TURNING TOURISM POTENTIAL INTO PROJECTS

Finding the Opportunity: Diagnosing Tourism Constraints and Opportunities



Presented by:

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Begin at the Top: Determine the Priority Development Objectives



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Choose your Path: Define the Tourism Opportunity

Tourism is not always the answer and does not work everywhere. Determining the pathway for tourism contribution is critical as it defined what type of tourism should be developed or managed.

Jobs & Livelihoods	What market segments can create jobs?	Alignment with skills
Rural Development	What linkages already exist with tourism?	What do communities want?
Inclusion for women and youth	How ready are they to participate in tourism?	What is holding them back?
Local Value Addition	What limits local sourcing?	What markets will drive local spending?
Fiscal revenue generation	What types of taxes will generate revenue?	How will taxes influence tourism?
Conservation	What markets will support conservation objectives?	Are products aligned with market demand?

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Dig Deeper: What's the underlying constraint?

Systemic barriers that prevent tourism markets from functioning efficiently and discourage investment

INFORMATION FAILURES
Limited or poor information increases uncertainty and risk

PUBLIC GOODS
Underprovided shared assets reduce destination competitiveness

MISSING OR IMMATURE MARKETS
Lack of finance and risk solutions limits investment capacity

CAPABILITY GAPS
Limited skills and capacity constrain ability to seize opportunities



COORDINATION FAILURES
Weak alignment across actors and sectors creates gaps and delays

EXTERNALITIES
Unpriced environmental and social impacts create hidden costs and risks

CONCENTRATION OF MARKET POWER
Dominant players limit competition, raise costs, and reduce local benefits

WHEN MARKET FAILURES PERSIST

Higher risk and costs • Lower returns • Fewer investors
Delayed or cancelled projects • Lower quality outcomes

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Standard Tourism Diagnostic

1. Define the scope.
2. Identify evidence base.
3. Assess sector performance and markets.
4. Assess relevant regions, destinations, and products.
5. Review government institutional, and partner responses.
6. Validate and prioritize the findings.
7. Develop the problem analysis.

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Dig in the Right Direction: Determine which diagnostics will help you understand

Treat tourism as an integrated economic ecosystem and implement diagnostics around critical challenges

- Market demand assessments to verify demand and understand target market characteristics
- Market sounding to determine private sector opportunities from the outset
- Baseline supply studies to determine existing capacity and offering
- Skills and human resource mapping to identify skills gaps and social challenges limiting participation
- Community engagement to determine tourism vision (beyond safeguards)
- Carrying capacity or acceptable limits of change studies to determine maximin load of visitors for a destination attraction
- Investable site and trunk infrastructure mapping
- Leverage tourism statistics and data (Blue Track C)

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Use the Results to Build the Right Interventions

Which public investments, reforms, and private actions address those barriers?

Link investments to market failures	Investments should target most critical issues and constraints.	Investments should target the underlying issues not the symptom as much as possible .
Differentiate public-good investments from commercial assets.	Government should prioritize enabling infrastructure and destination management	Private investors should lead where revenues can sustain commercial returns.
Use sovereign support to close bankability gaps	Regulatory reforms should address identifiable constraints.	Public financing, guarantees, viability-gap support, land assembly and infrastructure.
Mobilize private capital	Leverage PPPs, Concessions, corporate investment, SME finance, institutional	Head to session Orange D

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Core Principles for Tourism Sector Diagnostics

Evidence-based and transparent

Use best available quantitative and qualitative evidence and triangulate official statistics with surveys, research, consultations, market intelligence, and other credible sources.

Selective and decision-oriented

Focus on constraints, opportunities, markets, and institutional issues that materially affect tourism performance. Explain the causes and consequences of the principal issues rather than compile all available information.

Market-driven

Selection of destinations, products, and infrastructure should be informed by market demand and commercial viability. Existence of tourism assets or their identification in government plans does not, by itself, demonstrate demand or justify investment.

Implementation-focused

Examine whether policies, institutions, and proposed interventions can be implemented in practice including assessing the mandates, budgets, and delivery capacity of implementing agencies, need for coordination mechanisms, and responsibility for O&M.

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Development Results

How will success against the original development objectives be measured?

Determine if your intervention will address the barriers by looking for the logical links

Develop a theory of change to map the logical link - Head to Blue Track B

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ADB's Approach to Sustainable Tourism Design

1 Understand the Development Objectives

- Jobs
- Entrepreneurship/ MSMEs
- Investment
- Public revenues
- Foreign exchange
- Urban or rural development
- RCI
- Sustainability, Inclusion or Resilience

2 Determine how Tourism Can Contribute to Development

- Does tourism make sense in this destinations
- Can be it developed sustainably
- What are the risks
- What target markets can support objectives

Consider markets aligned with outcomes. Different markets create value, demand, jobs or investment.

3 Identify Market Failures and Constraints for Tourism Growth or Sustainability

- Information asymmetries
- Coordination failures
- Lack of public goods/ RPG
- Concentrated market powers
- Missing/immature markets
- Externalities
- Missing capabilities

Identify market failures at destination, national and regional levels. Consider solutions to Regional Public Goods Failures.

