

Tourism Business Support Program

1. Establish a Tourism SME **Business Support** Program for Accommodation and Tours in 6 Provinces (existing operators only)
2. Develop a **Renewable Energy Subsidy** Program targeting tourism businesses
3. Identify **Agritourism** Projects for funding

Tourism Business Support Program

- Conducted a **Business Needs Analysis** using two main methods:
 - ▶ Identifying the main business requirements and problems outlined in the VTOMS survey forms returned to DoT, from 155 tourism businesses (23% of total of 683) in Shefa, Sanma, Tafea and Penama,
 - ▶ Interviewing key stakeholders at DoT, VTO, VCCI, VNPF, RBV, funding agencies and the 5 commercial banks.
- Identified **5 main categories** requiring funding assistance to manage risk and increase business resilience: immediate survival activities; Operational Needs; Legal Compliance; Facility Improvements; and Marketing Activities. Also identified some training needs.
- **Estimated and projected costs** for each category in 3 main scenarios: 23% of those surveyed (Vt 202m); if 70% of businesses survive (Vt 768m); if 100% of businesses survive (Vt 1.1 billion).
- **Implementation** from early 2021 – Pilot program to be conducted using selected businesses for an initial survival grant and a later on a subsidy scheme once borders re-open.

Tourism Business Support Program

- The initial **selection/assessment criteria** for tourism SME's to receive funding through either a support grant or a subsidy will be based on the applicant meeting the following sustainability and financial criteria:
 - ▶ Hold a current **Business Licence** and Tourism Permit
 - ▶ Sign a **Code of Practice** supporting the VSTP sustainable tourism principles and goals
 - ▶ Engage in relevant **training programs** e.g. SBO and Financial Literacy
 - ▶ Application form must be lodged with all supporting **financial and business documents**.
- Recommended that the Dept of Tourism establish an on-going **Sustainable Tourism Support Fund**, partnering with development partners.
- **Funds** could be sourced from the various support programs being offered by the High Commissions, World Bank (WB), the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB).

“Sustainable Tourism Support Program” - STRUCTURE

Sustainable Tourism Support Fund Committee

Applications from tourism businesses (accommodation & tours).

DoT
1. Customer Interaction & Collection of Information. Screening and initial assessment.

