed to the project and support the actions of the benefiting community like the setting of a facilitating policy framework and investing in the infrastructure. A strong and enthusiastic team should be built among the local community. It is imperative that the momentum for change comes from the people who are to be impacted by the project.
- 6.2 A second lesson relates to the nature of quality tourism offers. Key emphasis must be put on the development of local capacities and skills in hospitality, languages, interpretation and business management. One has to go a long way to make the alternative concept of community-based tourism understood by related stakeholders, government authorities and project beneficiaries.
- 6.3 A third lesson is that public-private partnership is not an option, but absolutely necessary. Profitability and social responsibility are not exclusive. A higher involvement of local communities can add to the attractiveness of the place and reduce sourcing costs for the tourism industry. While the government is in the position to set the right policy incentives for tourism development, the private sector holds the key for the successful marketing of tourism products.