4 Design Interventions to Address these Failures

- Assess market demand
- Determine market segments
- Identify investment opportunities and constraints along value chain
- Integrate tourism institutional coordination mechanisms
- Coordinate across the region

5 Catalyze Private Sector Development and Investment

- Identify investment to catalyze private investment
- Demonstrate investor appetite
- Identify potential PPP/PSOD engagement
- Plan for O&M and asset mgmt.
- Identify PCM/PCE opportunities

Every revenue-generating or visitor-facing asset has an O&M and asset-management decision before detailed design

6 Sequence Investments and Long-Term Planning

- Plan infrastructure to both stimulate demand and cater to it
- Consider long term growth and capacity
- Ensure investments align with community vision
- Build adaptative capacity to absorb shocks

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NaVualiku
Tourism Development for the North

Finding the Opportunity: Diagnosing Tourism Constraints and Opportunities



ADB Sustainable Tourism Forum
18 November 2026
Presentation by: Jacinta Lal, Fiji

The development challenge and opportunity

~4%

of international visitors reach Vanua Levu

Tourism concentrates in the Western Division

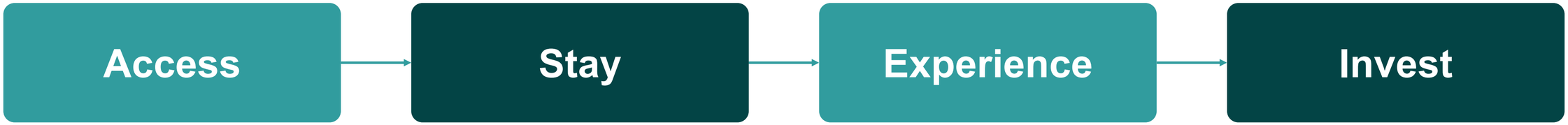
Limited job and enterprise opportunities in the North

The opportunity: more local jobs and balanced regional development

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A diagnostic across the tourism value chain

IFC Vanua Levu Tourism Market Assessment



Air and road connectivity

Rooms and essential services

Products, skills and market readiness

Conditions for private participation

Interconnected constraints require a coordinated investment response

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US$200m

Multi-Phase Programmatic Approach

Foundations → **Investment scaling** → **Learning and adaptation**

Conceptual sequencing across the programme

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ADB

ADB SUSTAINABLE TOURISM FORUM

Phased Approach over 10 Years

2024

2034

Phase 1: Setting foundational framework and implementing demonstration projects

Phase 1 Official Launch: September 2024

Phase 1 Closing Date: June 2029

Phase 2: Putting physical and social capital in place

Phase 3: Full roll out of Intergrated Tourism Master Plan

Phase 1: Objectives

- Invest in targeted infrastructure and essential services.
- Establish tourism coordination and private sector participation in tourism
- Establish mechanism for environmental sustainability of tourism assets

Phase 2: Objectives

- Improve delivery of resilient essential services
- Expand connectivity infrastructure
- Expand private sector offering of tourism services
- Improve tourism skills, especially for women
- Enhance environmental sustainability of tourism assets

Phase 3: Objectives

- Increase tourism related jobs through strengthened private sector.
- Embed plans for ongoing essential services & connectivity infrastructure development & management
- Embed destination management
- Embed conservation of tourism assets

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Phase 1: Na Vualiku Project (US$ 61.5m)

Component 1: Overcoming Barriers & Developing Sustainable Tourism

Component 2: Building Resilient Tourism Infrastructure

Component 3: Tourism Capacity Enhancement & Project Management

Six areas of work

Phase 1 activities grouped by what they do for Vanua Levu and Taveuni

1 Planning for the Future

Tourism Master Plan, Environmental and Social Assessment, Airport planning

2 Connecting the North

Labasa Airport, Savusavu Airport, Cross-Island Road

3 Better Towns and Services

Town centres, Solid waste, Wastewater and sanitation, Rooftop solar

4 Caring for Nature

Waisali Forest Reserve, Natewa biodiversity

5 Communities, Landowners and Local Business

TLTB support, Community tourism grants, Business support

6 Preparedness and Tracking Results

Emergency preparedness, Visitor survey, Baseline survey

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Fiji Tourism Development Program in Vanua Levu (Na Vualiku Project): Status update as of November 2026

Ministry of Tourism and Civil Aviation · WORLD BANK GROUP · NaVualiku Tourism Development for the North · FIJI AIRPORTS · Fiji Roads Authority



2024

- Project effective
- Project launch
- Strategic Environmental and Social Assessment (SESA) started
- Stakeholder consultations

2025

- Cross Island Road design
- Integrated Tourism Master (ITMP) Plan commenced
- MSME & Community-Based Tourism Operators Support program launched
- Labasa & Matei Airport Master Plans commenced
- Stakeholder consultations