The Tourism Business Lending Process

2. Credit Analysis

3. Credit Assessment & Documentation

4. Support Approval

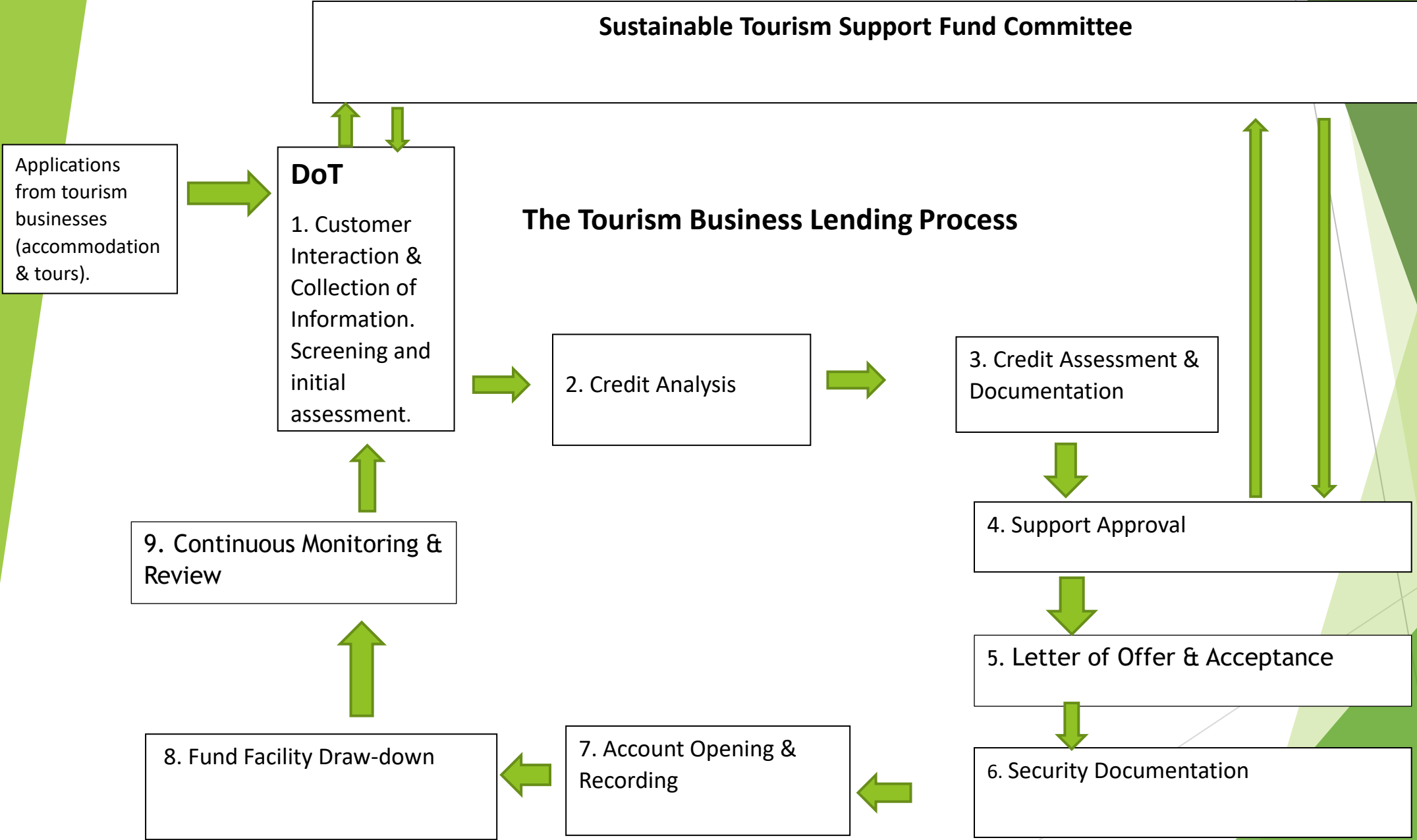
5. Letter of Offer & Acceptance

6. Security Documentation

7. Account Opening & Recording

8. Fund Facility Draw-down

9. Continuous Monitoring & Review



Sustainable Tourism Support Fund Committee:

- DoT as Chairperson
- Government Departments
- Private Sector Representatives
- Development Partners Representatives
- Bankers Association Representative

The Role of the Committee:

- Ensure all Programs that are developed and supported are guided and directed by the VSTP and VSTS
- Act as the Trustee for the Sustainable Tourism Support Fund by supervising the distribution of funds to recommended tourism businesses based on the application process and criteria.
- DoT would provide a specialist Co-ordinator and Assessment Team

Renewable Energy Program for Tourism

- ▶ Reviewed and advised on the final draft **MoU between DoE and DoT**, to allow tourism businesses to utilise funding through the GGGI and **National Green Energy Fund**
- ▶ **Subsidies for RE equipment** have been recommended in the Tourism Business Support Program report.
- ▶ Facilitated 3 companies with the launch of the *FibreIce* solar freezer. A formal business agreement is being negotiated.
- ▶ Sent *Pacific Hotels RE and EE Handbook* (Co-authored by Geoff Hyde) to VHRA and VNPF. This can also be used by DoT through the MoU to encourage energy audits for Vanuatu hotels and resorts, in the post Covid period.

Agritourism Case Studies

- ▶ Lapita Catering and Lapita Lodge
- ▶ Tanna Evergreen Resort and Farming
- ▶ Vanuatu Jungle Zipline Diversifying into Agritourism (cattle, macadamia, cacao) Farm Tours and Chocolate Factory Tours
- ▶ Tanna Coffee Agritour - Tanna and PV
- ▶ Vorganic Fertilizer Production, Farm Tour and Farm Stay with on-site Tamanu oil and Noni juice factories.

Tabeana and Happy New Year!