



ITC IN ACTION

# joint ACTION

For inclusive tourism in  
Inhambane, Mozambique



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**T**he past decade has seen tourism drive poverty reduction, especially in Africa. Investments in the tourism industry have led to new employment opportunities and increased income for poor communities situated close to tourist destinations as a result of tourists spending more time and money in these areas. Indeed, developments in the tourism industry and its related value chains have resulted in notable increases in trade through tourism.

This is the case of the Mozambican coastal town of Inhambane and surrounding beaches, which implemented successful poverty reduction activities resulting in enhanced tourism revenues. In 2007, SNV (Netherlands Development Organisation) began an integrated approach promoting sustainable, pro-poor – or inclusive – tourism.

## Setting and approach

The town of Inhambane is 500 kilometres north of Mozambique's capital, Maputo, and has a population of some 70,000 people. The town is attractive and full of history, but tourists normally head straight to the beach to go diving or deep-sea fishing and to enjoy resort life.

Despite its natural beauty, the province of Inhambane is Mozambique's poorest, with more than 80% of the population living below the poverty threshold. Poor soils and an unfavourable climate limit agricultural activity. As a result, tourism is now a key target sector with potential spin-offs to education, health, water and sanitation.

To develop a sustainable approach to tourism development, the Provincial Directorate of Tourism in Inhambane, in collaboration with SNV, employed the value-chain analysis methodology developed in 2007 by the Overseas Development Institute and ITC to investigate

trends in tourism and linkages between the tourism industry and the food and beverage, accommodation, and shopping and excursions sectors.

## Examining the tourism industry in 2007

In 2006, Inhambane welcomed 30,000 tourists, more than 50% of whom were South Africans; 17% were Mozambican nationals. However, Inhambane's hotels have a low occupancy rate (17%) with high seasonal fluctuations and tourists staying for an average of 3.4 nights.

Although total tourism revenue was estimated at US\$ 20–25 million per year, only 13% of that income went to the poor, who account for 90% of the workforce. In effect, research revealed that the tourism industry employs 2,400 people, 80% of whom earn the minimum wage of US\$ 80 per month.

An analysis of the value chain showed, for instance, that in the food and beverage sub-sector, the only local product supplied widely to tourist facilities in the area was seafood. The majority of other products did not meet international quality standards and were thus imported, especially from South Africa and at times from other Mozambican provinces. Indeed, only 20% of vegetables and 10% of fruits were sourced locally. The value-chain analysis also provided valuable information about which produce to focus on to action the best possible levers for poverty reduction.

Excursions and activities, another sub-sector, was more prominent, specifically arts and crafts, food and dance. According to statistics, monthly earnings of arts and craft producers and sellers can vary seasonally from US\$ 80 to US\$ 1,000.

## Priority setting and activities to boost tourism

Following focus group discussions among stakeholders, new priorities and action plans have evolved and been implemented. Tourist arrivals nearly doubled from 30,000 in 2006 to more than 50,000 in 2009. Also, tourists stayed on average longer in the area.

A number of activities have been undertaken to boost the tourism industry including the development of public-private partnerships, in which government and industry representatives collaborated to promote the destination, e.g. through travel shows and diving events.

Developments have also been achieved in the agricultural supply chains. There has been local spin-off from the ITC Export-led Poverty Reduction Programme pilot horticulture project in the Maputo region. Year-round production of quality vegetables is feasible in greenhouses with coconut substrate, with a return on invest-



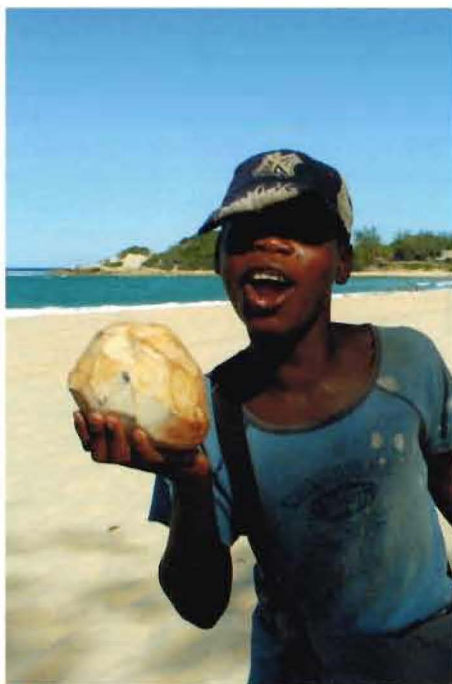
ment of about 35%. The objective of this initiative is eventually to reduce the need for importing fresh fruits and vegetables. In order to achieve this goal, SNV and ITC are jointly preparing to expand the greenhouse technology into strategic regions of the country.