2026

- Labasa Airport emergency runway strengthening done
- ITMP Baseline Report and Development Scenarios & Growth Forecasts done
- ITMP town-planning consultations done
- Interim SESA published
- International Visitor Survey pilot year
- Vanua Levu Airport Feasibility Study
- Taveuni Air Connectivity Study
- Savusavu Airport investigations & design
- Labasa & Matei Airport Master Plans
- Labasa Remote Tower / AFIS
- Solid Waste options study
- Savusavu Sanitation Master Plan & fieldwork
- Labasa & Savusavu town-centre designs
- Waisali Rainforest Reserve enhancement
- Northern Fiji destination marketing
- CBT grants & MSME support
- Tourism Emergency Preparedness Plan
- TLTB tourism investment support
- Cross-Island Road design retender
- Solar feasibility & procurement

2027

- Final Integrated Tourism Master Plan
- Final SESA
- Vanua Levu Airport Feasibility Study
- Labasa & Savusavu Airport priority works
- Labasa Remote Tower / AFIS commissioning
- Solar installations
- CBT Small-scale infrstructure support
- Cross-Island Road design & works
- Waisali designs & works procurement
- Solid Waste interim improvements
- Savusavu Sanitation Master Plan & Action Plan
- Labasa & Savusavu town-centre works procurement

The destination vision guides investment

Strategic Environmental and Social Assessment

Risks, sensitive areas and cumulative impacts

Integrated Tourism Master Plan

Demand, spatial planning and community priorities

Shared destination vision

Infrastructure priorities

Capacity and skills

Sustainable demand

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Urgent improvements and long-term planning

NOW

No-regrets investments

- Solid waste
- Roads
- Airports

IN PARALLEL

- Studies and designs → Future investment priorities

SESA and ITMP guide scale, location and sequencing

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Infrastructure and enterprise development

Infrastructure and services → **Enterprise readiness** → **Destination marketing**

Access and reliable essential services

SMEs, community tourism and visitor experiences

Promotion matched to destination capacity

Local jobs, SME enterprise income and stronger supply chains

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Emerging lessons for other destinations

01	**Development outcomes**	Jobs and enterprise opportunities guide investment
02	**Whole value chain**	Address constraints together
03	**Realistic financing and time**	Allow for several investment cycles
04	**Planning alongside action**	Meet urgent needs while preparing future investment
05	**Local ownership from the outset**	Engage private sector, communities, landowners and enterprises early

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Vinaka

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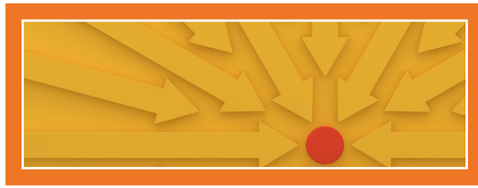
Case Study Instructions

Produce an evidence-based ADB project concept that connects the original development objective, tourism's prospective contribution, binding constraints, targeted interventions, and expected results.

Component	Required response
Development objective	What broader outcome is being pursued? Define the desired development outcomes.
Tourism's contribution	How could tourism realistically support it? Judge whether tourism can contribute and explain the pathway and the evidence.
Priority constraints	Which 2–3 market failures/ barriers that matter most, and what evidence supports them? Identify 2–3 binding constraints. Distinguish symptoms from root causes.
Underlying causes / Market failures	Why do these barriers persist, and what justifies public action? Explain relevant market failures and support conclusions with evidence.
Interventions	Which investments and reforms address the diagnosed causes? Select 3 complementary interventions and specify public/ADB and private sector roles. • Policy or regulatory reform • Public Good Infrastructure • Public Good Services • Capacity Building • Institutional Strengthening • Investment Promotion • Others
Expected results	Which impact will you project achieve?

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Key Lessons Learned



Start with development objectives, not arrival targets, infrastructure or solutions.



Establish tourism's contribution rather than assuming it.



Diagnose binding constraints and market failures before designing interventions.



Combine and sequence public action, institutional support, and private sector responses.



Identify the most appropriate and best use of scarce public resources

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Thank you!

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Key Questions

- What is the scope and purpose of the assessment? Is it clear which geographic areas, tourism segments, markets, and potential areas of ADB engagement are being assessed?
- How is the tourism sector performing? Does the assessment explain tourism's economic and development significance, recent performance, principal markets and products, geographic distribution, and major trends at a national and (if relevant) sub-national level?
- What are the principal problems and opportunities? Does it identify the most important constraints and opportunities, explain their causes and consequences, and show how they differ across relevant destinations or market segments?
- Is tourism development aligned with market demand? Does the assessment establish which markets and visitor segments are relevant and whether proposed locations, products, and infrastructure respond to demonstrated demand?
- What are the implications for sustainability and inclusion? Does the assessment consider environmental and climate risks, the management of tourism assets, and community participation, gender and social inclusion, local economic benefits, and potential adverse impacts?
- What support is already being provided? Does it explain how government, development partner, private sector, and existing ADB activities address the identified issues and where important gaps remain?
- What does the evidence imply for potential ADB support? Does the assessment provide clear, evidence-based problem analysis and identify where ADB could add value?
- How reliable is the assessment? Are its principal conclusions supported by current and appropriate evidence, with important limitations and information gaps clearly identified?

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