In terms of product development, a monthly cultural fair (InhambARTE), attracting both domestic and international tourists, offers increased income to local small and informal sellers of arts and crafts and local dishes, and to dance and music groups. In addition, the Government, in collaboration with private sector partners, has worked to develop vocational skills by introducing targeted training for current staff in food preparation and hospitality management. It is expected that courses will expand into trades related to construction and maintenance.

More generally, in the business of inclusive tourism and corporate social responsibility, Barra Resorts, which pioneered development at the popular Barra beach, has invested in road development to benefit all users. The resort also contributes to basic education through building classrooms and supplying water, sanitation, electricity and school materials, as well as support to orphans and business support for local entrepreneurs. Other developments include ALMA, a local non-governmental organization, which introduced a waste recycling programme to keep tourist areas clean.

#### Lessons learned and the way forward

The use of stakeholder meetings to agree on priorities, derived from value-chain analysis and charting action plans, has helped put Inhambane's inclusive and sustainable tourism approach into practice to the benefit of many of its poorer citizens and provides a role model for others to follow. ①



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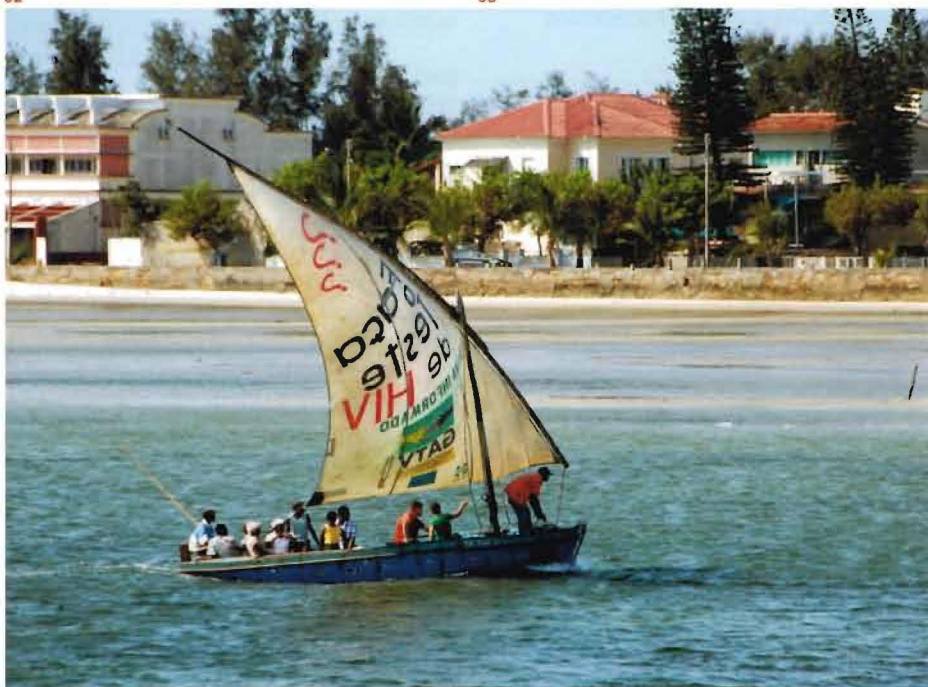


Mozambique

- 01 Inhambane's sustainable tourism approach is creating opportunities for future generations.
- 02 Inhambane cityscape with the municipality administration in the foreground.
- 03 A typical greenhouse, built with ITC technical assistance.
- 04 Inhambane's waterfront, with a distinctive dhow sailing boat.



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